

HUNGARY

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KINGSLEY W. HAMILTON
Rotation Officer
Budapest (1937-1938)

Kingsley W. Hamilton was born in 1911 to Presbyterian missionaries in the Philippines. He attended high school in China, the Philippines and Ohio. He graduated from the College of Wooster in 1933. One of his favorite history professors topics on world history influenced his interest in international affairs. This led him to graduate work at the Fletcher School of Law and Diplomacy and his taking the Foreign Service Exam. He has also served in Hungary and Switzerland. He was interviewed by Charles Stuart Kennedy on December 9, 1994.

Q: So obviously you passed. How did the system in 1937 work? We're still in the depression, government is beginning to expand, but the United States is not a major player in the world in a way. Here you are a young guy just out of college, how did they absorb you into the Foreign Service?

HAMILTON: Well, they sent everyone right out to a post. I went to Budapest. Some of the officers at those posts were very good at helping young officers. I was rotated through several fields of activity--passports and help to American citizens, visas, and economic reporting.

Q: You went to Budapest and you were there from 1937 to '38, this is normal. Did we have a Legation?

HAMILTON: A Legation at that time.

Q: Who was the minister?

HAMILTON: I forget his first name, [John Flournoy] Montgomery was his last name, a political appointee.

Q: What was he like?

HAMILTON: Very capable, a pleasant man. The office ran smoothly--thanks in good measure to Howard K. Travers, First Secretary and Consul--and he seemed to get along well with the Hungarians. Since he did not care for opera or concerts, one of my jobs--a most pleasant one--was escorting Mrs. Montgomery to them.

Q: *What was the situation in Hungary in those days?*

HAMILTON: Well, it was a dictatorship, a benevolent dictatorship. Admiral Horthy was in charge, he was relatively mild. Things ran smoothly. Everything was in order and people seemed content. As far as normal living was concerned, there were no problems. It was a very pleasant life. The Hungarians were a friendly people, at least those in Budapest, the ones I had the most contact with.

Q: *What was our Legation doing in those days? What was the main interest?*

HAMILTON: Well, I don't know that it had any special interest. Of course I didn't get into that. Although I moved around in various assignments for a few months, it was all really on the consular side. I did some economic reporting, but I never got into any of the political work. As far as I could tell, the Legation was concentrating on keeping Washington informed of whatever of interest was going on. I was not aware of anything special.

Q: *Was the news from Germany and Hitler who was consolidating his power, and consolidating part of Germany, was this a subject of much speculation or interest?*

HAMILTON: It didn't seem to be. Hitler moved into Austria just after I left to come back to the Foreign Service School. I think it took everybody by surprise. When I went through Vienna for a few days on the way back to Washington there didn't seem to be any feeling of an impending German move.

JAMES COWLES HART BONBRIGHT

**Consular Officer
Budapest (1941-1942)**

Ambassador James Cowles Hart Bonbright entered the Foreign Service in 1927. His career included positions in Ottawa, Washington, DC, Brussels, Belgrade, Budapest, Paris, and an ambassadorship to Portugal. Ambassador Bonbright was interviewed by Peter Jessup in 1986.

Q: *Good morning, Ambassador Bonbright. You were in Budapest, I think, when we last broke off--en route or there?*

BONBRIGHT: I had got there by car with Ray Brock a few days before. The boat which we had arranged to charter to pick up our people in Belgrade took off on the night of May 13 down river

and picked everyone up and started back up again on the 18th, arriving on the 23rd. Most of the others, including the Lanes, stayed in Budapest for a few days and then went off in different directions. Sybil and I settled in.

The legation was in the hands of Mr. Herbert Claiborne Pell at that time. He had previously been minister to Portugal and had only just presented his letters of credence in Budapest.

Q: The father of Senator Pell?

BONBRIGHT: He was the father of Claiborne Pell, who was still at that time a young Foreign Service officer, but he was proved correct, because as of this day he's still a United States Senator from Rhode Island and a rather senior one at that. Mr. Pell was known around the legation privately as "The Vanishing American." This was only partly due to the fact that he had a rather large shaggy head and looked a little like an American bison, but he was a nice man, a good man, but seemed to be quite oblivious to what was going on in the world around him at that time.

Q: By "vanishing American," you meant an American of an ancient breed?

BONBRIGHT: Like the bison, yes. For instance, his daily staff meetings were quite incredible. It seemed to me, just having come from two countries overrun by war, we would sit around the table while he would give a little talk on some subject of no relevance. I remember one particularly he gave on the history of the old French coin, the Louis d'Or. In any other place or time, it might have been quite interesting, but for those of us having to sit there at that time, it made us restive.

The number two was a man named Howard Travers, known as "Purse." His main interest was in the administrative field; in fact, he was overline (sic) [as a] consular officer. I guess this is my day to say catty remarks, but he used to remind me of the old adage that "you can't make a silk purse out of a sow's ear." We kept that very quiet, because one of our officers who had been there the time before got into quite bad trouble by being a little too open in his comments. He was serving under a Mr. Montgomery, who made his fortune out of Carnation Milk, and this officer used to go around saying, "All I have I owe to `utters.'" Of course, this was too good to not spread around, and it eventually got back to Mr. Montgomery himself, and our friend was quickly recalled and, actually, it pretty well ended his career. He never got over it. So much for liking to wisecrack too much.

The next man in the office was Bill Schott, who did the political reporting.

Q: You had stayed with them en route to Belgrade.

BONBRIGHT: Yes. We had known them before briefly, and they're a very nice couple and good friends while we were there. Incidentally, he was the only one in the group who could speak any Hungarian and, at that, not very much. All I remember, though, was that he took lessons from one of the most beautiful Hungarian girls you ever would lay your eyes on.

Q: To digress for a moment, of all the countries you'd been in before that and since, wasn't there a plethora of stunning-looking Hungarian women?

BONBRIGHT: They seemed to me to have more than their share, very, very good-looking and very attractive, plus they're all wonderful linguists, which comes from living in a country with seven or eight borders with different countries and being overrun in war for centuries. The Poles have the same gift, I think, in language; they all can speak with great ease and fluency.

Q: For the record, would you define the Balkans? Are the Balkans only Bulgaria, Yugoslavia, and so forth? They don't include Hungary and Czechoslovakia, do they? What are the Balkans?

BONBRIGHT: In my thoughts and the way the geographical divisions in the State Department went, we considered Hungary as part of it. Czechoslovakia was sort of a borderline case. Albania, of course, but not Greece. Greece was separate.

Q: Romania would be Balkan.

BONBRIGHT: Yes. Definitely.

Q: It has sort of a pejorative or mocking sense, "Oh, that could only happen in the Balkans." And you really have to leave Hungary out of that, wouldn't you, because they were a cut above the other countries in discipline?

BONBRIGHT: In some ways, but they were the subject of the same terrible historical movements. I left that area very pessimistic about the future of the Balkans. They'd all done such terrible things to each other for so many centuries, and these were always just below the surface, boiling up. Whenever one of them got a chance to get even a little bit, they immediately took advantage of it with relish and kept the feuds going. That's why I thought the Hungarians were unwise to follow the Germans into Yugoslavia. I couldn't see that the Yugoslavs had anything much that the Hungarians needed or would have easily assimilated, but we rather looked at them as a pack of jackals at the time, those of us who had been in Yugoslavia.

Q: But for a population of roughly 9 or 10 million, there's an awful lot of talent in that.

BONBRIGHT: Yes, yes, there was.

Q: Musical.

BONBRIGHT: Very musical.

Q: Writers and athletes.

BONBRIGHT: Yes, they're a strange people. They have a very strange language; it bears no relationship to any other European language, except that it's somewhat like Finnish.

Q: A different family of languages. They use that term "Finno-Ugrian" for that body of languages. But Budapest was a lovely city, wasn't it?

BONBRIGHT: It was a gorgeous city. In normal times, in peacetime, it would have been a delightful post, as all my friends who ever served there under those conditions told me, but this time it was not at all agreeable.

Q: Did you like Hungarian food and wine, or is the food a bit heavy?

BONBRIGHT: I thought it was pretty good. It was better than the Serb food. We drank a good deal of a kind of champagne which they made there, which was quite good, and they had some sweet wines that we used to taste. But there were some, like Slivovitz, which was really more of a Yugoslav drink made of plums, sort of a plum brandy, and Baracs, which was Hungarian, made of apricots. After Belgrade, I couldn't look that stuff in the face, still can't and don't try.

Bill Schott was doing the political work. The only other career man was a vice consul who was burdened with the name of Outerbridge Horsey, which I thought was a very dirty trick by his parents. He was quite a popular young man. By dint of hard work, he persevered and overcame this great handicap and ended up as ambassador to Czechoslovakia and had a good career.

As in most legations or embassies, there are always lots of local people who were hired in various jobs and some of them are practically indispensable. In Belgrade, the man most useful to the legation was a man named Stolypin, who was quite Russian, related, I think, to a former Russian prime minister. He was our interpreter there, and without him, a lot of things just couldn't happen. In Budapest, the same place of importance was occupied by a man named Juhasz, who did everything for all our contacts, a very nice man, very good.

Q: Hungary at that time was under the Regent Admiral Horthy.

BONBRIGHT: Admiral Horthy, yes.

Q: Was he a musical comedy figure or a fairly substantial person?

BONBRIGHT: No, he was very substantial, very substantial, had a good reputation.

Q: He tried to fend off the Germans, didn't he, as long as he could?

BONBRIGHT: He held them off just as well as he could. Of course, he must have gone back to the Austro-Hungarian Empire days, but in Hungary in its present quarters, the admiral would have been confined to Lake Balaton and thereabouts. He was a fine man and revered, and helped keep things together. Of course, they finally did have to join the Axis. They were under heavy pressure all the time.

After Hungary joined the Axis, the British and the Belgians, among others, had to pull out, of course, and we were asked to look after their interests there. That turned out to be my job. It had been decided before that while most officers get both diplomatic and consular commissions in a

post, because it permits them to be shifted back and forth in jobs wherever they should be most useful, the idea behind this was that no one knew how long it would be before relations with Hungary would be broken as they had been with the other countries, but there was always a chance, even if diplomatic relations were severed, that a small office of one consul or something could be left to take care of certain interests. This was an unlikely scenario at best, and it turned out, of course, that it never happened, which was just as well, in my opinion. I had a desire to be home, not there.

Q: Were you authorized to expend US funds on behalf of British citizens and then bill the British Government back home? How did that work?

BONBRIGHT: There weren't any British citizens left hanging around. We kept a set of books on expenses that we were put to on their behalf. Both the Belgians and the British afterwards wanted somebody to stay in their legation minister's residence, and that being part of my job, Sybil and I moved into the residence of the Belgian legation and lived there for a while. It was a rather unhappy experience, and we were ultimately ousted. There was an old Hungarian woman there. She had Belgian connections, I think, through marriage or something. She didn't live in it, but she stayed there, and all our time she was busy buying and packaging a great deal of food and other things, which were sent off in cars.

Q: To where?

BONBRIGHT: This was ostensibly to charities, but I got the very firm impression after a while that she was dealing with the black market. Anyway, I couldn't prove anything, but she felt me breathing down the back of her neck and complained to the Belgian minister, who was then living in the United States, and without asking for or receiving any report from me about it, he asked that we leave, which I was happy to do. The lady in question, I'm sure, was delighted to see us go and went on with whatever she'd been doing before. I could care less.

Q: Amassing slightly less money than the Marcoses.

BONBRIGHT: Yes, quite a bit less. We then moved into the British legation and lived there very happily and comfortably until the end of our time there. It may sound a little grand for a junior officer to be living in the house of these ministers, but it was far less grand than it sounds. In both of the houses, everything had been put away and packed. In the Belgian legation, we took the covers off a couple of chairs in the living room and were able to use it, and we slept in the servants' quarters upstairs. It was comfortable, but it was not anything of great luxury. And the same way with the British; we didn't jump into the minister's bed or use their private things. We just opened up where we could sit and be comfortable. I think we took all our meals out, as I remember. I don't think we even cooked there; we didn't have any servants.

Q: This tour lasted until Pearl Harbor?

BONBRIGHT: Yes.

Q: Then everybody had to leave. Did you ever meet that legendary Swedish gentleman Raoul Wallenberg, or was he there at that time?

BONBRIGHT: No, I never met him.

Q: Was he there then?

BONBRIGHT: I forget when he disappeared.

Q: After the war.

BONBRIGHT: Yes, it was after.

Q: He worked in the Swedish Embassy.

BONBRIGHT: Yes. No, I never ran into him. It's a curious case, isn't it?

Q: It probably always will remain a mystery.

BONBRIGHT: I would think so.

The only time that we got away from Budapest that summer at all, we were given four or five days' leave to take a trip to the Hortobagy, part of the Great Plain of Hungary famous for its goose-shooting. I was very fond of shooting in my younger days, ducks and geese, quail, whatever. We stayed at a delightful hunting lodge there which had been a favorite place of the Prince of Wales, and I could see why. The actual shooting didn't amount to anything, which didn't bother me too much, but we would set off when it was still very dark in the morning in a horse-drawn cart with piles of straw in it to make us a little more comfortable, and we drove for several miles in the dark with our guide walking beside the carriage. As far as we could see, there were no landmarks of any kind. We weren't on a road. I could see no change in the contours of the plains. But after a certain time, he stopped in the pitch dark, got out a shovel and dug a pit, put in some straw, and there we were. That was our blind. He drove off somewhere. Then just as the light began to come, these great wavy lines of geese started to rise up out of the plains, the sun behind them, honking, going off in all directions. Nothing came near us, but it was an absolutely glorious sight.

The evening flight we moved, and this time, of course, we could see where we were going. We drove up to a fairly largish pond--there weren't too many of them around--and to my amazement, the guide went up to it, and less than a foot at the edge of the water he again took out a shovel and dug straight down three or four feet, and set us up again. There was the purest clay in the earth.

Q: The water wasn't seeping through?

BONBRIGHT: Not a drop came through, and we were that far from it. I've never seen anything like it. There again, the flocks, some of them, came pretty close to us, came over our heads as the

sun went down. It got pretty dark. I let fly a couple of times just to let them know we were there, but we never hit anything. I'm just as glad. If we'd hit something in the dark, I don't see how we'd have ever found it. We had no retrievers or anything. So that was our goose hunting experience, very enjoyable. I liked it.

The other thing that I got most out of in Hungary was the music. I forgot to mention that when we were in Washington in the late Thirties, I had taken up at the tender age of 35 the piano, which I had been forced to study a little when I was young, hated it and was no good. Rather than face my disagreeable looks, my mother finally gave up. But it suddenly hit me again, and I liked it very much and took lessons when I had a chance at night and all when we were in Washington. I didn't have any in Belgium; I gave it up. But the wife of our coat clerk in Belgrade who was a good pianist, gave me some lessons while I was there. Here in Budapest, we met an engineer and his wife Agi Yambor, who gave glorious concerts, and she used to come and play for us in the legation. She gave me lessons, too--a very nice woman. Her husband died at that time, and they were both Jewish and obviously very much worried.

Q: Rightly so.

BONBRIGHT: Rightly so. We were able to get visas for her and she got out, finally, through Sweden, and got over to the States, where we saw her some after we got back. She had a miserable time. She ended up marrying that movie actor Claude Rains, who beat the hell out of her and mistreated her just shamefully, a terrible thing.

Q: Claude Rains usually took roles in films in which he was a menacing, sinister fellow.

BONBRIGHT: He was. She finally disappeared from our lives, and I don't know what happened to her.

Q: This is Agi Yambor?

BONBRIGHT: Agi Yambor. The rest of that fall slipped along with nothing special or of interest to report until Pearl Harbor, which we heard about on the radio. We knew things had been tense for us, but this really came as quite a surprise to us. We, of course, declared war right away, and the pressure was immediately put on the Hungarians. As members of the Axis, they were required to declare war on us, too. They clearly didn't want to do it; it didn't serve their interests in any way. It was all political pressure. I think they had to. As a result of their ambivalent feelings, they went out of their way to be as nice as they could. Our internment was a joke; we were not restrained or confined in any way. The only thing, we were discreetly asked not to appear too much in public, to avoid being seen at the opera, things like that. Since Sybil and I didn't care for the opera, it was no hardship at all. This could have gone along indefinitely, I guess, but the Germans got fed up with it. They didn't like to see that we were free to move around and out loose, so they put great pressure on the Hungarians to turn us over to them for "safe keeping." The thought of being lugged off to Germany wasn't too agreeable to us. Well, it was disagreeable to the Hungarians, too, because they felt, quite rightly, that we were their prisoners, not the Germans'. They had declared war, and they regarded it as undignified and a slur on their sovereignty if they turned us over to them, but they wanted to get rid of us, to get rid

of the problem. So the deal was finally made, and it eventually involved a lot of people in Romania and Bulgaria as well, that we would all be shipped out to Portugal in a sealed train, and there we would not be allowed to work or to take any other assignments, we had to sit there and wait until the exchange with the Axis diplomats in the United States and South America would all gather together and went on board a ship. The Swedish liner GRIPSHOLM was used for this. This was going to take time, so we had quite a wait.

Q: In Lisbon?

BONBRIGHT: Yes.

Q: Which must have been filling up with refugees and emigres.

BONBRIGHT: It was lousy with them. The so-called sealed train--I always thought it a great honor to have been in a sealed train.

Q: Does that mean the windows were painted black?

BONBRIGHT: No, we could look out. I think it was about the 22nd of January of 1942, after first starting with our Romanian and Bulgarian people, arrived in Budapest, and we were put aboard. It was really a joy ride, much more like a deluxe ride on the Orient Express in the old days. There were two or three Hungarian protocol officers on board who were supposed to see that we didn't escape, but who spent their time trying to think of things that might please us, so that we were spoiled brats if there ever were any. The only restriction was that we were not allowed to get off the train at any stops, even to stretch our legs on the station platform.

Q: What route did this train take?

BONBRIGHT: We took off to the southwest and went through Ljubljana and Slovenia, then to Trieste, across northern Italy to the French Riviera and Marseille. There an important event occurred. Mrs. Pell had a dog that had been suffering from constipation, and she was in great agony over this and upset that she couldn't take the dog out and walk it. Well, the Hungarian protocol officer agreed to do the honors for this, and on the Marseille platform, in full view of everybody, the dog's ailment was cured. Everybody cheered and clapped.

From there we went on down to the Spanish border north of Barcelona. There we had to get off in the middle of the night and change trains. In fact, the Soviet Union Spanish railroad tracks were made wider than in the rest of Europe, which causes some inconvenience to peacetime, but it's a useful dodge in wartime to keep the enemy from moving quite so fast over your border. Anyway, we got moved into the other yard and took off. We stopped the next day in Madrid briefly, where people from our embassy came on to greet us and see if everything was all right. Then we went another night and arrived in Lisbon, a sight to see. As I remember, the trip took about three days.

We were all taken out to Estoril.

Q: I thought you had to have a title to be in Estoril.

BONBRIGHT: A hardship post. We were placed in a large hotel. I think it was called the Palacio, I don't remember, where we all began to get a little on each other's nerves. There was a Dutch couple there who Sybil and I had known in Belgium, and they kindly invited us to spend a couple of weeks with them in Cintra at a lovely resort just north of Lisbon on the other side of the mountains. Cintra is noted for its beauty and glorious trees and flowers and bushes of all kinds growing in profusion in the summertime, when all the rest of the country is baked hard. What is nice in the summer is not necessarily so in the winter, and that February I think it rained--and not just trickled, it poured every day that we were there, so the dampness got into you pretty badly.

After that, while it was a pleasant visit we had, then we went back to the hotel, but we were anxious to get out of it. There was no sign of the boat coming in or anything, so we looked around and were finally lucky enough to find and lease a little fisherman's cottage on the shore, on the rocks in Cascais, just beyond Estoril. This had been bought by a Portuguese man, very simply made up with enough beds and chairs to be able to be comfortable, and a kitchen. We moved in there and had a really very pleasant time in it. Friends would come out and visit us there. Sybil went out on her painting, did a lot of it, and there was a piano in the house. I played a little golf. It sounded idyllic. It also got on our nerves pretty much. Frankly, we all felt we were slackards. The world was on fire, and everybody else was working, and here we were just sitting, not that there was anything we could do about it; it was just part of the deal. On the side we got debriefed by people in the embassy, but by that time there wasn't anything much in the debriefing to produce anything of any use to them.

Q: You would listen to the BBC?

BONBRIGHT: Yes, indeed. Occasionally we'd go up in the evening back to Estoril to the casino for dancing and a little gambling. Of course, the place was crawling with spies of all nationalities and refugees, both Jewish and non-Jewish, but the Jewish were in the most trouble and most anxious to get away, because this was really the hot spot in Europe; it was open for anyone with any hope of getting out.

We finally got the word that the boat was coming, and it did. I'll look up the date for you. It arrived and unloaded an unsavory bunch of German diplomats. As soon as things were cleared away, we were all put aboard.

Q: Was that the DROTTNINGHOLM?

BONBRIGHT: Yes. It was a comfortable boat. Actually, there weren't enough of us to fill it, so they added a fair number of refugees. It's not very nice. I was unfavorably impressed by the way a lot of the refugees behaved. While in Lisbon, they were wailing and wringing their hands, going around with long faces. As soon as they got on the boat outside the three-mile limit, a lot of them became arrogant, dissatisfied, rude, and demanding of the officers, a complete turnaround. Outrageous.

Q: Were some of these well-to-do people?

BONBRIGHT: Not particularly. But it was eye-opening. One of our games in the evening aboard ship, which, of course, had a huge red cross painting on its side, lined with bulbs so that we were all lighted up at night like a Christmas tree, we used to go up in the evening after dinner and peer over the side and make sure that none of the bulbs had burned out. We had a good trip across, nobody bothered us, and we never sighted any other ships or submarines or anything. It was all very uneventful.

Q: You didn't have to rescue any torpedoed ships?

BONBRIGHT: No, not a thing. We arrived in New York on the second of June of 1942.

JAMES McCARGAR
Vice Consul
Budapest (1946-1947)

James McCargar was born in California in 1920. He attended Stanford University. He entered the Foreign Service in 1941 and has served in countries including the Soviet Union, the Dominican Republic, Hungary, Italy, and France. Mr. McCargar was interviewed by Charles Stuart Kennedy on April 18, 1995.

Q: So you served in Budapest from 1946 to 1947?

McCARGAR: Yes, from April '46 to December '47. I'd had to help myself to get that assignment. For one thing, one of my Stanford mates, Leslie Squires, who died a few years ago, was stationed in Budapest. I saw him in Washington and he told me that a Russian-speaking officer would be a great help, and that he would suggest my name to the Minister. Budapest was still a Legation. Just in passing, Squires mentioned something about the Pond. All I understood was that it was some kind of a secret operation. I didn't get any further into it at that time. Also I went to Loy Henderson, who then had command of all of Eastern Europe. I said I would like to go to Hungary. He said he would speak to Durbrow, which he did, and to Wally Barbour, who had charge of Hungarian affairs. I had a good interview with Barbour, who approved my assignment. So all was in order.

But before I could pay a call on Durbrow, I bumped into Walter Stoessel in the hallways of the old State building. Transportation across the Atlantic at that time was somewhat problematic. Walter said, "If you're trying to get a plane over, I'm going with Bedell Smith. General Smith is going to be Ambassador in Moscow. I'm going on his plane with him, and you could get on, there's room. You could get off at Paris and go on from there." I said "Terrific!". Next thing I knew I was summoned to Durbrow's office. He kept me standing, while he leaned back in his chair. He then launched into an absolutely violent diatribe. "Who do you think you are? Trying to wangle your way onto the Ambassador's plane," and so on. All I could say was, "It's nothing of the sort. I was offered this place by somebody who's going to be on the plane on the grounds

that there was space. If there is no space, there's no problem." Actually he behaved so badly that Dick Davies, who was in Durbrow's outer office -- there are two Dick Davies. This is not the one who was Ambassador later. This is the one who died.

Q: Is this the one who was killed in Cyprus or the Polish Dick Davies?

McCARGAR: No. It's not the Polish one, I know him, it's the other one. Tall, handsome guy. Actually I'd known him slightly. We frequently lunched together after I came back from Russia. He'd say "Oh, I'm going to have lunch with Helen Ward. Come and have lunch with me". Helen Ward was Benny Goodman's singer at that time. What's this handsome diplomat doing with Benny Goodman's singer? This was a world I didn't know anything about. In any event, Dick was so embarrassed by Durbrow's carryings-on, that he came out, came down the stairs with me and said, "I apologize for Durbrow, but he gets like this sometimes, and it doesn't really mean anything." But that was Durbrow, of whom I saw a good deal, always rather awkwardly (on his part), in later years. I got transportation somehow and across the Atlantic to Paris, where my DORSA friends introduced me to the mess they were running for Jewish survivors of the Holocaust. I felt somehow unworthy in their presence. Then I went on to Budapest.

Right off, the first thing, was one fight after another with the Russians. For starters they were trying to take our houses away under the guise of their need to billet officers for conferences, etc. I learned quickly that our basic technique was not working. When these local hassles would come up we'd usually turn to the Moscow Embassy for help. We did this in one case, early on, and Moscow Embassy came back and said, "Look, we're just swamped with this kind of thing. We can't handle it. You've got to handle these things there, locally, by yourselves." This was a very good lesson for me.

I hadn't been there but a few months, two or so, when Squires was transferred. At this point he explained to me that he was the Pond officer in Budapest. The Pond, as I later found out more about it, was a secret operation that had been in existence for some time.

According to testimony given to a Congressional committee in 1947, General Marshall, at the beginning of '42, had ordered General Hayes Kroner, the Deputy Director of Military Intelligence, Deputy G2, to create a self-standing, permanent secret intelligence operation for the Army. Kroner turned the project over to a Colonel John Grombach, known to a lot of people as "Frenchy." Grombach ran it during the war by means of one Foreign Service Officer in each Embassy who had the authority to carry on the operation in his area. He didn't have to ask the Chief of Mission. He had secret funds and he had secret communications. That is to say, he enciphered his own communications, which were then given to the Embassy or Legation code room, where it was enciphered again. When it got to State, it was decoded, at which point they found a message that was still encoded, and had a signal word at the beginning. The message was then sent to the liaison with Grombach at State, a man in my time named Jack Neal, who distributed it on to those who could do the final decoding. I understood that it was a very useful operation during the Second World War. The question from Squires was, "Would I accept to be the man in Budapest?" "Yes, yes. I'd be delighted." The transfer was approved in Washington, so there I was. In the Legation only the Minister knew of my additional work -- though we never spoke about it.

From Squires I inherited a network. I looked at it and I found it to be, in my judgement, too much to the right. There was a lot of the aristocracy (most of whom were delightful people) but there was no labor, no trade union, no socialists, no peasant connections, not even any small business. So I embarked on trying to enlarge the network, which I was able to do in the autumn of '46, when the Paris Peace Conference got underway. Freddie Merrill, who was Chief of the Political Section, left to join the U. S. Delegation at the Paris Conference, and at its end went straight on to the Department. So I was also assigned the job of Chief of the Political Section. It was certainly one of the most fascinating and satisfying periods of my life, those almost 2 years.

Q: Before we get to the Political Section and what went on, what sort of a post did we have there? Who was running it, and what was the political situation within the country?

McCARGAR: Arthur Schoenfeld was the Minister.

Q: It was a Legation at that time?

McCARGAR: It was a Legation. The three defeated Axis countries, Bulgaria, Romania, and Hungary, each had Legations. I think after a few years those were the last three Legations the United States had left. Of course, you had in each of those three countries an Allied Control Commission. The Chairman of the Commission in those three countries was the Russian officer commanding -- the Soviets being in each case the Occupying Power. In the case of Hungary, the Russian commander was Marshal Voroshilov.. It was his show, and he ran it. He had a Deputy, General Sviridov. As time went on Voroshilov spent less and less time in Hungary, and it was Sviridov who ran the show -- but always in the name of the Marshal, whom he would claim in most cases he had consulted. The American and British representatives on the Allied Control Commission had absolutely no authority whatsoever. They were not allowed to communicate directly with the Hungarian Government. Everything had to go through the Chairman of the Commission.

Of course, we at the Legation were accredited to the Hungarian Government, so we communicated directly with them. The British were in the identical position (and the French were present in a minor capacity). But our diplomatic capacity to communicate didn't mean all that much, because if we made an inquiry of, say, the Ministry of Commerce, the Russians knew about this instantly, and they gave orders that the communication was not to be answered.

After the Hungarian elections, both Budapest and national, which had been held in the autumn of 1945, before I got there, (the only free elections ever held in the Soviet Empire) the Smallholders Party, which had a distinguished resistance record during the German occupation, held a 57 percent majority. This had been achieved contrary to the Russian wishes for a unified electoral slate, in which the Communist Party would have had a much larger role than the elections finally gave them.

We had a great advantage in our dealings with the Government -- apart from the desire shared by everyone except the Communists that Hungary not be transformed into a Communist state. Or even, fear of fears, a constituent republic of the Soviet Union. That advantage was the Prime

Minister, Ferenc Nagy. We had two connections to Nagy which were very useful. One was our Economic Counselor, Laszlo Ecker-Racz, who was from the United States Treasury. Hungarian born, a U.S. citizen, Ecker-Racz had risen fairly high in the Treasury bureaucracy. He and Nagy became very close, good friends. In addition we had the assistance of a man named Francis Deak. Also Hungarian born, Francis had been a professor of international law at Columbia before the war. He had then joined the Pond (so I was in constant contact with him). After the war, Deak, not yet a Foreign Service Officer, was made Civil Air Attaché to every country in Europe and in the Middle East, working out of Bern. He was on the go all the time. (I got my secret Pond funds from him, mostly in Swiss francs.) Deak's mother, half-brother, and half-sister were all living in Budapest when I was there, so his visits were quite frequent, and he was on very good terms with Prime Minister Nagy. Whenever he called on Nagy he would take me along, as Political Officer of the Legation. I didn't understand what the two were saying, but it established a contact for me with the Prime Minister -- which over the years developed into a close and lasting friendship.

The advantage of these two American staff members was that the Prime Minister had two long-term projects in mind for the future of Hungary. One was his realization that Budapest could be, indeed, should be, a hub for air transport in Europe. Deak would come into town, and civil aviation was something that was regularly on Nagy's mind, so the two would try to work out ways to make Nagy's dream of Budapest as an air transport hub for Europe a reality. Nagy's other long-term aim was to use the Danube River as a means of economic, and then political, cooperation among the riparian states. In short, our Civil Air Attaché and our Economic Counselor were very useful to him.

Besides the Political Section and the Economic Section, we had a Public Affairs Section. The first man to handle that left shortly after I got there. His place was taken by a man named Lewis Revey. Revey, while born in the United States, had Hungarian parents, and his Hungarian was absolutely fluent. He was a brilliant man. I privately thought him the best man on the staff. Oddly enough, the Public Affairs office was in a building in Szabadsag Ter (Freedom Square), near the Parliament, which is today the entire American Embassy. We bought the building. All the other staff, from the Minister on down, were in what was called the PK building, on the same Square. The PK building had a bank on the ground floor (which was the site of pandemonium as the great Hungarian inflation took hold -- the fastest and farthest up to that time, and intended by the Communists and the Russians to wipe out the middle class, which it did). Our offices were on the fourth floor, sandwiched between the Ministry of Industry (headed by a pro-Soviet Socialist) on top of us), and I've forgotten what was underneath. But to give you an idea what all this meant, when I left in December '47, rather hurriedly, they did a survey. I had a very small office with a private door into the Minister's office. He'd lean his head in and say, "Jim, do this," and I'd come with a draft of a telegram or whatever was required. The thing about this office was its size.

Q: We're speaking of a room about 12 by 10.

McCARGAR: They found nine microphones in the walls in that one little place. I had a leg man, who was also the President to the Hungarian Parliamentary Correspondents' Association. This man fascinated me. He was no higher than -- he looked like 4 feet, but I guess he was 5-and-a-

half or something. He was a very proud man. I learned later he was a member of the Social Democratic Party -- and he had covered the Battle of Warsaw in 1920. This really fascinated me. I'd say "Mr. Deri (we were on very formal terms), tell me about the battle of Warsaw," and he would bring it to life for me. Deri would drop by my office in the morning and we'd talk about the political situation. He would then go to the Parliament and spend day there. Then, between 5 and 6 in the afternoon, he would come back to my office with a written report of what had gone on during the day.

The morning meeting would also include whatever had transpired during the night because a lot did go on at the night. For example, the arrest of the Secretary General of the Smallholders Party by Russian troops took place about 11 o'clock at night. Deri was invaluable to me. It wouldn't have been possible to do the job without him. I could have done my secret job without him but I couldn't have done the open, political job without him. I would have had no idea of what was going on in the Parliament, which was the vital, political arena. (In later years that arena was reduced to the secret meetings of the Politburo or the Central Committee of *the* Party.)

Through one of my secret Pond sources I would get transcripts of Cabinet meetings. I would send them back to Washington because I didn't dare show them to anyone else. I would send them back and they would be translated here in Washington. So everyone concerned in Washington had a pretty good idea of what was going on in Budapest. Then things began to change.

The Communists, beating the drums of an "anti-democratic conspiracy," dreamed up out of whole cloth, extended it to Prime Minister Nagy, and got him to resign while on vacation in Switzerland by the simple device of holding his smallest child, young Laci, then four years old, and back in Budapest, and saying, "You give us your resignation and we will give you your child." The transfer took place at Buchs, on the Swiss-Liechtenstein border. That having been done, the Government, now dominated by Matyas Rakosi, head of the Communist Party, as Vice Premier, announced elections for August 1947. This was the one where they really made up for the error of those 1945 free elections. They had a meeting in Poland where Laszlo Rajk, then the Communist Interior Minister, and Jozsef Revai, the ideologue of the Party, met with Soviet and other Communist leaders, and were instructed on how to falsify an election. They had, for example, something like 250,000 of what they called blue cards, which were the equivalent of an absentee ballot. These were handed out to Party workers, who could then, and did, go all over the country voting again and again.

In the course of the run-up to that election, the Communist refined a new tactic. Accusations would be made that some opponent of the Communists was a "conspirator," a "fascist." This would be followed by a motion to lift the person's Parliamentary immunity. When the motion was made, there were always two or three or days between the motion and its passage. It was those two or three days that gave these people their chance to escape. Meanwhile more and more politicians were coming to us saying, "What will the United States do to help us?"

I was even called one day by the Jesuit Father Janossy. In Hungary about 60-65 percent of the population are Catholic. The Primate of the Catholic Church in Hungary, the Archbishop of Esztergom, usually also a Cardinal, has a very important role to play. Cardinal Mindszenty,

whom I didn't like at all, and I'll tell you why in a bit, had one point of view. He had behaved very courageously under the Germans, which is why he had been made a Cardinal. But he was very confrontational with the Russians.

But at the same time, there was a group inside the Church, led by Jesuits who believed that they could create what they called "a Christian society in a Communist state." (Curiously, much of the impetus for this came from the Spanish Jesuits.) Father Janossy, who was the leader of this group, asked me to meet with them. They took me to one of their retreats up in Buda, where they explained all this to me and asked what could I do for them. I said this was very interesting but it was not within the possibilities of a Government one of whose basic principles was separation of Church and State.

The fact of the matter was that U. S. policy eschewed support for any political parties in Eastern Europe. American policy in Eastern Europe had been summarized by no less than Secretary of State Marshall himself in a 1947 conversation in the Department with the Romanian Minister. "This Government," said the Secretary, "had no intention of dictating to the Romanian or any other people how they should conduct their elections, or of intervening in favor of one party or the other." (This was, of course, diplomatic verbiage of a well-understood sort. The difficulty was that its virtuous strophes were, in fact, really the policy in Eastern Europe, as we residing there were recognizing more and more. The claimed policy was, of course, dependent on the distribution of power. Thus, it was not uniformly applicable -- for example, not in Italy, as we shall see below).

Father Istvan Balogh was an Under Secretary of State in the Prime Minister's office. A very portly priest, he was a political genius (which was why he was in the Prime Minister's office, even after Ferenc Nagy's departure). He called me one day, gave me a very good lunch at his house, and said "I'm going to start a new newspaper. There will be a new party and new newspaper. But newsprint is my problem, is what I need. I'm willing to pay for it. If you can get it for me from Germany I'll pay for it." I knew what my ultimate answer had to be, but out of curiosity I asked, "How do you propose to pay for this?" By way of reply, Balogh said, "If you'll look at that little painting on the table." In a standing frame he had, I think it was a Picasso on one side, and a Monet on the other, something for which he could have gotten a great deal of money. I had to turn him down, but I did say, "Father, if at any point, you want to leave, let me know. I will see that you are saved." He never asked for my help on that. I may illustrate Balogh's political skill by reference to the Hungarian Revolution of 1956. Balogh had retired from public life -- no doubt under threats -- at the end of 1947, and remained in retirement. But in early November, 1956, before the second Russian attack on Budapest, an exiled Hungarian politician said to me, "Frankly, I do not see any real future for this Revolution. "Why?" I asked. "Because I do not see Father Balogh anywhere on the scene."

What these incidents illustrate is that my original Pond intelligence operation, by sheer force of circumstance, had been transformed into a political operation -- in which I really had only one card to play -- a card I shall explain a bit further along.

In June Arthur Schoenfeld retired. His place was taken by Selden Chapin, who, after drafting the Foreign Service Act of 1946, had just completed his term as the first Director General of the

Foreign Service. I went from Budapest to London to pick him up. (We still had an Air Corps C-47, with a pilot, thanks to the continued existence of the Military Mission.) We had a very interesting dinner at Claridge's. Selden and Mary were of course there, plus Jerry Drew, who was going to be Selden's Counselor, and David Rockefeller, a family friend. Chapin had his heart set on getting off the plane at Budapest and delivering a speech in Hungarian. He already had a phonetic version, so that he could pronounce it reasonably correctly. Everyone at table was very enthusiastic about this. But when it came my turn, I said, "It's impossible. It can't be done. First of all there is going to be no crowd there. The airport is under the control of the Russians and that's all that you'll see -- a few Russians with their guns and that's it."

"Well, can't we do it when we down to the town?" was the rejoinder. I said "I do advise against it. It's a gesture that will not succeed. If circumstances were different, of course, it would be the standard thing to do. But this is a special situation". As we flew back to Hungary, I thought to myself, I've just talked myself out of my job. But on the contrary, I overheard Selden and Jerry talking, and they said that they wanted to keep me because I was the only one who could stand up and say what I thought -- which I was naturally very pleased about.

At the airport, it took us an hour to get off the airfield, before the Russian sentries would let us out. There I was yelling in Russian to sentries who wouldn't budge, or call a senior officer. They did it deliberately, just so that the new American Minister would understand who was running the show.

Q: - I'd like to get an attitudinal reading here. The Germans had been defeated two years before. How did you and, say, the people in the Embassy view the situation -- were the Soviets going to be our enemy, was this pretty clear to us? Or was this a rough patch; we'll weather through it, and things may work out. What was the feeling?

McCARGAR: By the time I got there, there was no question whatsoever that this was going to be a contest, a real confrontation between us. Our spirits kept going down and down, because we saw that the Russians were getting away with what they wanted to do which was to take over Hungary entirely. The reports we got from Bulgaria -- witness the execution of Petkov there -- what was going on in Romania. It was perfectly clear what the story was. All of us believed that the Yalta Declaration, *had* it been observed, was a perfectly legitimate solution. It was not, as the French (piqued at their exclusion from Yalta) have repeatedly claimed all these years, that we and the Russians divided the world between us at Yalta. That is not what the Declaration said or implied. Actually, even Churchill's famous percentage offer at Moscow, which Stalin initialed, did not give the Russians control of Hungary, by any means. In fact, I think the British in that suggestion had a larger share in Hungary than the Russians. The British had very close connections with the Hungarians. There was a whole section of Hungarian society which was either socially or commercially connected to Britain. They were great admirers of the British political system, the aristocracy and so on.

There was no doubt in our minds, as I said. As events wore on, we became more and more depressed -- until the day when President Truman came out with what became known as the Truman Doctrine (an extrapolation from the wording of his announcement of aid for Greece and Turkey, *vice* the British, who could no longer afford it). We all went out into the streets of

Budapest that morning with our heads held high. I can't tell you the effect that it had on the entire staff of the Legation. It was astounding. Of course the President's announcement didn't say we were going to contest the Russians in Hungary -- I've forgotten what the exact wording was -- but anyway it laid the basis for possible solutions to some of our problems. It made it quite clear that we were going to back up democratic forces as much as we could anywhere around the world.

Q: When you were wearing your intelligence hat, had the intelligence switched from what the Germans were doing, which obviously had been the wartime focus for the Pond, completely to what the Soviets were up to?

McCARGAR: It was both the Hungarians and the Soviets. Washington wanted to know, for example, and this is very important, which Hungarians were actually opposing the Russians, and which were going along with them. So it was the Hungarian and the Russian targets that we were aiming at. Which brings me to my one card to play, that I mentioned above.

In June 1947 I was called back to Washington for consultation. The real reason was that those running the Pond wanted to see me. I met Grombach and several of his Colonels. At a lunch of just the two of us Grombach said something cautionary to me about women. By that time I was divorced from my wife. What Grombach was really trying to say was the any Hungarian woman with whom I became involved could quite possibly be a Russian agent. Obviously Grombach had somebody there in Budapest watching me. I don't know who it was, nor what the connection could have been, but someone was watching me -- though they weren't very well informed. I indeed had a Hungarian girlfriend at that time (whose chances of being a Russian agent were more than slim), but I was in the process of switching my relationship to the wife of one of my British colleagues. I said "I understand what you're talking about. But it's perfectly all right. There's one thing you don't know. There is a Hungarian lady, but this is a cover. My intention is to marry an Englishwoman," -- which I in fact did the next year with the Department's permission. "Oh," he said, "all right." Apparently I passed, because a few days later, in the bar of the Plaza Hotel in New York, I was presented to General Kroner, who was obviously still the senior statesman of the Pond.

While I was on that trip I went in to see Chip Bohlen, then Counselor of the Department. I told him what I thought was happening in Hungary. I said "It's like a field of hay. Anything that gets above a certain level, they come through with their master scythe and cut it off. What they want is a leaderless mass of people that they can handle exactly as they want." Chip had a very interesting answer. He said "Jim, you're too negative about this. You should go back and read the reports of the initial Russian reactions to the German invasion. The love of freedom doesn't die quite that quickly. If you go back and read those reports you will find that the Russians welcomed the Germans. The Ukrainians, the Russians, they all welcomed them."

There was even that horrible tragedy which took place in October 1941 when a German tank was just 7 kilometers from the Kremlin. The German officer commanding wrote a book about how he could see the towers of the Kremlin. At that moment, the Jewish population of Moscow went down into the streets to welcome the Germans. They had no idea of Hitler's anti-Semitic policies. They'd never been told. They rushed out, some of them with guns, and said "We'll shoot the first

militia man [Russian for policeman] that we see". Of course the militia had completely disappeared. Stalin had disappeared. Everybody had disappeared. The great tragedy is that these people didn't know what awaited them. But what Chip was saying was that these people by then had had more than 20 years of Bolshevism, and they were fed up with it. The general feeling was to welcome the Germans as liberators.

I then said to Chip, "Look, we owe a debt to some of these people in Hungary who have been on our side during the war against the Germans and who are on our side now so far as the Russians are concerned. And they are going to be slaughtered. I want authority to take out a certain number of people." He said "We'll think about that". I never heard from him again but I eventually got the authority to take out 25 people altogether: 15 had to be Members of Parliament, 10 I could choose myself. It worked out to be closer to 70 when it was all over, but nobody has ever reproached me for that.

I established an effective escape network. It was that which became the one and only card I could play to help Hungarians who were resisting the Russian takeover.

On one occasion I had to do this myself. The British had made a mistake somewhere and one of their people got picked up. The Hungarians Communists and the Russians arrested about 100 people, all tied to the British. At this point there was one man who was in my network, who was a great favorite of a Hungarian who was advising Grombach. I had been ordered months before "You take this man out." So I consulted him at that time, and he said, "No. That's not the way it works. I'll tell you when I have to go out." He was a very courageous man. I said, "All right, fine. I'll take care of it then." I sent this word back to Washington and in exchange I received a very nasty message saying, "This man's safety is on your head. If you fail you're going to be in real trouble." At a certain point, this man, who had founded a new party and had campaigned vigorously through the August 1947 election, had been beaten up with bicycle chains. Finally, when it was clear that his Parliamentary immunity would be lifted, he said the time had come for him to go.

At this point my network was lying low. Nobody could move because the countryside was swarming with Russian and Communist officials who'd picked up the people connected to the British. My people said, "We can't move right now." So I went to the British, I knew who to go to, and he said quickly, "I can't do a thing". There was another Britisher I knew. His answer was even more abrupt. "Don't bother me please. Just leave," he said. That left it to me to do it. I did and it worked.

Q: How did you do it?

McCARGAR: You know, Volume IV of the Foreign Relations of the United States for 1947 contains a detailed account by George Andrews, First Secretary of our Embassy in Warsaw at the time, of how the Embassy in Warsaw got Vice Premier Mikolajczyk out of Poland that year. But that was because our Ambassador, Stanton Griffis, ordered that it be done, and paid attention to every step. In my case I had to move without the Minister's knowledge or blessing. In fact, I was so aware of the possible complications that on leaving for Vienna I gave my secretary a sealed

letter for the Minister, to be given to him if she did not hear from me within three days. It contained my pre-dated resignation from the Foreign Service.

As for my passengers, I gave them very careful instructions to leave their houses normally, in the morning, and go about their business. Then they were to meet me on a hill, that is now built up, but at that time was countryside. It was a long walk. They were to go up there after dark and I would pick them all up there. I got a truck from the Military Mission, a sort of van. I had an assistant, Edward Prince, in the Political Section. I told him to have the Military Mission garage deliver four cases to him at his home that would fit into the truck. I took the truck from the garage after dark, drove to my apartment, put on an Army parka (it was November), put a pistol in my pocket (sheer nonsensical bravado, but somehow reassuring), and drove to Prince's house.

We loaded the cases into the truck facing in such a way that the future inhabitants could climb into them, not over the top, but through the side. We covered all four cases with a large tarpaulin. I then drove on up to the hilltop. There were five persons waiting for me. The two men were both Members of Parliament, accompanied by their wives, and the daughter of one of the couples, a five-year-old girl, who fortunately had been drugged. (The M.P. besides the one Washington had ordered me to take out was also the Legation architect; Chapin himself had sent him to see me when he appealed to the Minister for help in leaving Hungary -- though I never told Chapin what had transpired after that.) I got them arranged inside the boxes and covered with the whole thing with the tarp. I said, "Now, when I knock twice, absolute silence. Don't breathe. Nothing, just silence. If I knock 3 times, then you can talk. But twice, silence." I then started out on the road to Vienna, four hours to the west.

I didn't realize that the Czechs, as part of the forthcoming Paris Peace Treaty, had already taken over what was known as the Bratislava bridgehead, five villages on the southern side of the Danube, which had never been part of Czechoslovakia. The Czechs said they needed that land on the Hungarian side of the Danube for the strategic protection of Bratislava, which, of course, as Pozsony, had been the old Hungarian capital up until 1848. The main road from Budapest and Vienna ran through that area. I didn't realize that the Czechs had taken possession already. So what do I come across? I come across a Czechoslovak frontier station. This was unexpected. But they gave me no trouble, and my cargo behaved perfectly.

Then I went into Austria through a Russian checkpoint. No trouble. Then, further on in Austria, I came to a second Russian checkpoint. I was stopped by a Russian sentry. He wanted to know what was in the truck. I argued at great length with him. I got out, and we walked around the truck. I said I didn't know what was in the truck. I had an Army parka on (and I had a gun with me that it would have been insane to use. It was just to make me feel a little better). I said to the Russian, "I get my orders like you do. These are some American General's household effects. I can't let you see them." Well, we went around. We kept arguing about this, until finally, a little bit tired, I got into the driver's seat and pulled out a cigarette. I offered him one and he took the cigarette. His hand was still up by the pack. One by one he took out about 12-15 cigarettes. Finally, he said he we could go. Which is why in a book I wrote about this, I commented, "You can bribe a Russian but it has to be in a friendly fashion. It can not be offered as a bribe. It has to be offered as a friendly gesture."

We got up by Schwechat, by the airfield there just outside of Vienna. I expected more trouble there but the Russian sentry wasn't on duty. We sailed into Vienna and I tapped three times and shouted the Hungarian word for Vienna, which is "Becs." The back of the truck exploded in hubbub. I avoided the International Zone in the center of Vienna, which was jointly patrolled by all four armies occupying Austria and Vienna. We got to the American Legation. I had called Martin Herz, whom I had known previously, and who was then in the Political Section of the Vienna Legation. (Herz was named Ambassador to Bulgaria in 1974, and in 1978 he joined Georgetown University, where he made an outstanding contribution to the Institute for the Study of Diplomacy.) I had asked Martin to wait up that night, although I didn't tell him what for. I unloaded my passengers in an unlit impasse next to the Legation, and we went into the Legation. I went up with my one special passenger to see Martin because this man didn't speak English, and I didn't speak German. Martin had made arrangements with Al Ulmer, who was then CIG Chief of Station in Vienna. A brilliant officer, Al had arranged a place for these people for the night, all five of them. When we got to the safe house there was a bottle of cognac. We finished the whole thing off. Our nerves were in quite a state -- and after a few cognacs one of the wives began to cry at leaving her country. Understandable.

I gave instructions for this politician through Herz. Zoltan Pfeiffer was his name. He was the head of the Independence Party, and earlier, before the fragmentation of the Smallholders Party, he had been Under Secretary of State in the Justice Ministry. I gave him the money to get all five of them to the United States, and told him simply to ask to see "the Professor" when he got there. "You'll be taken care of from then on". And indeed they were. That all worked perfectly. But we were still in Vienna, and the problem was to get these people out to the American airport at Tulln, in the Soviet Zone of Austria. This was Ulmer's job. I attended a meeting in his office the next morning. It was most impressive. He said "So and so, you do this, so and so, you do that" and so on. His men actually drove four of them out to Tulln, while Pfeiffer, who was easily recognizable, was flown out. The Army had a small little strip in Vienna from which they could fly across the Vienna Woods and then down into Tulln.

I had no official connection with Ulmer, but after all this was over, he said to me, "I understand that there is a special road between Austria and Hungary. If you go at night and you flash your lights twice, the sentry will let you through." In other words, I didn't need any papers or anything else. The only trouble was Ulmer had only a vague idea of which road it was. We studied the map and I said "Fine, I'll try it". So I changed cars. I had a soldier drive the truck back. I took a decent car and took out for Ulmer's special road. I hit it by sheer good luck. Sure enough, there was a bar across the road. I flashed twice and this little figure came out and raised the bar, and I sailed through.

Then I lost my way and I found myself in a very odd little place. There was no moon or other light, and what I could see looked like low roofs with chimneys that were at kind of a slant. I got out of the car and I was in a Russian tank park, which was no place to be. But I had learned by that time that there is a manner of speaking that you can use in Russian which means authority. So, very rudely, I said "Budapest!" and they gave me the instructions, almost saluting, and away I went. After that one, Selden said "Jim, I must ask you not to do those things personally yourself anymore." I made no comment, since I was not supposed to discuss those

matters with the Chief of Mission -- but the question remains of how much Selden really knew of that operation, and how he knew it.

There were, of course, other problems in the life of the Legation.

The Counselor under Schoenfeld was Donald Bigelow. Bigelow was heir to a calendar company, in Minnesota I believe, and was very well fixed. He had just bought a plot of land in Gstaad. For a long time his wife didn't join him in Budapest, and he would leave all the time to go to Gstaad to oversee the construction of this very nice house. And, apart from that, he wasn't paying very much attention to what was really going on in Hungary. So when I went to the United States in June 1947, among others I called on in the Department was Tommy Thompson, then Deputy Director of the Office of European Affairs. At one point Tommy asked me, "By the way, how is Don Bigelow doing?" Having not really learned my lesson from Howland Shaw, I told him. What I didn't know, and only found out later, was that Thompson and Bigelow were old friends, having been colleagues for years, in the Thirties, in Geneva.

When I got back to Budapest I noticed that Honor Bigelow, who by that time had shown up, turned her back on me at social functions. I went to Don and I said "Don, is there something troubling Honor?" He said "Well, it's troubling her, but it doesn't trouble me at all." I asked, "Let me go to see her and find out what it is". So I went to see Honor. I found out later that Don was hiding behind the curtain, listening to everything. Honor said "You have been trying to destroy my husband's career. You told Tommy Thompson that my husband was not doing a good job". I tried to work my way out of it, but you can't. I said that I thought he could have paid a little bit more attention to what was going on, although I understood the house was important. Anyway, Don got a blast from the Department, which obviously was not just from my talking to Tommy Thompson. Don was told that he would never again be given a responsible position in Europe. In fact, later, when it was clear that Jerry Drew was arriving to take over the post of Counselor, Bigelow was transferred to Addis Ababa. It was his last post, and he retired from there to Gstaad.

But before Don actually left, Selden had to do an evaluation of his performance, an efficiency report. And, damn it, he gave it to me to do. He said, "Here, Jim, say something nice about Bigelow." Well, I did my best. I wrote rings of capability and incisive service around Bigelow, and Selden signed it. Before he sent it off to Washington, he showed it to Bigelow. Don came into my office afterwards to thank me for this. He said, a bit humorously, but sincerely, "I recognize your kind hand in this." That was a very embarrassing position to be in. This man was much my senior. It was very decent of Don to do it, but it was an extremely awkward situation for me.

At the same time, as I said earlier, I was carrying on my affair with the wife of a British colleague. They had gone back to London, not permanently, and then he'd come back to Budapest. On his return he took up with the young Hungarian lady whom I had been consorting with for awhile. So I persuaded the English woman to come to Budapest. She had a perfectly valid visa. I met her at Tulln, I guess it was, and I got her into Hungary by my secret back road, though I had a false Russian pass for her that I had fixed. The damn car broke down in a village where the Russian troops were celebrating their departure the next day. All hell was breaking loose. We took refuge in a waffle factory, of all places, and one of the employees guided me to

the Mayor's office, avoiding knots of drunken Russians at every corner. I called the Legation in Budapest to send a car out. They came, rescued us, fixed the car, and after a wild night of celebration in the waffle factory that must have put production off for a month, we got back to Budapest.

I set the Englishwoman up in an apartment and in about a month, 3 weeks, a month later, I went on vacation to Italy. All I said to Selden and Jerry Drew was, "I'm going to northern Italy." Jerry said, "I hope you're not going alone," and I said, "No, I'm not going alone". We took off, Geraldine and myself. Geraldine was a wonderful woman who died much too young. Anyway, she had known Portofino before the war, so we went to Portofino. I had a big Lincoln V-12, absolutely crazy thing to have in that part of the world at that time, but there it was. We were having a splendid time in Portofino. We got back to the hotel one night, and the manager said, "There's a message. Would you please call the American Consulate General in Genoa." I called, and they said, "Please call the American Legation in Budapest." The Italian police had found me in no time at all.

I called Budapest and Jerry Drew came on the line. "Jim," he began, "we've just had what we call M-Day here." First of all, the woman who owned the house that I was renting on the Danube as a weekend house, had some complaints. She came in and complained. Then the British Minister came in with Geraldine's husband. "This is a disgraceful situation, untenable," he complained of Geraldine's presence in Budapest under my protection. (I might add here that the British Minister, Alexander Knox Helm, who was seeking to curry favor with the Labour Government, and I did not get along well, and this was a welcome opening for him.) Jerry Drew then completed his sketch of life in Budapest at that moment by saying, "We need you because a Congressional Delegation is due here next week. Please come back -- and come back alone". So I did. I arranged for Geraldine to go to Prague, to stay there with the wife of the Time-Life correspondent for Eastern Europe, Bob Low, who was none other than the OSS officer who had been on my 1942 flight from New York to Cairo.

Sure enough, shortly after my return, there was the Congressional Delegation, which included Senator Alben Barkley, a really delightful man.

Q: He was Senator from Kentucky, and later Vice President.

McCARGAR: He was also to be Douglas MacArthur II's father-in-law. Also he was the first Vice President to be popularly given the title of "Veep." There was also Congressman John Lodge. I was not much impressed by him. (Some years later he was elected Governor of Connecticut, and he was also for a time Ambassador to Spain. Bob Low, my friend from Prague, was living in Spain then, and told me that John Lodge was the worst Ambassador we ever had there.) There were a number of others. It was a very interesting Delegation. They went on to Bulgaria and laid a wreath on the grave of Nikola Petkov, the Agrarian leader executed by the Communists not long before. They asked us about it in Budapest, and we said, "By all means do it."

Then, in late November my man Deri, my efficient little leg man, was arrested. I went immediately to his wife, who was a very famous singer and a member of the Socialist Party. She

was trying to get Anna Kethly, who was then head of the Social Democrats (in succession to Karoly Peyer, whom I had had taken out of Hungary), not the Socialists who were tied up with the Communists. But Kethly, who would later become Minister of State in the Imre Nagy Government during the 1956 Revolution, and the only Cabinet Minister to be out of the country when the Russians attacked, was at that time too frightened to do anything. We then sent an officer from the Legation to see Deri, and one of the wardens in the jail said to him, "You just hold on. We're going to get McCargar next." This was reported back to us, we reported it to the Department. The reply was "McCargar is to leave Budapest as soon as possible but in no longer than four days". (This is in Volume 4 of *Foreign Relations of the United States* for 1947.)

I went out via Prague, and that what was the end of what I knew even then was certainly to remain as one of the more interesting periods in my life.

Q: Continuation of interview: May 1995. Jim, you wanted to add three things. So add.

McCARGAR: I think it should be recorded that, in the early autumn of 1947, I was visited by Dr. Victor Csornoky, the son-in-law of Zoltan Tildy, the President of Hungary. He showed up at my house without any previous announcement. At the time I had as a house guest Bob Low, the Time-Life correspondent from Prague. Csornoky swept in, and, to my horror, wasted no time in saying that he wanted my help in arranging the escape of his father-in-law from Hungary. This was just after the August elections, so heavily falsified by the Communists. (Though the British Minister, Knox Helm, stated that he found them an excellent demonstration of democracy in action.) President Tildy had already made a public statement supporting the elections. So I swore Low, the Time-Life correspondent, to absolute secrecy. I told him, "You simply cannot even remember this. Just forget it."

Then, after getting in touch with my network, I told Csornoky to have his father-in-law go down to Lake Balaton -- the President had an official villa at the Lake (known fondly in landlocked Hungary as "the Hungarian Sea"). I told him to go there because there was no chance of taking him out of Budapest. I told him to spend ten days there. My man went down with his crew and they watched the place. They came back and reported that they considered the operation feasible. It was risky, but it could be done, it being understood that they could only take 8 persons maximum. I told Csornoky this. He came back and said his father-in-law insisted they had to be a party of twelve. I said, "This is a dangerous thing. You can't do this." "No, it has to be twelve." We argued this back and forth. Meanwhile, Low had forwarded this little bit of information to Time magazine in New York which, in one of its short columns there, said that the President of Hungary was trying to escape. Tildy issued a denial, and we had to abandon the operation. Low claimed that he had told New York not to publish, so that it was fault of some idiot editor in New York. Lesson: trust not the press, free or otherwise (but never let your mistrust show!).

That was not the end of it. While Tildy was allowed to stay on as President of the Republic for a time, Csornoky was named Hungarian Minister to Egypt. From Cairo he wrote me a letter to my next post, suggesting we stay in touch. Aware of the danger he was in, I didn't answer it. Ignoring the surveillance by his own staff, he made other efforts to get in touch with Western intelligence agencies. Shortly thereafter, he was recalled to Budapest for consultation, arrested, tried, and executed. Tildy, who had lost his father-in-law to the Nazis, now had lost his son-in-

law to the Communists. He was forced to resign the Presidency. He reappeared in 1956, during the Revolution, as a Minister of State in the Imre Nagy Government. Reportedly, he behaved courageously, refusing on the night of November 4, as the Russian attack began, to leave the Parliament until certain that all others were safely out of the building. He was arrested, imprisoned, and then held in limited detention until his death in 1961.

The second item I had in mind concerned the Paris Peace Conference. The Hungarian Delegation was running up against very great obstacles in making their case. There was no sympathy for the Hungarian cause in Paris at that time. The Hungarian Delegation there, headed by Prime Minister Nagy, was in Paris staying at the Hotel Meurice, where the American delegation was also staying

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Q:- *Was this Imre Nagy?*

McCARGAR: No. This was Ferenc Nagy. There were a lot of Nagy's. It's a very common name (in Hungarian it means only "big".) This is the Nagy who became a great friend of mine in later years. He had a marvelous story, incidentally, about the Peace Conference. According to his anecdote, the Hungarian Delegation were sitting in the living room of their quarters at the Meurice, discussing all the terrible possibilities facing them. Suddenly, the door to the balcony of the room opened, and a man came in. Without a word he shut the door to the balcony, and walked across the room to the door into the hallway. As he started to close the door out into the hallway behind him, he stuck his head around, and said, "I am sorry. Monsieur returned unexpectedly."

Nagy relished telling this story.

As the Allied procedures for the Peace Conference were worked out, it was left to the American Delegation to provide what support they could for the Hungarian position against a very punitive Soviet position, supported, of course, by the Czechoslovaks, with their territorial and ethnic aims, and the Romanians, who were getting Transylvania at Soviet insistence, with their territorial aims and ethnic fears that accompanied them. The problem confronting the American Delegation, headed by Bedell Smith in the Hungarian case, was that they really had very, very little support. So they sent a message to Budapest, which came to me, noting the existence of three problems facing them. "What we need is some sense of opinion from Hungarian leadership as to which -- we can't do all three of these things -- which is the most important issue for us to fight on?"

As it happened, Cardinal Mindszenty was coming into the Legation just those days. So I received him and talked with him. He pressed us for support of all the Hungarian *desiderata*. In the course of the conversation I mentioned the practical problems that we had in Paris, which made it impossible for us to achieve all that not only he, but the Hungarian Delegation as well, was seeking. He had with him a young priest as his interpreter. A rather pale young man. The Cardinal's general atmosphere was not what you would call cordial. He had a very severe countenance, but he had very beautiful hands, which he was obviously aware of. I posed the question to him saying, "There's the question of the Bratislava bridgehead -- the five villages on the south side of the Danube. There's the question of the expulsion of the Hungarians from

Slovakia." I've forgotten what the third question was, Transylvania or whatever. I said, "If we can only concentrate on one thing, which would be helping you most? Which issue would be most valuable to you?" Well, the hands flashed through the air and they went this and that way. The acolyte then translated. I can only assume it was accurate. "His Eminence says," repeated the young man in English, "that only a cheap politician could answer that question."

The amusing thing about this is that sometime earlier, while Arthur Schoenfeld was still Minister, he received a letter one day from Cardinal Mindszenty which was completely off-base. It was, in effect, a kind of incitement of the United States to engage in activities which were simply not diplomatically proper or politically feasible. Schoenfeld called me into his office, through that side door, and said, "The Cardinal is getting out of hand here. He's going to get himself into a great deal of trouble. What we want to do is in effect to give him a slap and put him in his place. So would you please draft something to that effect," which I did. Schoenfeld approved and signed it and we sent it off. It was very courteously worded, of course, but in effect it said, "You're out of bounds." The odd thing about it is that when Mindszenty was tried two years later in court in Budapest, this letter was produced by the prosecution, the Communist prosecution, as proof of his various dealings with the Americans imperialist. In other words, our letter trying to put him in his place was a sign that we were trying to overthrow the Hungarian Government. The Communists even published it in a White Book proving the nefarious plots between the Cardinal and the despicable Americans.

Absolutely ridiculous. But with all due respect for the Cardinal's subsequent heroism and sufferings, it should be noted that when he finally was released from the American Embassy in Budapest, years later, Rome did not receive him with great enthusiasm.

That was all I wanted to add on Budapest.

JORDAN THOMAS ROGERS
Economic/Political Officer
Budapest (1954-1958)

Mr. Rogers was born in South Carolina and raised in North Carolina. After graduating from the University of North Carolina, he served with the United States Air Force in WWII. Entering the Foreign Service in 1946, he served at a variety of foreign posts in Europe, Latin America and Asia, primarily as Economic and Political Officer. His final overseas post was Rawalpindi, Pakistan, where he was Deputy Chief of Mission. In Washington, Mr. Rogers was assigned to the Department's Staff Secretariat, to the Department of Defense as Foreign Affairs Officer and finally as Economic Officer in the Department's Latin America Bureau.

Q: How many were in the economic section there?

ROGERS: One.

Q: Just one, that was you.

ROGERS: My title was second secretary, economics officer. I stayed there a couple of years. We enjoyed it. We were able to get to Vienna pretty regularly. The work was interesting. We had little contact with Hungarians, less so than in Germany but those we knew we came to like very well and with some we've maintained contact through today. After being there about two years we came on home leave and then the political officer was being transferred and I asked if I could be switched from economics to the political side. So I went back for the second two years and in a different position.

The second two years became much more interesting, thanks to the coming revolution, although no one saw it coming. But the growing dissatisfaction and growing demands being expressed by a broader and broader group of Hungarian people, so that the second year, including the period in 1956 when the uprising occurred, were about the most emotional and exciting period of my entire career.

Q: Tom, going back a little before that, could you sense that trouble was coming?

ROGERS: Well, yes, we sensed that trouble was coming. We described it by saying the Russians were on a slippery slope. We saw that the Hungarians were making more and more demands and were getting beyond the sort of usual limits and the Russians were not reacting in the sense that we had become accustomed to. They were not arresting people, they were not as vociferous in their condemnations. So we saw that things were happening.

People ask, "Did you forecast the revolution?" No, we did not. I think it's safe to say that no one did. Clearly, the Russians had not expected it. Clearly, the Hungarians had not expected it. Clearly the newspaper world, the media had not expected it. The closest claim that I know of now was one made by the Yugoslav Ambassador a number of years later that he advised Belgrade shortly before the uprising that a revolt was likely. I have also seen claims recently that the Soviet military in the summer of 1956 were concerned that things might get out of hand. One of our closest Hungarian friends was then a newspaper reporter for the United Press. She was in London when the uprising broke out.

But we saw that something was happening and I think this illustrates a tremendous shortfall or dereliction on the part of the administration at State, because Ravndal was transferred out, in July, I believe.

Q: Just several months before.

ROGERS: Yes, I'm not sure when a minister was named but no minister had arrived when the revolution broke out.

Q: Excuse me, with Ravndal going, who did that leave in charge?

ROGERS: It left Spencer Barnes in charge. A new minister, Tom Wailes, who I cannot praise highly enough, was sent in. He came in on November 2nd but I'm not certain, now, when he was named. He may have been named in sort of a crash, get somebody in there. But the idea that the post should have been left vacant from July through October I think is a strong condemnation.

Q: Yes, it is but we were, I think our mind was, in the Department at that time, was on the Middle East, what with the war beginning to go on there.

ROGERS: Of course.

Q: And Hungary was just a bothersome problem coming up.

ROGERS: Correct, that's very true, but I don't think it's a sufficient reason not to have

Q: Done something.

ROGERS: Done something more.

Q: It doesn't excuse our, so, Spencer Barnes, he had served I believe in the Soviet Union, hadn't he?

ROGERS: He had, I forget exactly when but he had a White Russian wife. He probably didn't meet her there. He probably met her outside.

Q: So, describe the condition of the legation when the Soviets began to send in their tanks and take a harder line.

ROGERS: Well, on October 23rd and for several days preceding, there were parades and public meetings, speeches, etc., and I went along to several of those, whenever I could. My Hungarian was good enough to pick up something, but not everything.. So I went along with Legation officers Anton Nyerges and sometimes Geza Katona, who spoke perfect Hungarian. So we were fully aware of the increasing demands, the attitude and three, to some extent, the reaction. I remember walking in front of the Foreign Office along with a big crowd and seeing somebody I knew peering our the window of the Foreign Office. I put up my thumb and he raised this to me. That didn't last very long.

Q: The speeches all had an anti-Soviet tone, I suppose.

ROGERS: Oh, absolutely. Increasing demands. The thing came to a crux when the crowd went to the Hungarian radio station to ask that these demands be broadcast. And a group went in, a group of students, I believe, went in to make these demands and did not reappear. But before this, on Oct. 23, after a certain point the parades and speeches seemed to be ending, so I went home. We'd been invited to dinner by a Hungarian newspaperman, who had John McCormick of the New York Times with him and he had also invited a Hungarian writer whose comments I very much I wanted very much to hear. So I left the speeches, went home. When I got home my wife said she'd just got a call from a friend of hers saying things are happening at that radio station,

“you’d better get down there.” So she and I turned right around, went down to the radio station and saw what I think was really one of the first critical moments of the revolution. The radio station was on a narrow street which was packed with people shouting at the radio station, making their demands when a group of four or five army trucks, filled with infantry, came into the street.

Q: Hungarian infantry?

ROGERS: Hungarian infantry. The Russians had not played any role in this, yet. And the appearance of the trucks electrified the Hungarians. They were yelling and shouting and trying to push the trucks back. The trucks moved forward but then all of a sudden they stopped and couldn’t go any further and after a few minutes began to back out. That really electrified the crowd and they jumped up on the trucks and waved flags and the atmosphere changed immediately. I think it was the first occasion when the Hungarian Army had attempted to use force and had found their own soldiers unwilling to fire on their own people.

Well, we left then. We thought that was over. So we left and went on to the dinner but had been there only a little while when both our host and I got calls, I from the legation, saying that somebody had been killed in front of the radio station. So that set off rioting all over town that night, which continued. They pulled down a statue of Stalin, the major, biggest statue of Stalin. Barnes assembled many of the staff at the Legation and we fanned out over town to get impressions of what was going on, then reassembled at the Legation after a couple of hours to put together a telegram for Washington. We got home about three o’clock and at five o’clock I was wakened by Soviet tanks coming into town.

Q: Had Soviet troops been in the country before, outside of Budapest?

ROGERS: Oh, yes. These troops came in, we thought then, from Székesfehévar, which is a town about forty miles away, southwest of Budapest. I believe it was the closest point at which Soviet troops were normally based. Later the Soviets brought in troops from outside of Hungary. One military wife who lived on a main street made a record of tank and personnel carrier license numbers from her window, which provided the necessary identification.

Q: Now when did you get involved in helping rescue people?

ROGERS: Helping rescue people?

Q: Yes, getting them across the border and things of that nature.

ROGERS: I didn’t.

Q: You didn’t? Well, that was the story that was going around, that you were helping getting people into Austria and so forth.

ROGERS: No, I took the Marton family, he was the AP and she the UP correspondent that I mentioned a minute ago; I took them and their two daughters to Vienna.

Q: They both had Hungarian nationality?

ROGERS: Yes, they all had Hungarian nationality, but they also had passports. This was in January, after the revolution. When the question arises, as to why were they given exit permits, I don't know. I don't know why he was released from prison during the summer of 1956, either. You can say that the release fit in with the growing sense of freedom which was beginning to be felt, as well as challenge to the Soviets. I presume that they were given exit permits because if they were refused there would be a lot of badgering from AP and UP; and anyway they were good reporters who knew and understood what was going on so why not just get rid of them and have it all shut up? They left and they had legal permission and so I took them. That's not the same as, later, my wife particularly worked with another couple who had both suffered from polio in their childhood or as teenagers. They emigrated legally but Sarah was able to get him a job in her hometown of Columbia, SC, but we weren't even in Hungary when they left. So I don't know where the story came from that I conveyed people across the border but I didn't.

Q: You don't want to be a hero, when everybody thinks you were?

ROGERS: Sorry about that.

Q: Now what about the trial of Endre Marton? Were legation representatives allowed to attend that trial, or not?

ROGERS: No, we were not. I remember when he was arrested. He lived next door to us and we were in touch with him, personally as well as

Q: He was the correspondent for

ROGERS: AP.

Q: For AP.

ROGERS: And she, for a long time, for UP.

Q: And you were able to get them out of the country?

ROGERS: But perfectly legally. She was the one who was in London. In the freer atmosphere of the summer of 1956, she gotten a passport and gone to London, the first time she'd been out of Hungary for years and years, maybe forever. Their daughters, they had two daughters. One daughter is now Director General of the World Conservation Union, in Geneva; the other daughter has written a number of books; she married Peter Jennings. They were divorced and she is now married to Richard Holbrook..

Q: I know him, but I don't know her. What role did Cardinal Mindszenty play during all this and where was he at this time?

ROGERS: He was in prison. I don't know where he was in prison. He was released the last day or so of October, I believe. So he was free for probably less than a week. During this time he made at least one speech, in which I believe he called for the return of church property, but I didn't think it was very momentous. In the Legation we felt that that element of Hungarian society, call it the strongly Catholic element (although most Hungarians were Catholic) had not played a very large role in the build-up toward the revolution. We did not see any widespread demands that he or his supporters would play a major role in the "new Hungary" which for a short time seemed to be emerging.

Q: Now what was the effect in Hungary of President Eisenhower's denunciation of the Soviet use of force?

ROGERS: You mean the effect on the Hungarian

Q: On the Hungarian people.

ROGERS: I'm not sure most of them knew about it. We were constantly being appealed to for help by Hungarians, sort of a generic term but I think most of them were hoping that somebody like Hammarskjöld would suddenly appear in Budapest. We were hoping the same thing and we made the great mistake of supposing that this sort of action was under serious consideration in the UN. I don't think it was. But the Hungarians were always looking to us for help but without being very specific as to what that help really would constitute. A group, maybe it was two-three people, came to my house and spoke to my wife once and read her a long statement she then read over the telephone to a secretary, in which they were appealing to the UN to engineer some sort of truce, is my recollection. But I'm sure most people were not in a position to think through what the West was able to do, whether it was able physically to send in military troops, which would have been a very difficult, complicated and dangerous action, even if they were readily available. I have met military persons since then who were stationed in Germany and were placed on alert, but I think any military action on our part to assist the Hungarians would have run a direct risk of war with the Soviet Union. Furthermore, Austria was a neutralized country and to have attempted to ignore that would have opened up a whole array of other problems.

Now what also did, which has drawn down a good bit of criticism, was to assure the USSR that the US had no desire to make Hungary a member of NATO or to become a military ally of the US. Many have thought that this in effect gave the USSR a free pass to do what they wished in Hungary.

One idea which to me is fascinating, and which came from Henry Kissinger, and perhaps others, was that Eisenhower should have called on George Kennan and other eminent Kremlinologists to have recommended ways in which the US could have acted to bring pressure on the USSR to have permitted Hungary to leave the Soviet bloc and to in effect follow the course that Yugoslavia had taken.

Q: As you know, Tom, better than I, a lot of people say that the U.S. sent the wrong signals to the Hungarian people, through our broadcasts over Radio Free Europe and the Voice of

America and left the impression that we were going to do more than we actually did. Did you in the legation have that feeling, too, or not?

ROGERS: I don't know that I can speak for the legation. I felt that way but on the other hand I also tend to think that the main driving force which was exercised by the West and by the United States was the fact that we existed as a free society and without our having to broadcast that. I believe Secretary Dulles, when he was talking about a rollback, a rollback that would involve some physical action, went too far. Certainly, he did not intend to imply that if an uprising should occur that the US would support it militarily. But clearly, many Hungarians inferred that much more support would be forthcoming than in fact materialized. But as I've said, no one anticipated what would develop. I don't believe the legation ever, I don't remember us ever going to Washington and saying, "Cool it!", I don't think we were ever asked in advance to comment on Secretary Dulles' speeches. It's not often a minister will take it upon himself to cable the Secretary and say, "Bud, you did the wrong thing!"

Q: At that time, Secretary Dulles was also having a, was in the hospital.

ROGERS: That was immediately, yes, but he'd been sending these signals for some time, much earlier.

Q: Oh, the rollback, that went back to the early part of his administration. Now at one point, I gather, the Soviets prevented the U.S. diplomatic dependents from leaving. Did that affect you at all?

ROGERS: You mean the convoy?

Q: Yes.

ROGERS: Yes, of course it did, because my family was involved in that. As you probably know, what happened was that the new minister, Tom Wailes, came in. The day before he came in, we had made the decision ourselves, I guess through Spencer Barnes, that all the families would leave. This was based on the widespread and increasing reports that Soviet forces were reentering Hungary. A convoy was made up. One or maybe two men with them. I believe a finance officer and maybe Dan Sprecher, who was then the economic officer, went with them. They had their families there, too. But then the convoy reached the border and was turned back by Russian soldiers. That was quite an unnerving experience for them, because it was in a heavy snowstorm and they had driven up to the border and then they had to drive back. But at that time, that same day, the new minister had come in from Vienna. We had sent Brice Meeker up in the minister's car, the limousine, to pick him up and bring him back. The convoy arrived back at the legation around eleven o'clock. The minister had come in I think in the late afternoon. He had passed the convoy en route and someone said to me he'd gotten out and spoken to them. They arrived at eleven o'clock, as I believe is described in Bob Clark's memorandum, the minister called a meeting for midnight and decided then that the convoy would leave again the next morning, early, with husbands. The husbands would go to the border with their families and send them across and then they would come back. In the meantime, we had gone to the Russian embassy in Budapest and gotten assurances.

Q: This was all at night?

ROGERS: This was, must have been the late afternoon, because we knew, by telephone, that they were coming back. And so we had gotten assurances from the Russian embassy that they could go through.

Q: So, it worked out that way, then?

ROGERS: Not quite. Well, the next morning they went back, with husbands. I went with my family. We got to the border. I had the document in Russian, My memory says it was a Russian document, prepared by the Russian embassy. I'm not sure. It may have been a document that we prepared. How we were able to type it in Russian I'm not sure. But I had a document in Russian with red seals on it and when we got to the border there was a Soviet soldier with a machine gun out there in front of us. So I get out, waving this document and he squats down beside the machine gun.. I waved the document at him and he waves me back. And I walk on towards him and he kneels down beside his machine gun. I accept that argument and go back to the car!

In the meantime, Dan Sprecher, who had been in the first convoy, had been in contact with a school there. I don't know exactly how that happened. So much was going on, you didn't pick up all the details. And they were willing to put us up. So we went, this was a substantial number, not only of Americans but of some people from other legations and some Red Cross people and newspaper people and a goodly crowd of probably 70 people and they were able to put us up. Not only that, but they fed us! But we came under Russian guard, with Russian soldiers around the school, for a while. A dispatch to the Department was prepared in Vienna by Bob Clark which gives more details on the entire experience, and I'm attaching a copy. It states that some 70 people were housed (and fed) in the school with an additional 50 in a hospital and another school.

The dispatch does not report, since it happened later, that sometime in the spring of 1957 several Legation representatives (I participated, but I don't remember who else) visited the school to thank them for their assistance and to make a financial donation. I don't remember whether the money was raised locally or included official funds.

Q: What was the UN doing during all this period that gave any aid and comfort to the Hungarians?

ROGERS: I think very little. For one thing, it was the eve of a presidential election. Secretary Dulles was in the hospital for a cancer operation. And most important, the Suez crisis had just erupted. So I think what happened in the UN was, action was being postponed because the U.S. had the impression, and certainly wanted to believe, that they were still negotiating with the Russians. I remember being pretty critical of Lodge, who was I think our ambassador at the UN, because he was willing to let the matter not go forward. Now I blame the legation and I blame myself for my role in this because we did not make a concerted, strong pitch to get Hammarskjöld in there.

If you look back at the Russian reinvasion, the second time, on November 4th, one of the few things that had any chance of stopping that would have been had Hammarskjöld come into Budapest at the right moment and been there physically. But this is complicated by the fact that we were not aware until Nov. 1 that Soviet troops were reentering Hungary, and so it is hard to see how a high-level UN representative could have gotten to Hungary before Nov. 3, when the Soviets were on the verge of their second onslaught.

But we had thought about that a great deal. In fact, there had been rumors that Hammarskjöld had gone as far as Prague and was waiting to come in. We didn't know whether that was true or not. But we never made a flat, specific recommendation that he come to Budapest. The reason we didn't was because we could not imagine that that was not under serious consideration in Washington and New York. But we certainly had thought about it.

Q: It turns out it wasn't under serious consideration.

ROGERS: It was not.

Q: Let us turn to the Hungarian side, again. Imre Nagy took over during these critical days and then he was, how will I say, seized at I believe the Yugoslav embassy or something.

ROGERS: That was a little later. I think what first happened was that the Hungarians sent a team under Pal Maléter, the most successful military commander against the Soviets during Stage One, to negotiate with the Russians over the withdrawal of Soviet troops. During those negotiations they were suddenly arrested. This was only a short time, a matter of a few hours, before the second Russian invasion began, which was early on the morning of November 4th. When that invasion began, then Nagy took refuge in the Yugoslav Embassy.

Q: That invasion was the one where the tanks were shooting Hungarians in the streets and so forth?

ROGERS: No, no. They were shooting Hungarians in the streets earlier. The destruction of Budapest took place on two separate occasions. I'm not sure which was worse. Probably the second. In the first invasion, the Hungarians really stood the Russians off with use of Molotov cocktails. You can argue that on October 24th, when the first Russian tanks came in, (a) suppose they had used tear gas instead of bullets, (b) suppose they had used infantry to support the tanks, (c) suppose they had had a heavy rainstorm. Any of those could have changed history. Well it didn't rain. They didn't use infantry. They didn't use tear gas. But I'm told that the destruction of downtown Budapest by the middle of November was about as bad as it was during World War Two, which was pretty bad. I have a passel of slides which show that.

Q: Tell me, what was the role of the Hungarian press during all this, because I'm sure your legation was following that closely, to see whether they picked up nuances.

ROGERS: Our sources of information were very limited. The British Legation had a daily translation service and we had our own translators. I don't remember whether the British service continued through this period, but it certainly did to some extent, and our own employees were

outstandingly loyal. In addition, we were able to monitor the radio to some extent, and also a lot of Hungarians simply came to our door and Geza Katona particularly picked up much valuable information from that source.. And I'm not trying to get away from the press but one of the surprising things about the entire revolution was the fact that all of the infrastructure continued to work. The water supply was good. Power, we were never short of power. Some parts of Budapest, I'm sure they were. Even food supplies came in. There were no widespread food shortages, except for maybe a day or two, throughout that period. The countryside supplied the city.

Q: There was no looting in Budapest?

ROGERS: Oh, I'm sure there was. There was looting. There were atrocities against Hungarian secret policemen. That was one of the things that the communists and the Soviets made so much of, by claiming it was very widespread. I would argue that it happened, of course, and there were pictures of it, of secret police being pulled out and shot but I think it was quite limited, particularly given the history of Soviet control over Hungary after World War II. But looting was extremely limited

Q: Did the legation have any dealings with the Soviets during this period?

ROGERS: Well, I've mentioned the question of the convoy.

Q: Yes, the convoy. But I was thinking legation to legation or something like that.

ROGERS: Well, we had no contact with the Soviet embassy other than over the convoy. However, I had an interesting experience with the British Legation. One thing we have not talked about was our problems with communications. Our normal process of communication was that we would forward and receives coded telegrams through the Hungarian Post Office. Well, on the night of the 23rd, we prepared a long telegram around midnight, but either then or the next morning the Post Office refused to accept it, claiming technical problems. Certainly by the next morning we had no further communications facilities available, by the time the Russians were coming in. In any event, we lost our ability to send any telegrams early in the period, so we were stymied. How could we communicate? We could try to telephone but we couldn't telephone to Vienna. We tried telephoning to Prague. I think we got through to Prague a couple of times and to Moscow.

Q: Through the back door, huh?

ROGERS: And then during the free period, all of a sudden the communications were open again, the Post Office would take telegrams. We got through to Washington at one point and kept an open telephone or telex line for several hours. I'd hate to see the bill for that phone, at that time. We had an open line into the State Department and various people from State, I know including Bob McKisson, the Hungarian desk officer, maybe Jake Beam, would come down for it and then we'd send upstairs to get Spencer Barnes. That must have been for telex, I'm sure they could have hooked his phone up. I don't know, but we had an open line to Washington. And at one point, on Oct. 29, I drove out to Vienna with the assistant military attaché with a batch of

telegrams we hadn't been able to send and sent them through the Embassy there. (I recall, on leaving the next morning to return to Budapest, hearing on the Austrian radio with great foreboding the news of the Israeli attack on Suez.)

But during that period when we had no communications the British did, since they had their own radio. We did not have a radio because we would not allow the Hungarians to have a radio in Washington. I went over to the British legation with a telegram that we wanted them to send to the Foreign Office and I went in a Hungarian tank. I don't remember how we got hold of the tank. (To be honest, I suppose it could have been an armored personnel carrier.) "Just go out and hail me a tank, would you!" I was a good friend of my opposite at the British legation and I went over and showed him the telegram and he thought it was excellent. We were talking about whether there was any possibility of cooperation between some mixture of Nagy and maybe the Social Democrats and we were thinking if you could get something like that the Russians might accept it. It would be a middle to middle leftist grouping. The British minister didn't like it, he wanted much more right wing activity in there and so he didn't like the idea. Besides he said, it's much too long. But the tank would only wait for me about twenty minutes, so we were frantically, my opposite number (who strongly supported our position and I, rewriting this damned telegram, trying to shorten it and keep the Minister from bitching it up too much. They finally sent it but I've looked through the record and I can't find it.

Q: Well it's a shorter version, probably that went.

ROGERS: But I can't find it. I have seen a reference to it in some British source, and I've checked the appropriate volume of Foreign Relations of the United States, but it's not in there.

Q: Any further comments about the revolution, Tom?

ROGERS: I think what the revolution was is well known and well accepted. Probably it was the most unifying event that has taken place in Hungarian history, in unifying practically all the Hungarian population in one anti-Soviet and pro-liberty effort. It was not successful immediately but I'm sure it contributed to the weakening and eventual downfall of the Soviet system. As to what the big issue probably is, what the West or the United States could and should have done, I can only say I remember feeling very strongly that there no realistic possibility of bringing in, trying to use military force. We did believe that some sort of solution, a neutral state copied after Austria, or some leftist type of government similar to Yugoslavia, was worth striving for. But also it was clear that to go very far to the right would sharply reduce any chances of acceptance by the Soviets, and also would not have reflected the general political views of the Hungarian people. Here, I believe we differed from the Department, including Secretary Dulles, who at one point raised the possibility of Cardinal Mindszenty providing a focal point.

Q: Well, those were horrific days, I know. After they were over, what could you do in the legation? Would the new Kadar government see you or would they talk to you? Did we want to see them?

ROGERS: Wailes came in and at that point he came in with instructions not to present credentials immediately. The next day (by then our communications capabilities were back to

normal) Washington finally said, "Go ahead and present credentials to Imre Nagy." By then it was too late. He couldn't possibly have gotten to Nagy. That night the Soviets came back in. And so, there he was. When Kadar was put in place, Washington again said, "Don't present credentials. Just wait and see." So he sat there for a month. He came in in early November. He sat there until early February, sometime.

Q: Of course, the Hungarians would not deal with him if he hadn't presented credentials.

ROGERS: No, the Hungarians wouldn't deal with him and that left, where we were before, Spencer Barnes. Wailes was very good for the mission, internally and he was a very good leader, a strong leader and he was welcomed by everybody and I think did the legation a lot of good. But that wasn't why he was sent there. And so finally, in February, the Hungarians said either fish or cut bait. Either present your credentials or go home. And so he went home. I think it was a mistake. I'm not sure I thought so then. But because over a period of time I think the Kadar government gradually modified itself. And, besides, I tend to think it's foolish to refuse to have diplomatic relations with some country because you don't like them. If they're in charge, they're in charge and they're the people you have to deal with. I think the same thing is true today with respect to Iran. And Cuba and North Korea for that matter. The people you really need to negotiate with the most are your enemies. Anyway, Wailes left. Then Gary Ackerson was sent in as chargé, to replace Spencer Barnes who, for his reward, was sent to Bucharest.

Q: Did you continue your dealings with the Foreign Office?

ROGERS: Yes, I saw people I knew. I remember seeing, I was then political officer but I remember seeing the man in the economic or the trade office I had dealt with to some extent, I'd see him at functions now and then and we'd shake hands. We had no significant trade, they couldn't borrow money from us. What dealings would we have with the Hungarian government? We had nothing in the UN that we would argue with them about. All we wanted was to find out how their economy was doing and he wasn't going to tell me that. But on a human level, you're there.

One thing occurred early in that year that I should perhaps comment on. Vice-President Nixon came to Vienna fairly early in 1957, and the Military Attaché, Col. Pittman, and I were sent out to Vienna to brief him. We met him at the Ambassador's residence, and waited several hours for him to return from a visit to the border, and finally saw him about ten p.m. I was quite surprised: he asked almost no questions about the uprising, whether the US could have done anything more than it did, what persuaded the Soviets to destroy the new government after they had apparently accepted it, etc. His almost sole interest was in the flow of refugees, and whether the US should seek to encourage more people to leave, etc. I suppose we volunteered comments on the revolution, but that was certainly not Nixon's prime interest. Later, in Pakistan, I participated again in briefing him when he visited there, and was impressed by the scope of his questions and how much homework he had done.

Q: Now when did Cardinal Mindszenty come to the legation?

ROGERS: He came early on Nov. 4th.

Q: The bad day, yes.

ROGERS: The bad day, when, after midnight, the Russians began to come back in and when Nagy and others took refuge. We think we had our problem. The Yugoslavs, they had a crowd. They had wives and children, some 30-40 people crowded into three rooms. We had a crowd, too, for a while I guess but nothing like they did. So Mindszenty came on the early morning of November 4th.

Q: This is the man who came to dinner and stayed for a number of years.

ROGERS: Fifteen years, close to that. And probably I should say something about that: I haven't mentioned it but shortly after the Kadar government was set up, it told us we had too many people and requested us to cut the staff by, as I recall, about a third. I'm not certain now how that was done, but I believe we let all or most of the Marine guards go, which meant that the balance of the staff undertook the job of duty officer fairly regularly. One duty of that position was to "walk the Cardinal." On one side of the Legation was a closed-in courtyard, with other buildings on three of the four sides, perhaps 150' x 120', with barbed wire put up on all except the Legation side. Well, we couldn't take the Cardinal outside, so the duty officer would walk around and around that courtyard, twice daily. So over a period of about a year, I spent a good bit of time "walking the Cardinal." He spoke German as well as Hungarian, so between the two we could communicate. He was quite talkative and since he had been in prison for many years, not well-informed. The Legation provided him with a lot of newspapers, I suppose all the local Hungarian press plus Austrian papers, and he was always asking questions. I remember particularly discussing with him several topics current at the time: the issue of using public funds to transport children to US Catholic schools; and the newly-formed Israeli kibbutz, which he took as strong indications of communist tendencies in Israel.

I liked the old man (he was at least 15 years younger than I am now!), but kept saying to myself how glad I was that no Hungarian government was formed with him at its head. He was a Catholic cardinal to the core, and did not seem to have a clear concept of how political power could be shared outside the church.

Sarah and I paid a brief visit to Budapest, with our son and youngest daughter, in 1967, and called on the Cardinal. To my surprise, he had learned English, and in fact, gave the homily at a mass that we attended in English..

Q: What were your impressions on leaving Hungary, Tom? That the country was going to go through another agony, or they were solidly in the Bloc? Or did you have any impressions at all, you'd been through so much?

ROGERS: We had been there four and a half years and we had known a good many people, some of whom we're still in contact with. Later we helped one couple come here and we were in touch with the Marton family. I was a Unitarian at that point and Unitarianism had a significant beginning in Hungary and I was in touch with some of them. We had a Calvinist family we were friendly with. I was very close to some people, some employees in the legation. Sarah had picked

up a surprising number of friends. We knew this period was over and we both had been emotionally very much involved in all of this. I guess it was the end of an important stage of our lives.

Q: During your period there, could you travel around the country?

ROGERS: Yes.

Q: Get to see a lot of Hungary or not?

ROGERS: Oh, yes. Yes, we traveled a great deal. We had been to the Balaton, I or we had been to Debrecen, to Pecs, to Miskolc, up the Danube, and so on.

Now before leaving the subject of Hungary, I'd like to comment on a couple of recent events. The 50th anniversary of the uprising was October of 2006, and two commemorative events took place. The second event in time was the official Hungarian celebration on Oct. 23, attended by a US delegation headed by Gov. Pataki of New York, who I believe has some Hungarian in his background. But prior to that, in September, the US and several other embassies plus a number of NGOs held a two-day conference "1956 and Hungary: The Memory of Eyewitnesses." The US Embassy discovered that I was about the only person stationed at the Legation during the uprising who was still alive and could stand on two feet, so I was invited to participate. I did so and went to Budapest for most of a week, accompanied by my two oldest daughters, both of whom were old enough to remember the events. The Embassy was very hospitable. We stayed with a Hungarian friend whom Sarah and I had helped to emigrate to the US and who (the wife) had recently returned to Hungary after the death of her husband. It was a memorable occasion, and the three of us thoroughly enjoyed it.

Then, not long after I returned, the Embassy officer who had been in charge of my activities sent me a long email, comprising an article just published in the Journal of the Law School of the Univ. of Miskolc. This article consisted of a critique of the messages sent during the uprising from the US, the British, and to some extent, the Soviet missions in Budapest during October 1956. Many of the US messages I of course had written. I contacted the author to ask questions, and out of that grew an intensive exchange over several months between the author, myself and another colleague from 1956, Ernie Nagy, who had been transferred out of Hungary just a short time before the Revolution. This exchange has just been published in another article in the same journal discussing the activities of the Legation during the uprising and raising a number of fascinating "what-if" questions concerning the Nagy government, the US government, and the Legation.

I am attaching a copy of this article, as well as several documents relating to my visit to Hungary for the 50th anniversary celebrations, and a copy of a dispatch discussing the Nov. 2-3 convoy in some detail.

S. DOUGLAS MARTIN

Hungarian Desk Officer Washington, DC (1956)

S. Douglas Martin was born in New York in 1926. During 1945-1945 he served overseas in the US Army, upon returning he received his bachelor's from St John's University in 1949 and later received his law degree from Columbia University in 1952. His career included positions in Germany, Yugoslavia, Poland, Laos, Austria, Turkey, Nigeria, and Cameroon. Mr. Martin was interviewed by Charles Stuart Kennedy in January 1999.

Q: These were civil servants who were amalgamated into the Foreign Service.

MARTIN: Right. For Foreign Service people, there were lots of openings in the States. I was transferred to one. They wanted to put me into cultural affairs, which I didn't want and didn't happen. But before I left, Mack Toon had talked to me about what I was going to do in the future. I felt I was interested in Eastern Europe, particularly after talking to my wife and her father. I felt I knew a lot about the area. He recommended me for Russian language training and sent in a very nice airgram. Anyway, I was not accepted for that. But they did accept me for Eastern European language and area training, and they offered Bulgarian, because by the time I got to the States, the Hungarian uprising had taken place.

Q: October of '56.

MARTIN: October of '56, right. I was just arriving in Washington. They needed people to help out on the Hungarian Desk. I helped out Jim Sutherland at that time, an extremely interesting period for me. At the same time, I was being processed for this Eastern European language and they said, kind of apologetically, "Would I be willing to study Bulgarian?" I said, "Gee, Bulgarian - I hadn't thought of that, but yes, sure, go ahead. I'll study Bulgarian." A few weeks later, they came to me, and said, "Look, because of what's happening in Hungary" – and because at that time we didn't recognize Bulgaria - we didn't have diplomatic relations, but they were planning and they were going to have people learning the language - they said, "We've decided to cancel that and we've had another cancellation. Would you be willing to study Serbo-Croatian?" I said, "Fine, I'll do it." So I was waiting to go into Serbo-Croatian language area. In the meantime, I worked on the Hungarian Desk, another fascinating time.

Q: Let's talk about that because timing's rather important. When did you start working on the Hungarian Desk?

MARTIN: It would have been right after Maleta got shot. It was right after, because I went home with my wife's family on home leave. In fact, I left earlier than that. I didn't leave in September. I left earlier. Maybe I even left in the end of July, beginning of August.

Q: That would make more sense.

MARTIN: Yes. But I did complete home leave, and then reported to Washington.

Q: What was your father-in-law's reaction to this? Did he see the Soviets coming in? What was the feeling that you got from him?

MARTIN: He was a very interesting character. At the age of 10 he was an orphan. He was from the German gentry or lower nobility. He went to Austro-Hungarian military schools. He was a captain and then a major at the end of World War I, and on the Austro-Hungarian general staff. He had been in 10 battles on the Italian front, where Hemingway went.

Q: Sure, this was the Italian campaign.

MARTIN: Yea. He was in the Italian campaign and met Rommel at that time, because Rommel led the war at the Battle of Caporetto. They brought in a special German unit and made the attack. Later he was in the Hungarian General Staff and he was the chief of the military chancery for Admiral Horthy. He was his military advisor. Then he was chief of the General Staff. The prime minister got kidney cancer and was sent off to Germany. He had been the prime minister and minister of war. He didn't give up the prime minister job, but he gave up being minister of war when he went to Germany. My wife's father became the minister of defense for about six months. After World War II, he remained in Germany. His idea was that the war might break out again. The Americans had the atomic bomb and would win and the family could go back to Hungary. They were hoping to go back until 1948, when the Russians developed their atomic bomb, and he said it's a stalemate, it won't happen. He was convinced that we would not go to war to liberate Hungary. He was a very shrewd and also an objective thinker, not emotional. He never joined any Hungarian refugee organizations and never tried to play a role in any national council. He wrote a letter at the end of the war to Admiral Horthy, when he first was planning to come to the US, to say that "I'm going, and I'm going to become an American citizen, I hope, so I have to break off any official contact with you." Admiral Horthy was still in Portugal writing letters to various people. My father-in-law encouraged his daughters to be American. The other part of my wife's family encouraged them to stay Hungarian, which I think has had a limiting effect on them.

Q: Oh, yes. In our culture, absolutely. Well, when you were on the Desk, what was the attitude towards developments there, and what was the focus.

MARTIN: By then, it was very clear that we were not going to intervene. We tried to calm the situation down. It was interesting that the Hungarian Desk officer, Bob McKissin, went on leave just when the thing broke out. And there was another funny thing. Hungary was in the Office of Balkan Affairs or the Balkan Affairs Section. Every single Hungarian who came to talk with us, without exception, would say, "Balkan Affairs? Hungary? No. Hasn't anybody told you, Hungary is not in the Balkans?" Well, we say that is just as a designation. It doesn't really mean anything. We know it's not in the Balkans. But they would always say something.

Q: Well, the Balkans - the Greeks never liked being included in the Balkans either. The Balkans has a bad name. It continues today to be the Balkans.

MARTIN: We were trying to calm things down. That was quite clear. The work was overwhelming, because there were letters coming in all the time. I was there right when things were happening in Budapest, right when the Cardinal Mindszenty went into our Embassy.

That happened a few days before I came on board. It got me into the European Bureau. One of the first things I did was write a letter to George Meany.

Q: He was the head of the..?

MARTIN: He was a good letter writer. George Meany was the head of the AFL-CIO, the most important labor leader in the United States. Originally a plumber from the Bronx who worked his way up in the labor movement, he was fiercely anticommunist. He wanted us to help the cardinal and wanted to know what he and the labor movement could do. So I wrote a letter which I remember he said was a good letter; he liked it, it went out, and he complimented me on it. That was one of the first things I did in the Department that I would say was significant or important.

There were loads of other letters and telegrams to be sent out for people looking up their relatives. What happened to so-and-so? There was a flood of people. I think something like two per cent of the entire population left at that time. The people wondered, where is my cousin? Did he come out? There was a lot of liaison with the consular people, and people going over to work in Vienna. There was more work than you could do, and so it was fascinating. I remember also getting letters from various people who wanted to get money to the cardinal. The cardinal from Montreal wanted to know if we could get some gold over to him. Of course, we couldn't do any of those things, but it was extremely exciting to be doing that.

HORACE G. TORBERT
Chargé d'Affaires
Budapest (1961-1962)

Ambassador Horace G. Torbert grew up in Washington, DC. He received a bachelor's degree from Yale University in 1932 and attended Harvard Business School. His Foreign Service career included positions in Vienna, Rome, Budapest, Washington, DC, and ambassadorships to Somalia and Bulgaria. Ambassador Torbert was interviewed by Charles Stuart Kennedy in 1988.

Q: For about a year and a half, you were charge in Budapest.

TORBERT: That's right.

Q: How did this come about? This is 1961-62.

TORBERT: In the summer of 1960, I wound up my first two years in Italy by conducting an aspect of the 1960 Olympic games, in which I fought a losing battle to keep the Chinese Nationalists as the official representative of China. I always felt I was let down by the Chinese

Nationalists themselves on that. But in all events, just as that was over, I had been ordered back to the Department to serve on a selection board.

Q: This is for promotion.

TORBERT: Promotion board. That's right. I was promoting people from Class Four to Class Three. It took a long time, because there were a lot of members. Then I was supposed to have home leave, and then supposedly I was coming back to Rome. But as so often happens, I was encountered in the hall one day by Loy Henderson, just after he had heard that Gary Ackerson, who had been chargé in Budapest, had decided to retire. He later went on to a very productive and useful second career with the International Refugee Organization in Geneva.

Budapest was a very small post. We didn't have any ambassador there. It was a legation at that time. But they had Cardinal Mindszenty living in the embassy, and this was a very difficult thing. We still had almost no relations with the Hungarian Government. We were constantly harassed by security people. For example, there were always three cars full of goons poised outside the legation offices, which is where Mindszenty was, to be sure that he never escaped. Actually, the last thing Mindszenty wanted to do was escape. He believed that he belonged in Hungary, and he had been a member of the Council of Regents, and he was the only surviving member, the only one left in Hungary. He felt that he was the symbol of the ancien regime in Hungary.

Anyway, willy-nilly, I was assigned to this job. (Laughter) I wasn't entirely sorry. I would have liked to have sort of finished up my full education in Italy, but this was a chance to have my own post. I was almost equivalent to being a minister or ambassador. I lived in the legation residence, and I had all the perks and whatnot. That was good. It was a different kind of experience.

By this time, we had the kids in school in the United States, so we didn't have to worry too much about that, except what they did on vacations, which is no fun. But we went in there and we spent two years. I can't say that there was all that much doing.

There were two or three things that might be worth highlighting. The first was the Bay of Pigs which occurred not too long after I got there.

Q: 1961.

TORBERT: 1961.

Q: This was April or May, rather shortly after Kennedy came in.

TORBERT: I got there about the first of February of that year, I think, roughly. I might say as a preface that when I arrived there, it was very interesting, because at that time, the power of the United States and the influence was such that I found that the entire Western diplomatic community was waiting with bated breath for my arrival, because I was the leader. I was a charge. Everybody else was a minister. In other words, they ranked me diplomatically. Nonetheless, I found that immediately when I got there, I was expected to sort of take charge of

morale and everything. The contrast, when I went to Bulgaria ten years later, more or less, our influence had eroded where nobody gave a damn when I arrived; everybody was on their own by that time.

When the Bay of Pigs occurred, everybody was elated. There was a feeling of euphoria, even among a lot of the Eastern Europeans. They thought this was going to be great stuff. I, of course, knew nothing whatever about this, but I do remember in all my conversations, being very cautious and saying, "This doesn't depend on us, you know. It only depends on the Cubans. If they can't handle it themselves, this isn't going to be so good." Well, it wasn't so good.

Q: The Bay of Pigs, I might add, was an abortive attempt to overthrow Castro, using dissident Cubans.

TORBERT: Right. That was a great let-down, I must say. I went on there, basically flying the flag. I figured I had a mission to keep, for instance, the Latin American chiefs of mission happy, physically and psychologically, and so that was the kind of thing I did pretty much there, and babysit Cardinal Mindszenty, which was a half-time job.

Q: How did you get along? He was there how many years?

TORBERT: Of course, he'd been in confinement about two-thirds of his life. He'd moved to me in '56. By that time it was '61. I can't remember the precise year. It was when Al Puhan was minister or ambassador there, I remember, that he came out, and he didn't want to come out. He came out kicking and screaming, more or less, but by then the Vatican wanted to improve working relations with Hungary. It was a definitely confining thing, not only because of the fact that he was living in what otherwise would be my office.

Q: Puhan was there from '69 to '73.

TORBERT: So you see, it was 13, 14 years. It was a long, long time. He was a very determined guy, in a way a saintly man, but with great political feelings and no political sense somehow. He had no sense of "give" as the Pole and the Yugoslav primates did. He was just fighting and resisting to the end. He spent all his time there reading and writing his memoirs. We subscribed to all the provincial newspapers and he got a little bit of information out of them that was good. I used to go in every Saturday morning when I was in Budapest, and spend a couple of hours with him. It was a very painful thing, because by that time, I spoke fairly good German and he spoke very good German, but he would refuse to speak German. I didn't speak any Hungarian, which was an almost impossible language. He insisted on speaking in English, which he had taught himself from the radio, more or less, and you couldn't understand it. So I'm sure there were some very valuable things that he said, but I often didn't know what they were. I would start out, and he'd start reminiscing, and I'd get a little of it, but not all that much. It was a babysitting job, it really was.

The other big thing that happened, of course, while I was there was the Cuban Missile Crisis. That was also a very traumatic thing, as you can imagine, in that place. Everybody was scared to death. One of my few negotiating pieces of bravado was when the thing started, we at that time

had all our communications through commercial telegraph, that is, with a teletype that was in our office. We would encode a message and send it out on commercial telegraph. When the crisis started, we suddenly got a message from the downtown office of the commercial telegraph that they couldn't take any messages from us until they had sent us 3,000 messages they had from local labor unions and town governments protesting our action on the Cuban Missile Crisis.

So I put on my hat and went over and talked to the American desk officer of the foreign office, which was about as high as I normally talked to, and told him about this. He said, "You know, we've got a democracy here, and people have to protest. These messages have precedence over yours."

I said, "I can understand that. We're a democracy, too. But it does worry me, because we're kind of exposed here in Budapest. You and I, we're all living here together, and I'm afraid. You know, we have atomic bombs these days, and people might get excited. One of my jobs is to tell people in Washington whether everything is peaceful here, and if I can't get a message out saying that, God knows what will happen." (Laughter)

Q: What a dirty trick! (Laughter)

TORBERT: He said, "I hadn't thought of that," and he disappeared, came back in five minutes and said, "Go on back. You can send a message." I think that's really the only time in my diplomatic career I ever pulled anything like that.

I must say that the Cuban Missile Crisis was settled on the eve of the Turkish National Day, I think it was, and we all went to their reception. This is where we had most of our diplomatic interchange, because you knew you were bugged everywhere you were. I walked into that Turkish reception, and everybody East and West came up and shook my hand.

I did have one or two long talks with [Janos] Kadar during that period. He was the secretary general of the party and, I think, prime minister, too, at that time. They were at his initiative, and they usually occurred when I was at some Hungarian official reception or something, and he'd send out for me, and we'd go into a back room somewhere to have a talk. There wasn't much we could say, but we were sort of sparring. I got a very good impression of him and advised the Department that I thought we were stuck with having made a total villain out of him, but he was probably a man that could be worked with when we could. But nothing ever really developed during my time. So that's Hungary and that's done.

I was then picked out of a list somewhere, I guess, and called back to be interviewed in the White House to go to Somalia. I think I noticed a question on your list saying, "How did you get there?" I got there because there were more missions opening up in Africa, and not many people with experience, and they needed people to go as ambassadors.

JOHN RICHARDSON, JR.
President, National Committee for a Free Europe

New York (1961-1968)

John Richardson was born and raised in Massachusetts and educated at Harvard University. After a career in the private sector, in which he served on the International Rescue Committee and as President of Radio Free Europe, Mr. Richardson was appointed Assistant Secretary for Education and Cultural Affairs and served in that capacity from 1969 to 1977. Mr. Richardson was interviewed by Charles Stuart Kennedy in 1999.

Q: Looking at this I would have thought...In the first place could you explain the background of the Hungarian 1956 trauma that certainly had impact on what you were doing? Could you explain what brought it out and how it was reflected in what you all were doing?

RICHARDSON: The uprising occurred as a result of the death of Stalin and the secret speech of Krushev.

Q: The 20th Congress.

RICHARDSON: Yes. That's right. This produced an upheaval in the politics of Eastern Europe. Both in Poland and Hungary there were dramatic changes going on in the party leadership. Also, a stirring around at the grass roots in Poland. In fact the Hungarian events were triggered by the events in Poland. Those events...

Q: The Potsdam riots.

RICHARDSON: That's right. That's right. The Hungarian uprising in Budapest rapidly spread. Of course it was already a weakened party control and leadership and people not knowing which way they were going and the...I think I was reading not long ago the Soviet minutes of the party leadership at the time and they didn't know what to do. They didn't know how to handle it and they didn't know who to trust and who to back. It was that kind of uncertainty that allowed this thing to blow out of control and the little trouble started. That's the way I see it.

Anyway the effect in terms of the radio relationship to it, I don't think anybody seriously argued that the Radio Free Europe tried to start something or that the Hungarian desk did. But what people did seriously argue was that once it started the Radio Service behaved less than responsibly by not purposefully trying to suggest something that was not true about American intervention or any of that, but simply that they weren't careful enough to avoid the kinds of statements and discussions and announcements and news and so forth that would lead an overexcited population to think that somebody might come help. That they certainly were guilty of that. It was poor judgment on the part of the management at the time to allow...to fail to put a very careful clamp on anything that was said that might stir up further trouble because that would not be a responsible thing to do. As a result of that, much more careful strictures were put on the radio with respect to doing anything to excite any kind of open opposition to the communists. We lived under that and thank goodness we did-only responsible way to behave. I think particular thing a lot of critics missed about the Radio and the Hungarian Revolution is that people said, well, RFE quoted all these statements from Western leaders and so on at the UN.

That isn't so bad in my view. What they did which was probably wrong was to pick up uncritically local, free Hungarian broadcasts, radio stations that were taken over all over Hungary. The Freedom Fighters would be telling the folks whatever they wanted to tell them and whatever they'd believe. Then RFE would pick that up and rebroadcast it.

Q: Oh, yes.

RICHARDSON: That was I think the single most serious mistake that was made. That was very irresponsible because that meant doing what we never did. We were very careful about news. I used to claim and I think there was some justice that we were more careful than the New York Times about checking facts, two sources and all that. And here we were picking up this stuff without any checking and rebroadcasting it. That was a very serious mistake.

Q: Were there in a way drills, monitors and all to make sure this didn't happen?

RICHARDSON: Oh, yes. Yes. We had a very, to the refugee broadcasters, very annoying set of systems-daily review, daily checks, daily discussions with the American policy director on what we were going to say about this, and what were we going to do about that and all that.

ALFRED PUHAN
Ambassador
Hungary (1969-1973)

Ambassador Alfred Puhan was born in Marianburg, Germany, (now Poland) of an American father raised primarily in Illinois. He was educated at Oberlin College, the University of Cincinnati and Columbia University. During World War II he was employed in radio broadcasting, first by the British Broadcasting Company and later by the Voice of America. In 1953 he joined the Foreign Service, serving in Vienna and in Washington, where he served as Executive Director of the European Bureau and Head of the Office of German Affairs. In 1969 he became US Ambassador to Hungary and served there until 1973. Ambassador Puhan was interviewed by G. Lewis Schmidt in 1990.

Q: Then from your assignment as head of German desk, the German country director, you went to Hungary?

PUHAN: Yes, in 1969. In April or May of 1969 I was nominated to become ambassador to Hungary. My predecessor there was the first ambassador to Hungary, Martin Hillenbrand. He'd been there only about 16 months, I think, something like that. And I was the second to go and remained there over four years. Fascinating country, fascinating people and tremendous job.

Henry Kissinger said to me when I left, he said, I'm very glad, Al, that you're going as ambassador. But I wish you were going to a country more important to us than Hungary. And I said, well Henry, you know, I've got to get some experience. Perhaps when I come back you can

do something about that. Of course, it never happened because by that time Watergate—when I finished, Watergate was bubbling and I retired. But it was a fascinating job.

Q: Did you learn the Hungarian language?

PUHAN: I took lessons but I found that the Hungarians really didn't want to talk Hungarian to me because obviously my vocabulary was limited. And as you know it's not an Indo-European tongue. It's extremely difficult. And I recognized the fact that I had probably two years in Budapest when I first started. And I would never use it again. Besides I had four young officers there including the PAO, Clem Scerback, who all spoke Hungarian. And so if I needed any help with someone to accompany me I had my choice of four people. I used German a lot. As you know the legacy of the Austrian-Hungarian empire and what Hitler left was the use of the German language. When I was in the villages, I'm talking to priests or mayors or industrialists or something like that, I always used German. And with the young people it was English. But I had enough Hungarian so I could say when we had a reception or Hungarians were present, things like—How are you? Come on in. How are things? You know, a smattering of Hungarian.

Q: At what stage do you think the Hungarians began to get into what in a small degree is a market economy?

PUHAN: I believe it began in—I went there in 1969. I think the germ of that thing was sewn in 1968, one year before I got there with the so-called New Economic Mechanism (NEM). Janos Kadar, the man who was imposed by the Russians on the Hungarians in 1956, turned out to be a man who led them out of the wilderness. Until last year. He was finally forced out and then died in 1989. But he told me one time that he had a kind of agreement with the Russians that in return for having his own way in running the Hungarian economy he would be willing to go without any hesitation along with any political or foreign policy decisions the Russians were making. He developed this New Economic Mechanism which became known as Hungarian goulash communism. As you know it was the dissolution of centralized management and bringing it down to the factory or farm manager. You're the one who decides what to produce and how many and so on, and we'll tell you if it's not right or so on.

So this quiet revolution in Hungary has been going on since 1968. When I got there in 1969 relations between our two countries were very chilly still. There were reasons for it. Cardinal Jozsef Mindszenty was in our Embassy and had been there for 13 years when I got there. And diplomatic relations were extant but that's about all you could say for it.

I arrived there in June. By August we had already managed to agree upon an agenda that we would discuss. And we had resolved four rather small impediments to better relations which caused the New York Times—read my book coming out in 1990—to praise this action and call it not the sort of stuff that international diplomacy is made of, but sometimes the symbolism was more important than the actual action and it's a good indication of how things are developing between the two countries and it speaks well for our American ambassador there, Alfred Puhán.

So, I saw over this period of four years plus what I would call a development of relations from abnormal to normal between two such different countries, a little country of 10 million people,

communist, and the mighty United States, capitalist. And we had free movement and so on. The Cardinal was out of the Embassy at the end of my second year and that made it possible for high ranking officials of the U. S. government to come there. So I was there at the beginning of this.

Q: Do you think that the cultural background and the temperament of the Hungarian people also made them more predisposed to follow that kind of an economic development than say some of the other people like the Czechs? From my short experience, very short experience—just a week or two between the two countries—seemed to indicate to me the difference between night and day in going from the Czechs to the Hungarians, although there were other reasons for that. But I just wondered how you felt about it.

PUHAN: There is no question, no doubt about that at all. The Hungarians are a very talented, clever intelligent people. They have demonstrated that by contributing to our civilization in the United States everything from George Solti and Eugene Ormandy and Joe Namath and Zsa Zsa Gabor and anyone you want to name. All these have done very, very well in their own fields.

By the way, I saw this at the Voice of America because you know we had there a little bit of each of these countries at these desks. And you could always tell the Hungarians were far more aggressive, far more willing to go ahead. The Czechs perhaps because the long domination by Russians or by Germans and Austrians has produced a kind of timidity in that, you could have knocked me over with a feather when I learned that the Czechs threw out the communist government. Really, that was something because I expected them to be pretty much next to Ceausescu in Rumania—to be last.

Q: Yes, I thought so too.

PUHAN: But instead they did it. Well, the Hungarians are—they have a talent for this. I could tell you story after story. They were practicing capitalism when I was there. I had a white Lincoln Continental as an official car. And of course it was not only the only white Lincoln, but it was the only Lincoln in all of Hungary. And when something went wrong with it there was no point in taking it to a state garage. They couldn't do anything about it. But you could go up to a third or fourth floor office where a little man sat with an eyeshade. He took a look at the part that had to be produced and he produced the part. This was going on all over the place and the government knew it and backed it in fact quietly. At the same time having learned their lesson in 1956 because of the clobbering by the Russians, the Hungarian insurgency, they were careful. But they kept pushing as one of them told me one time. I don't remember whether it was a journalist or a doctor. He said we always push just about as far as we think we can go and then we push a little bit further. And if nothing happens then the next time we push again a little bit further and that's what they've done.

So they have the disposition. Now, I look forward to—they're going to have a lot of trouble of course because they have a big national debt. They're going to have a lot of small parties and the communist party has changed its name. That's not going to fool them of course and I suspect they'll get less than 17 percent of the vote in this spring's elections that they've going to have. But, yes, it's absolutely true. There's even a contrast as you know between the Czechs and the Slovaks. The Slovaks are more like the Hungarians. The Czechs are quite timid.

Q: They seem so much more bullying to me.

PUHAN: Yes.

Q: Do you have any anecdotes about the Hungarian situation that you feel you'd like to put on tape here? Or would you care to comment further?

PUHAN: Well, of course, they'll all be in my book.

One of the stories—I heard later—concerns the fact that the Hungarian communist party was losing members year after year. So they finally decided to give some incentives and they said that any member of the Hungarian communist party who brings in a new member is relieved from attending party meetings for a period of one month and does not have to pay his dues for a year. And any member who brings in two new members is relieved of attending all party meetings for a year and doesn't have to pay any dues for a year. And any member who brings in three new members will receive a certificate saying that he never was a member of the communist party.

ALAN HARDY
Political Officer
Budapest (1970-1978)

Mr. Hardy served in the Army from 1957-1959. He joined the Foreign Service in 1956 His career included positions in Canada, Madagascar, Italy, Somalia, Hungary, Mexico, and an ambassadorship to Equatorial Guinea. Ambassador Hardy was interviewed by Lewis Hoffacker in 2001.

HARDY: Having studied Hungarian for a year I next went to Budapest, Hungary where I was Political Officer, the third-ranking fellow in the embassy, but it was a small embassy. I served as Chargé a couple times and acting Deputy Chief of Mission (DCM), one or the other, for about half of my tour. As political officer I pushed the idea that we should use human rights in the various bodies that had been set up in multilateral institutions like the CSCE (Conference on Security and Cooperation in Europe?). It was a way of bringing the Soviet Union and all its satellites together with all the western European nations to try to devise ways to reduce tension in Europe, lessen the chance of war, and even find ways of cooperation.

Q: For you in Hungary, that was during the Communist period.

HARDY: Yes, it was. This was in the days when liberalization in Eastern Europe had barely begun. During Hungarian language training in Washington, which lasted a year, one day a week you had speakers on Europe, communism and so forth. So I was pretty well schooled in relations with Communist countries, particularly eastern Europe. That was very helpful for an African specialist like me and that's why I mention it.

Anyway, I thought that we needed to put human rights up front as our ideology in a sense, and use this within Hungary and within the CSCE to further our foreign policy. Some don't like to say that our foreign policy is based on promoting democracy, or human rights, because that sounds too idealistic and idealism can't be made a real thing in the world. But I never believed that. So I thought that in this context, the ideology of human rights rather than, say, the ideology of democracy itself, or the ideology of capitalism, was the thing to push because it was something you could do, something that many of the Communists themselves, especially those in Hungary, Poland and later Czechoslovakia, had concerns about.

The pioneer in all this, some would contend was Poland, but I believe that Hungary was the first country to really begin a process of liberalization. Not only in the area of human rights, but actually in the area of economics and adjusting towards capitalism. So it was good to be there at that time. The Hungarians greatly resented the Soviet Union. They had often cited the Soviet occupation in terms of the Turkish occupation of Hungary, which lasted much longer and had just about as much permanent effect. It was very interesting.

The Hungarians... You could have a Hungarian sitting opposite you that would spout ideology up and down, support every Soviet position that was out there no matter how blatantly partisan it was or blatantly leftist, and yet he had his way without ever saying it in English or Hungarian, of letting you know that he didn't believe a word of what he was saying. And then, if you knew him well enough and you wanted to pull his leg a little bit. You'd say: "I don't believe a word of what you're saying." Of course this would set him off and he'd go on in even stronger terms, arguing the Soviet position, which of course most of them didn't believe. There were a few that did. So that was interesting. That taught me something about people and the position of a country like Hungary.

Another thing I also learned there in talking to them, one can take any position one wants on an issue and find arguments to support it. No matter how difficult, or untenable, or illogical a position it was, as it often was in dealing with the Communists, they could find words to support it. This was a time when we returned the crown of Saint Stephen to the Hungarians, which is their national symbol, probably more important to them than, say, the Liberty Bell is to us. We returned it to them as part of the earliest stage of recognition of what they were doing in loosening their totalitarian grip on their own people and distancing themselves from the Soviet Union.

The other thing we gave them was most favored nation treatment. In doing this, we asked as a quid pro quo that they move a little bit more towards us and support us a little bit more in some of the things we were trying to achieve in eastern Europe and among the CSCE group of countries. I'll never forget, one time I went to this rather meaningless debate in the Hungarian parliament. I was Charge at the time. The American desk officer in the Hungarian Office of American Affairs said you've got to go and hear this debate. After a Hungarian Government spokesman had been addressing the Deputies for about an hour, I can't remember what the words were but there was an obscure reference made to a concession that we wanted from them, which I didn't even catch. So then we came back and two days later I got a call from the foreign ministry, "Did you hear what so-and-so said? This is what America has waited for ten years." So I had to report this as a signal, which it really turned out that it was.

Q: They were responding.

HARDY: They were sending us a signal, but they didn't want too many people to catch the signal. I don't know if the Soviets either didn't catch the signal or they thought it was subtle enough that they could ignore it, but we went on to radically improve our relations with Hungary by returning the crown of Saint Stephen and giving them most favored nation treatment.

Of course it was the Hungarians who eventually opened the back door to the people pouring out of eastern Germany, which perhaps was one of principal events leading to the sudden collapse of the East German regime in 1989. I always had a lot of respect for the Hungarians. They managed their relationship with the Soviets well. Their then President Janos Kadar led, in a way, a tragic life having begun his Presidency as a Soviet puppet and ending it as a cautious liberalizer. I don't know how many people appreciated him.

He came in to head the regime after the collapse of the Hungarian revolt in 1956, a revolt which we were, perhaps quite reasonably, afraid to support. The Soviets brought back this very totalitarian, repressive regime to Hungary after the betrayal of Imre Nagy and other figures who led the revolt. Kadar led it. Looked like a despicable character, but he really was the one who brought around this liberalization not only in terms of human rights, but also in terms of a less totalitarian economic system, creating of an opening for participation in the international trade system and, at home, for free enterprise. But it took the full 30-year process that he began and carried out for 20 years. The process accelerated in the later years, after Kadar had died, but would have been a lot more difficult if he hadn't brought things along. The man wasn't as bad as everybody expected in 1956.

A story. I shook Kadar's hand at the airport - I read his biography, he actually had working class in his background. I remember his hand was a thick, callused hand like the hand of a working man. In contrast to that were most Communist officials and most trade officials. I gave a representation dinner at my house one night and invited a group of trade union officials. I pointed out to them that I had been in a trade union. I had worked in a brewery and was in one. Mostly summer jobs, but I had also worked for a factory that manufactured television tubes and was a member of the International Electrical Workers.

So I started to ask the trade union leaders that I'd invited to my house about their trade union experiences, and there were a couple of members of the Hungarian press there as guests as well. Well, one or two of the leaders, and the Hungarian press, just burst out laughing, because of course these union leaders had never seen the inside of a trade union until they were appointed to lead it. They sit on top of it and run them, but don't work in them.

ROBERT B. MORLEY
Polish, Czechoslovakia, and Hungary Desk Officer
Washington, DC (1971-1973)

Robert B. Morley was born in Massachusetts in 1935. He received his BA from Central College, Iowa. After joining the State Department in 1962, he served in Norway, Barbados, Warsaw, Caracas, and Quito. Mr. Morley was interviewed by Charles Stuart Kennedy in 1997.

Q: Turning to Hungary now, could you describe Hungary at this time, around '73?

MORLEY: Hungary was perceived by us in the State Department as being the single Eastern European country with the most potential for reform. They sent several trade missions to the United States during my period. What they were interested in, again, primarily were inputs into heavy industry. Gyor is a major manufacturing center in Hungary. The machinery and the equipment there was, for the most part, badly outdated. They wanted to get both the machinery and the credits together to be able to finance it. We were very receptive. We promoted extension of credits. I remember accompanying a Hungarian trade mission that was led by a very high official of the Government of Hungary, whose name escapes me right now. But my main job seemed to be to assure American manufacturers that it was okay to do business with the Hungarians from a policy point of view as long as the deal seemed reasonable to the American firm involved and they were satisfied with the payment arrangement. That was very reassuring to them. They always sort of took me aside and said things like, "Is this show and tell or can we really do business with these people?"

Q: How did we feel about Hungary within the Warsaw Pact?

MORLEY: I'm not sure that I'm the best person to answer that because I was not the political desk officer for Hungary. The best of my recollection was that Hungary was considered to be a minor player, that Hungary had learned its lesson in '56 at the time of the revolution, that Hungary had participated in the invasion of Czechoslovakia and, therefore, Hungary was not going to be anything but a supporter of the Soviets. But they were a minor player in the Warsaw Pact. If you look at a map, you can see that if the Soviets had maybe 20 divisions in East Germany, they need Poland for logistics, communications, everything. Hungary they don't need. Hungary is there and it is a useful member of the Pact, but it was not as critical in terms of Soviet interest in Europe as Poland was.

Q: During this '71 to '73 period, were there any sort of incidents or events that particularly caught the attention of the State Department in Poland, Hungary, or Czechoslovakia?

MORLEY: We were watching very closely the evolution of developments in Poland in the aftermath of the change of government in Poland in 1970. That was probably our major focus at the time. Czechoslovakia was considered to be not a country amenable to change either on the political or economic front. Hungary was considered to be very conservative politically, but seeking ways to strengthen ties to the West and to the United States in the trade and financial area. Our assumption was that they would be given more latitude than Poland or Czechoslovakia simply because they were not as important to Soviet interests as Poland was. In any case, we were willing to test the water.

Q: In '73, you left the Eastern European job.

MORLEY: That's right.

DONALD B. KURSCH
Consular/Economic Officer
Budapest (1971-1975)

Donald B. Kursch was born in New York in 1942. He graduated from Harvard University in 1964 and served in the U.S. Marine Corps from 1964 to 1965. His assignments abroad after entering the Foreign Service in 1966 included Zurich, Budapest, Moscow, Frankfurt, Bonn and Brussels. Mr. Kursch was interviewed by Charles Stuart Kennedy in 2003.

Q: Well, after this... one of the things one can when one's back in Washington is sort of prepare for one's next assignment or develop contacts... but I'd think that your place would be so much off to one side that it wouldn't be a particularly good contact place.

KURSCH: No, but what I did was I started working on my graduate degree at night at GW when I started taking courses in East European studies. Actually, it had occurred to me, because one of my colleagues in Zurich had decided he wanted to go to Hungary, so he brought a Hungarian teacher in at lunchtime to teach him Hungarian. And when I went to call on my career counselor... they were pretty good back then, giving you advice... he said, "Gee, tell me a little bit more about Gil, why did he want to go to Hungary so badly? He seemed to want it so much. We could have sent other people out there, but he seemed to want to go there so much, so that we assigned him there." So then I did sign up and took these courses, and when they asked me the same question, I said, "Oh, always been very interested in Eastern Europe, and here I am studying for my graduate degree." So they assigned me to Poland. But then, Gil, this guy who had gone to Hungary, didn't get promoted, was unhappy, and left the Foreign Service. So personnel then said to me, "Well, we have this opening in Hungary." And the post was so small that any job you got, you'd be the chief of the section. So I, it was clear I could be the chief of the consular section. Here I was 27 or 28 years old, and met a guy who'd been there and said, "It's a great place." So I signed up and I took Hungarian language training instead, and went to Hungary in 1971.

Q: How did you find learning Hungarian?

KURSCH: Well, it's not easy.... I learn languages just by keeping at it. I don't have a great gift, but I manage. It's a hard language, but when I got there, I guess I was good enough to do some very basic consular work and the consular interviews. And, at the time, people did not speak English, even in the foreign ministry consular department I did my business in Hungarian. I hacked away, but I managed. It's very, very hard to get a proficiency in a language like that unless you study in the country. And one of the things I did later, I pushed very, very hard, and successfully, to set up an in-country study program for the Hungarian language.

Q: What was the situation, vis-à-vis, the United States and Hungary? You were out there in 19...

KURSCH: '71. Well, we had the aftermath of '56 and it was still very strong. Most dramatically, Cardinal Mindszenty lived in the American Embassy. He had lived there for 15 years, and as a result, our bilateral relationship was much more strained than would have otherwise been the case, because we had this aftermath of '56. Janos Kadar, the person who sold out the revolution, was still the first secretary of the party. We had never had a cabinet level officer visit Hungary. This was unlike Poland, where all through most of the Cold War, we still had a pretty high level of contact. So the relationship was strained. We had special police at the front and the rear entrance of the embassy 24 hours a day in case the Cardinal would make a break for it, in addition to the militiamen, and yes, it was very hard Cold War environment.

Q: You were chief of the [Embassy's] consular section.

KURSCH: I was the vice consul, but, was the head of the consular section.

Q: Who was the ambassador when you were there?

KURSCH: Al Puhan. He's still alive.

Q: What did the embassy consist of?

KURSCH: The embassy was a pretty bare bones operation. The State Department had a political officer, an econ officer, a consular officer, an admin officer, and then there was a general services assistant, the ambassador, the DCM. I think there may have been at some time numerical limitations anyway, on our respective embassies. And then in terms of other agencies, commerce didn't have anybody there. There was a USIA officer, and an assistant, and of course, there were FSNs. We had a defense attaché, I guess we had an Army and an Air Force attaché, but no Naval attaché, of course. So, it was pretty bare bones.

Q: What was consular work like?

KURSCH: Well, it was quite interesting. You had the regular visa requests, but I also I met many interesting people through visa interviews: artists, people who wanted to travel the United States. I had a wonderful Hungarian consular assistant who would say, "Oh, this is a well-known artist." And you'd bring them in and interview them and talk to them and it was a nice way to meet the people. You could use a bit of the language. And then we had some arrest cases, doing welfare whereabouts, American citizen services. We had a number of Americans arrested for trying to smuggle their East German girlfriends out of the country, because Hungary was incorrectly assumed to be an easy way out. Hungarians could marry Americans and get permission to leave, but East Germans could not. So, people would come down and meet in Hungary, but the Hungarians sealed the border to any East Germans who wanted to leave until 1989 when the Iron Curtain was dismantled.. And then we had people charged with DWI in fatal automobile accidents. That was a felony offense, you could get several years in prison for that at the time. In that respect, I guess, the Hungarians were ahead of us.

What else did we have? And then we had some odd cases. I remember a case of an elderly Hungarian-American who was arrested for standing up on a bus in southern Hungary and saying that the Communists were a bunch of pigs. He was arrested and jailed on charges of anti-state agitation, which could have brought the death penalty. I remember going to his trial in this really primitive town in southern Hungary...

Q: Was he a Hungarian-American?

KURSCH: Yes, he was from Cleveland, Ohio. Papai was his name, funny I remember his name now. We went down to the trial and this very old line Stalinist official was basically running the trial with his two lay accessors who formally had votes but no say, and indeed they convicted him and sentenced him to a long prison term. We protested right away and said, "This is outrageous." And, indeed, the Hungarians immediately assembled an appellate court and overturned the conviction and let the guy out on the basis of time served. So at least we got him back to Cleveland. And then one of the most memorable things that happened to me that gave me a view into the realities of Communism. One day a fellow came in to me, I remember his name quite well, his name was Ziegler, because he was trying to get in touch with President Nixon's press secretary of the same name. And, indeed, the Hungarian FSNs, we called them "locals" at the time, were instructed that if somebody wanted to talk to an American they were to put their identification on my desk and I would see them in turn. There was always the hope by certain government agencies that the head of the Soviet southern group of forces would walk into the embassy and defect. And, indeed, it was quite easy to get into the consular section. There was no security...

Q: No.

KURSCH: ...Check at all. You just walked into the waiting room. You went up two flights of stairs. Anyway, this fellow came in to see me, and he introduced himself as Mr. Ziegler. Didn't speak a word of English. He didn't have an internal ID either, which may have meant that he was mentally unbalanced. And in the summer time, they let the overflow from the mental hospitals out to ease overcrowding. So they would also show up at the embassy. And so this man says to me "You know, you Americans helped everybody after the war, but I never got any help and I really need it now." So, I said, "Are you an American citizen?" He said, "No, but I need your help. If I could only get in touch with Mr. Ziegler in Washington, I know he could help me." Anyway, I turned him away as gently as I could. And then, about two or three weeks later, he came back. I had an associate from another agency working with me part time in the consular section. I said, "Look, John, don't let this guy in to your office. He wants help. He's not an American." So, I went home for lunch. As I'm sitting down, eating lunch, the duty Marine calls me up and says, "You have to come to the embassy immediately." I said, "OK." And this was right before the Cardinal was leaving the embassy permanently. The ambassador had negotiated his departure from Hungary, which is another story. So, I get down to the front of the embassy, and I see this big, square Hungarian ambulance sitting right out in front of our embassy. I walked up into the consular section, and in our waiting room there were these Hungarian detectives, plain clothes men. We had a little, small toilet at the side of the waiting room, and the detective opened the toilet door, and there was this dead body on the floor. He said to me, "Do you know this man?" I answered "Yes, he came in to see us." The guy, after he had seen my colleague and

been rejected a second time, had gone into the toilet, locked the toilet door, and blew his brains out.”

Q: “Gee.”

KURSCH: They tried very hard to identify this person. His picture was on TV, his picture was in the papers. I remember being at a dentist’s office, while my wife was at the dentist. I was just looking through this Hungarian dental magazine where they had his dental charts and were asking dentists if anybody could help identify this man. About four or five months later, I was over at the foreign ministry, to be informed that one of our American prisoners was getting his sentence reduced. (We used to be able to get 35 maybe 45 percent off on US citizens’ sentences by submitting clemency petitions.) My Hungarian interlocutor, broke out some brandy to mark the occasion This was the another thing that was done at the time. We both had a small glass of brandy. And he turned to me and said, “Now Mr. Kursch, perhaps you could do us a favor. Remember we had this unfortunate incident in your embassy about four months ago. Surely you know who this man is. Can’t you help us identify him?” And, it was clear to me that they were still groping for whoever this person was. He was carrying a handgun and no ID, and had come into our embassy and fortunately, for me, had chosen to resolve his problems in the Hungarian manner rather than in the fashion of certain other cultures where I might have joined him. The next time we had somebody threatening to kill himself at the embassy I was not as patient and called for the guys with the white jackets, because I didn’t want to take a second chance.

Q: What happened with the Cardinal? In the first place, by this time, he was certainly the oldest member of the embassy staff.

KURSCH: The Cardinal had a peculiar view of his presence in the embassy that was not shared by the rest of the staff. Among other things, the Cardinal felt that he was the legitimate ruler of Hungary. He felt that because he didn’t recognize the Communists as being legitimate, believed that Hungary was still a kingdom, and that since there was no regent, when there was no king you had a regent, and when there was no regent, the prince primate of the church was in charge until a regent was appointed. So, he really did have it in his head that, under Hungarian tradition, he had a role there. Now, no one else recognized this role. The Vatican did not; the Communists certainly did not. He was a complication for all of us—for the United States, for the Hungarian government, and for the Vatican. The ambassador, when he came there—he preceded me by two years—I think realized that unless we could get the Cardinal out of there, he’d be a continuing major obstacle to our bilateral relationship. Indeed, the Cardinal had threatened to leave the embassy in ’67 when we first sent an ambassador to Hungary. Before, we’d just have chargés and before that the embassy in Budapest had only been a legation, where you’d have the minister in charge. But, when Martin Hillenbrand came in ’67, Mindszenty threatened to walk out. But he did not.

So, he stayed up in his little room, which was the ambassador’s office—the ambassador had the DCM’s office—and had his little suite there. Every night the male officers at the embassy took turns walking him. We would knock on the door and ask if His Eminence wished to have his walk that evening. By the time I got there, he was getting pretty far on in years, so we had these two aluminum chairs in this little courtyard—we had a courtyard that we shared with the

Hungarian National Bank—and we would sit down there and he would talk. He would hold forth on various subjects. Usually, his favorite subject was how the Allies had sold out Hungary in WWI, and how Woodrow Wilson was personally responsible for all these misfortunes as a result of Wilson's role in the post war Treaty of the Trianon, which had reduced Hungary's size by two-thirds. He was not a very open-minded individual, and he was not an intellectual. He was a tough fighter. He was a person of very strong character, and certainly when the Communists took him on, he was quite prepared to be a martyr.

Q: Did he leave while you were there?

KURSCH: He left while I was there.

Q: How did that work out?

KURSCH: Well, as I understand it, Ambassador Puhán had tried for many years to convince Mindszenty to leave the Embassy. The Cardinal would pretend to go along but then would have a last minute change of mind. The Cardinal's mother, who lived to almost 100 and his sister were also in Hungary and they would come to see him. However, when they passed away he no longer had close family in the country. Cardinal Koenig from Vienna was the person who would come down and see him. It appears, from what I gathered, that the Pope, it was then Pope Paul VI, was persuaded to write a letter to Mindszenty asking him to come to a special religious celebration that they were having in the Vatican at that time, I believe in honor of the Virgin Mary. The Pope's letter was written in a way that was strong enough that Mindszenty was able to interpret it as an order for him to appear. In any event, arrangements were then made for him to leave. The Papal Nuncio from Vienna came down to take him out, and the Hungarians also sent a special escort to accompany him to the border. To discourage a last minute change of mind, the week prior to the scheduled departure, the ambassador took Mindszenty's memoirs, and drove them out to Vienna, and deposited them in the Pazmaneum, which is a building belonging to the Catholic Church, right next to the American Embassy in Vienna on Boltzmannstrasse. And Mindszenty did leave this time. A Hungarian irredentist to the end. Mindszenty angered the Austrians upon arrival in Vienna by announcing that "When I crossed from the Burgenland into your country today, I became aware of your gracious hospitality," or something like that. The Austrians saw this as an effort to claim the Burgenland, which had been ceded to Austria in 1920, for Hungary. Mindszenty then he went to the Vatican but was not particularly happy there, and went back to Austria where he spent many of his remaining days in the Pazmaneum, right there next to the American embassy in Vienna. He was buried at a place called Mariazell, which is a shrine and place of pilgrimage outside of Vienna. However in 1990, he was then reburied in 1990, in the basilica at Esztergom in Hungary, together with other past primates of Hungary's Catholic Church. I ended up being a U.S representative on this occasion since, Vernon Walters our Ambassador to Germany and my boss at the time and he was invited to go but couldn't. Walters then sent me as his representative. So I actually went to the re-burial and was able to pay a final farewell.

Q: Well, what about life there for you and your wife there in Hungary?

KURSCH: Well, it was a challenge in terms of meeting people who were not designated as official contacts. We wanted very much to meet people and to have interactions with Hungarians. Although you did have the secret police presence and we had militiamen, or the policeman, stationed outside our house, with some ingenuity you could still meet people. I met many Hungarians through visa contacts. I met artists, and one of the artists who I'd given a visa to introduced me to his niece and her husband who was a doctor and then we started meeting his friends through him. But this was tricky, as we wanted to do representational work and make friends for the United States. One of the things I very fondly remember was when my wife, being Swiss, we decided to have all these young people over for a fondue one night, these young professionals. So, the appointed hour came, and we were expecting about 17 or 18 guests or so. Nobody showed up except one exchange student, an American academic. The three of us were sitting there in the apartment waiting for the others with a lot of food..

Anyway, I soon realized that my young friends were not going to show up. So, I must have gone down the street to call them. I knew not to call from my house, because our phones of course were tapped. Then I went over to my new Hungarian friend's apartment on the other side of town. He and all the others were sitting around wondering what to do. So, being a good young strong American, I said, "C'mon. Aren't you going to show some courage? Don't be afraid of these police" They said, "Look. We have careers in front of us. We don't want to have our careers ruined." And I said, "Well, can we bring the dinner over here?" They said, "That's a great idea. Why don't you do that?" So, I went back home, and my wife, had already figured this scenario out because she had started packing. We brought the fondue pots and the meat and everything, we packed it in the back of my car, and together with our American guest, we drove over to the other side of town and had the dinner in this fellow's apartment. We had a grand time. I'm still in contact with this Hungarian friend and saw him in June. We were also able to do a certain amount of entertaining through official contacts with people who had official positions. Of course, they had to obtain permission and file reports when they came to our house.

Q: Was there any... Did the, I always want to call them the '56-ers who went to the United States in sizable numbers... Did they have any, were they at all influenced or trying to come back?

KURSCH: Yes, they were a challenge for the consular section. In fact, the Hungarian Government at the time had a basic practice to avoid incidents of denying visas to '56ers who were on a black list. We recommended that any Hungarian Americans get their visas through the embassy in Washington even if this raised the possibility that a visa might be denied. As far as we were aware. '56ers would get their visas this way did not encounter problems once in Hungary. You could get a visa for Hungary at the border, but this could be problematic since those who got visas this way were not covered by this unwritten rule.

Q: No.

KURSCH: There were always some who would try to sneak in. Shortly after I arrived in Hungary, I had one particular case where a returning Hungarian-American was arrested by the secret police, His wife came to me in the Embassy and said, "They took my husband away last night." She was in Hungary with all four of their kids. Trying to reassure her I said "Well, they probably just want to question him but tell me if he is not back by tomorrow." She was back the

next morning and we immediately began making inquiries. We were subsequent told that he had been arrested for espionage and, he could have been given the death penalty. We had a very nasty case and his lawyer, who had to have a special security clearance, was not permitted to talk to me about the details.. What I do remember is that when I finally got consular access to him, which took some time because we didn't have a consular convention with Hungary, we had a very memorable meeting. Normally, the consular access was fairly relaxed. When I'd see the prisoners, most of whom were in prison as a result of traffic accidents or trying to smuggle out East German girlfriends, I'd bring a couple of packages of American cigarettes for a rather friendly interior ministry major who would sit in on our conversations. But this time it was very intense. They had the interrogator in the meeting, who looked like something out of Arthur Kessler, with a shaven head, silver glasses you couldn't see through, a black leather jacket, and black turtleneck. The prosecutor was also there. It was a pretty tense affair. I remember, at first they wanted me to speak Hungarian. I said, "No, no, I don't speak Hungarian to Americans citizens", and I didn't. I remember telling him. "We're going to get you out of here and look after your wife and children". The Hungarian police started getting a little nasty after that. They started tailing me around the city for a couple of days, and played some bumper tag with my wife. But, eventually, we were able to get the guy freed through a number of interventions, including an appeal by his American trade union to the Hungarian trade union organization. The Hungarians gave him a five year sentence, but then freed him with a Presidential pardon. The following morning they drove him to the Austrian border and had him walk across, but they did let him say good bye to his mother the night before. You had that element and this is the best single example I can think of. Of course, there was also a strong resistance by certain '56-ers to any rapprochement with Hungary, and that manifested itself a little bit later in the debate we had over the return of the crown of Saint Stephen, which was done during the Carter administration.

Q: Yeah. Well, what about you and your wife. Did you get phone calls? Could you travel rater freely without harassment?

KURSCH: We didn't have too much harassment that I can remember. We had a housemaster who lived downstairs. There were five American families in the apartment we lived in, and he and his wife lived downstairs. So they kept a watch on us. The wife was also the babysitter for our daughter, when she was a toddler, so in their own way they performed useful services. But they watched what we did. We weren't allowed to travel to certain parts of the country because we had these mutual travel restrictions. The way these started is that I think we actually slapped them on because the Soviets had all these closed areas. So then we closed areas in the U.S. off to the Soviets, and the sense in our counter-intelligence community was that Eastern Europeans were being used to do tasks for the Soviets, so we closed off certain areas to those countries as well. So the Hungarians closed off maybe 30-40 percent of the country to us, and we couldn't go these areas..

Q: What about Budapest? I was there during the mid-60s, just paid a visit. It seemed like kind of a fun city. I mean, you know, interesting, at least good food.

KURSCH: Yes, relatively speaking. They called it the merriest barracks in Eastern Europe. They had relatively good food, and it was different. They have a distinctive cuisine.

Q: Cherry soup, for example.

KURSCH: Cherry soup, cold fruit soup, and they had those hot pepper dishes, and gypsy orchestras in most places. The prices were certainly very reasonable. The theater was quite respectable, good operetta, a decent opera, at cheap prices. It was certainly very European in the traditional sense. In fact, if you were nostalgic for Europe before the war, a lot of that character was still there.

Q: We stayed in the, I think it was the Gellert Hotel. I remember going around to... It no longer belonged to Gellert. It was a communal bath or something. A big swimming pool with waves. That was great. I had a hell of a time because I couldn't understand what the signs meant. I think I went into one dressing room which obviously not for my configuration. But anyway, that was kind of fun.

KURSCH: The other thing about Budapest, of course, it has these grand buildings from the Austro-Hungarian times; the Szechenyi Baths, out on the city park were also very elegant. Smelled a little bit, that sulfur smell, but you could sit outside in the hot water and play chess in the winter time.

Q: How about the Soviet presence there?

KURSCH: The Soviets tended to stay out of sight. We didn't have much contact with the Soviets on my first tour. I went back in '86 as DCM. But, during the first tour, we didn't have much to do with them. I might have had some formal contact with their Embassy's consular officer, but I don't even remember that, to tell you the truth. Although, one of the things I did, with my Belgian colleague, was to establish regular meetings of our consular corps. We used to have special consular lunches. And so, I'm wondering if the Soviet came to that. It's possible that he did. The Soviet military was stationed at certain bases around the country. They would be escorted into town in groups to see the sights, but the contacts between Soviets and Hungarians were quite formal. And the Hungarians did not, with few exceptions, speak Russian. In fact, Party First Secretary Janos Kadar himself seemed to show off the fact that that he could not speak Russian. He was a Hungarian worker and he only spoke Hungarian.

Q: Did our involvement in Vietnam play any ... have any repercussions in Hungary when you were there?

KURSCH: I don't recall it being a major issue for us. Officially, of course, we were being denounced in the press. But, for Hungary, it was a far away place, except that when we set up this International Control Commission for Vietnam as part of this whole Paris peace process, the Hungary was the Warsaw Pact country that was named to participate in that. And one of my colleagues, Bill Shepherd, got yanked out of Budapest where he was political officer to go back to Vietnam and be our liaison. But I didn't remember an awful lot of public antipathy; you didn't have the protest movements there that you certainly had in Western Europe. I never remember huge demonstrations at the embassy, and if you had demonstrations, they would have been officially organized.

Q: Was the university sort of off limits?

KURSCH: Yes, unless you were doing something official. USIA had some contacts and there were some limited official exchanges. Whether we had a Fulbright program then or not I'm not sure.. We certainly had it on my second tour. But, things were carefully monitored. And certainly Hungarians who wanted to get ahead needed to be very careful in their contacts with us unless you were an artistic type of person or the rare individual who would say "What are you going to do to me?" to the state. The American embassy was the place that was watched the most. After us, the Brits were the number two target..

Q: Well, was there sort of a tight embassy... in other words, did you get together with embassy officers of western powers and all that? Was there good comradeship there?

KURSCH: Well, yes. The western community which was very small, also included... the businessmen. But there wasn't much of a business presence either. You had the airline office representatives, there was not much of a press presence. You had Lufthansa, and Swissair, and our group, we got together and we entertained each other a lot. There were a couple of house Hungarians who might show up on occasion. And the ambassador could get more for official events. But in my case occasionally, I guess I got people from the foreign ministry to come to dinner from the consular department and the Hungarian lawyers and doctors from our consular section lists.. My first two years at post I was the consular officer. Then I became the economic officer for my second two years. Then I could invite guests from the Foreign Trade Ministry, the National Bank and the foreign trading companies.

Q: So you're there from...

KURSCH: '71 to '75.

Q: '71 to '75. Any... Well, we had the Yom Kippur War. Did that have any resonance?

KURSCH: Again, I don't really remember that having a big resonance. No. I think there was a fair amount of support for Israel in general in Hungary. You had a big Jewish community in Budapest, but also if the Soviets were for it, the population was probably against it.

Q: [laughter] Yes.

KURSCH: And you had official propaganda, and then you had the way people felt. I think there was also a good deal of personal contact between Hungary and Israel. You have a lot of people in Israel of Hungarian descent. What I do remember was the gradually after Mindszenty left relations became somewhat less cool. We had our first high level visit, actually right before Mindszenty left, by the Postmaster General, a man named Winton Blunt from Alabama, who recently passed away. And that was a big deal, because that was the first time a U.S. Cabinet member had ever visited Hungary, and we all played a part in his visit. After that, we started having more frequent visits by Cabinet members. We had Secretary of State Rodgers, and then I remember particularly the Secretary of Commerce coming in the fall of 1973 because I was his control officer. For the first time, I had an opportunity to be a control officer for a Cabinet

secretary. We were then actively trying to promote trade, and that was fun. I enjoyed that visit very much.

Q: Was there, by the way, at all a community of American pensioners in Hungary?

KURSCH: There were a few. There were a few people. Although, it seems to me, when I first arrived we would not pay Social Security checks into Hungary because the exchange rate people got for the checks was so disadvantageous. But, in my time, we reached an agreement on the rate of exchange, and we started to pay Social Security benefits to American citizens living in Hungary. It wasn't a big community, it wasn't like Poland.

Q: Yeah. When I was in Yugoslavia, we had a large community. In Poland, and actually Czechoslovakia had a fairly large one, but...

KURSCH: I'd say at most we'd have several hundred. In the hundreds.

Q: Did you have a sense of belonging to the Eastern European Core or not?

KURSCH: Very much.

Q: At that time, it was considered very...

KURSCH: It was exciting. My parents came over to see me. My sister, I remember, we had a cute experience because my sister is eight years younger than I, and a rather tall, striking woman. Anyway, in 1971, my wife and I, we traveled out to Switzerland for Christmas. We drove out. My sister came over to spend Christmas with us. My wife stayed on in Switzerland, and my sister drove back with me to Budapest. So we stayed in the same military hotel by the Chiemsee. Do you know that hotel?

Q: Oh, yes, I've been there.

KURSCH: And I remember the second time we checked in, this clerk looking at me with this woman, Virginia Kursch, who is this man with these multiple wives? And also the immigration officer, I had a friend who was the deputy immigration officer in Vienna. He's the one who used to do the Eastern European countries, a very gracious man named Joe Lowery, who took the young consular officers under his wing...

Q: He'd been there for some time, hadn't he?

KURSCH: Yes, he was a good old boy from Florida.

Q: Yes, I dealt with him.

KURSCH: A very nice, kind man. He had an apartment right down across the street from the St. Stefans Cathedral and I remember him taking us to the comic opera in Vienna for the first time, we saw the Gypsy Baron.

Q: Oh, yes.

KURSCH: Anyway, his boss was kind of a political guy from Long Island, who was scared to death of the Communists. He would never travel across the Iron Curtain even though this was his territory.. But when I went to pick up the keys to Joe's apartment, he looked at my sister and said disbelievingly "some sister."

End of Side two, Tape one

[Side One, Tape Two]

Q: This is tape two, side one, with Donald Kursch. Yeah...

KURSCH: Then when I got back to Budapest with my sister... this was about New Year's or so, in early 1972. This housemaster and his wife were our minders. His wife was quite shocked that I had this woman, and we only had one bedroom and we were sharing this rather large bed. And, when my wife finally came back, she went running up to my wife, and said, "You know, your husband, when he was away, he had this tall dark woman in the apartment." And my wife kind of chuckled, and she said, "Oh, that was Don's sister." So, in the summertime, my sister really did come back, and there the housemaster's wife could see that she really was my sister. There went her police report, and probably her hopes for a small Communist decoration.. It was a very exotic thing to come and visit us there, and my parents certainly enjoyed it. My father, I remember him going for a haircut, and the full treatment he got for under a dollar, he couldn't believe it. It reminded him of New York, back in the 1920s.

Q: And all this stuff put on that smells...Yeah they really...

KURSCH: Yes, it was a good time. We were an important presence, symbolically. Certainly when you're young, you don't fully appreciate it at the time, the symbolism of your presence there, and that when you go out to undertake an official action you were a symbol of hope for these people.

KEITH C. SMITH
Political Officer
Budapest (1973-1976)

Ambassador Keith C. Smith was born in California in 1938. While attending Brigham Young University he received his bachelor's degree in 1960 and master's degree in 1962. He entered the Foreign Service in 1962. His career includes positions in Mexico, Venezuela Hungary, Washington D.C., and an ambassadorship to Lithuania. Mr. Smith was interviewed by Charles Stuart Kennedy in February 2004.

Q: Keith, you were discussing 1973 in Hungary. Let's pick it up from there.

SMITH: I was sent to Hungary as the political officer after 10 months of language training. The Embassy was relatively small. We were about 25 Americans and about 50 Hungarian FSNs. A new ambassador had arrived shortly before I did. He was a civil service employee who had worked only at the UN. He was a decent person, but had never served overseas. As a result, he didn't have a good picture of what an embassy really should do. Fortunately, the DCM was an experienced professional. He ran the embassy and also provided policy direction. The embassy had some serious personnel problems over the next three years. Hungary, however, was a fascinating country in an interesting part of the world. It was a great experience for me. I think that the best career move that I ever made was leaving Latin America and going to Eastern Europe. Over 30 years later, I'm still working on Eastern European issues, although not as a diplomat. I'm grateful to have had the experience of living and working in Hungary in the mid-1970s. I believe that my children also benefited from living in Budapest.

Q: You were there from '73 to when?

SMITH: My first tour in Hungary was from 1973 to 1976. For the entire time I was the political officer.

Q: Let's talk first about relations with Hungary when you arrived there in '73 how stood they?

SMITH: Our bilateral relationship after the failed revolution of '56 was not good. Also, back in 1956, Hungary's Cardinal Mindszenty had taken refuge in the Embassy. That put a lot of stress on the embassy operations and on our bilateral relations. Large, black cars owned by the secret police were kept in front of the embassy 24 hours a day to stop a possible Mindszenty escape. Inside the Embassy, Mindszenty took over the ambassador's office. The entire executive area became his private living quarters. The ambassador operated from the DCM's office. It had been really a rough time for those at the Embassy. While Mindszenty lived in the embassy, one of the embassy officers had to be with him 24 hours a day. After working hours, the embassy duty officer had to sleep overnight on the third floor of the embassy, in part to protect Mindszenty from any attempt to kidnap him. About six months before I arrived, a deal was reached between the Hungarian Government and the Vatican, and Mindszenty was able to leave for Vienna, where he spent the rest of his life. His departure was a great relief for the embassy and bilateral relations were beginning to thaw somewhat by the time I arrived in 1973. In addition, in 1972, the Hungarian Communist Party initiated its New Economic Mechanism, that allowed for a semblance of a market economy to operate for small shopkeepers and some farmers. This policy was viewed by the U.S. as a positive step in the right direction. Unfortunately, these steps toward more open markets were not introduced in industry or large-scale agriculture. Nor, were other Warsaw Pact countries able to follow the Hungarian example. There was still too much fear in Moscow of people following the 1968 example of the Czech reformers.

Q: Was the crown of St. Stephens a motif or not?

SMITH: The Hungarian communists were not as anxious as they pretended to be to have the crown returned. The crown and regalia were symbols of nationalism that could have been used to

stir up anti-communist feeling. The Kadar Government raised the issue only occasionally. One communist official confided to me that the crown was safer in Fort Knox than it would be in Hungary, where it could be spirited away to Moscow at any time by Russian troops. In any event, our bilateral relations could never have been characterized as “normal” during my three years. We did not consider the Hungarian people as sovereign as long as the country was occupied by Soviet troops and Moscow dictated Hungary’s foreign and domestic policies.

During the 1970s, the Hungarian Government kept Americans living in Hungary isolated from communist party officials, to our constant frustration. Several “journalists” who worked for the secret police (AVH) pretended to give us inside information regarding Party officials and Soviet-Hungarian relations. In the process, they would assess the roles of each of us and our susceptibility to being compromised. Even my children were affected by the difficult political atmosphere. From our arrival, my children began playing with the neighborhood kids, learning enough Hungarian to communicate in simple terms. My children often invited the neighbor kids over to our home, where they would all play together. After a few months of “children’s bilateral relations,” the local party official for the neighborhood decided that the Hungarian kids might become contaminated with Western ideas. The Hungarians were then prohibited from coming to our home, and in effect isolating our children from the neighbors. My two sons, however, sometimes played soccer with some students from a nearby medical school. Our children learned first hand about the pervasive power of an authoritarian system. At their school, however, our children enjoyed a rich association with children from many other, non-communist countries.

Q: Was there any hint of what later became sort of the Hungarian approach to breaking out of the Soviet Union, without anything particularly overt they moved away. This is years later, but was there any hint of that at that time?

SMITH: There were constant hints at lower levels that Hungarians wanted to go in a somewhat more independent direction than most other Warsaw Pact countries. Throughout the Cold War, Hungarians and Poles always felt closer to the West than many of their Warsaw Pact neighbors or those living within the Soviet Union. People who lived in Warsaw Pact countries, however, were never quite as tightly controlled as those living within the Soviet Union. Having lived in both Warsaw Pact and former republics of the Soviet Union, I have been able to see the wide variation in totalitarian controls that existed in the different parts of the Soviet empire.

Q: Do you want to repeat what you said about people who went to the Karl Marx School of Economics?

SMITH: Hungarian students who attended the Karl Marx School of Economics generally came out with a good understanding of the advantages of a market economy. Many of them were anxious for Hungary to loosen up the state’s controls over the economy. Even in the early 1970s, there were many officials who wanted to see improved trade and political relations with the United States. They had to be cautious, however, because the Party leadership was controlled by believing Marxists, who were supported behind the scenes by Moscow. One was reminded daily of the limits on free speech in a Soviet-controlled country.

My first assignment in 1973 was to confer with Hungarians in the Foreign Ministry regarding the four-country Vietnam International Control Commission (ICC). Not surprising, the Hungarians usually interpreted their role as a neutral, impartial state in a manner supporting the Vietnamese communists. During the Vietnamese War, Hungarians and Poles had no choice but to follow the instructions of Moscow. Of course, we had to object to their alleged “neutral” behavior. I was often assigned to go to the Foreign Ministry and complain about their bias in favor of the North Vietnamese. They would then repeat their official position, with as much sincerity as possible. I could never understand why Henry Kissinger thought that his “peace deal” would result in anything but biased behavior on the part of the communist country representatives. In any case, my visits proved to be an opportunity to meet some very capable Hungarian diplomats. Within the next ten years, several of these people were able to tell me how much they hated this Moscow-directed charade.

Dealing with the Hungarians turned out to be particularly interesting. I had come from Latin America, where I could go to the foreign ministry and adequately make the U.S. case without engaging in a lot of prior preparation. This was not the case in Hungary. I remember the first time I went to the Foreign Ministry to present the U.S. position on some ICC issue, and I was embarrassed because my Hungarian interlocutor obviously knew much more than I did about the subject. He didn't consciously try to make me look like a fool, but I must say I felt like one when our meeting was over. It was obvious that one shouldn't go to the Hungarian foreign ministry without doing a lot of advance homework. Working in communist Hungary was not for the intellectually lazy. It was a much more sophisticated world than I had experienced in Latin America.

The sophistication of the Hungarian people was also something that I admired. The cultural and education levels were higher than in the U.S., in part because culture and education provided people with an outlet that they couldn't find in politics and business. Working there was always a challenge. At the same time, there were a lot of difficult issues to cover. The Hungarian Interior Ministry and its secret police did its best not only to keep us isolated, but they engaged in low to mid-level harassment on a continuing basis. Of course, our homes and much of the Embassy was penetrated electronically. If we hired anybody to work at our house, or to clean or watch the kids, we had to hire them through the Diplomatic Service Directorate, which was an arm of the secret police. The same held true for all Hungarians working in the Embassy. In effect, we were forced to pay for the very people who were assigned to spy against us. Some of these people were pretty decent and they expressed the hope that we understood the role that had been forced on them.

The AVH could be rough on Hungarians working for the Embassy. There were some very sad experiences in the mid-1970s. We had one FSN who defected to the West. He had worked for the Administrative Section, and as such, he had to go to Vienna on a regular basis to secure supplies for the Embassy. During one trip to the West, he decided to ask for asylum in Germany. He went to the U.S. Embassy in Bonn and talked to officials about being granted asylum. Unfortunately for him, the AVH somehow found out about it, sent agents to Germany and kidnapped him. They put him in the trunk of a Hungarian diplomatic car and brought him back over the German and Austrian borders. He was sentenced to seven years in prison.

We had an attractive FSN working in the Embassy library, who was under a lot of AVH pressure to try and sexually compromise one of the young diplomats or Marine Guards. She came to me one day and explained this to me. I'm still not sure I gave her the best advice. I suggested that she resign and look for another kind of job. She did. Within a few months, the AVH sent two thugs to her apartment and raped her until she agreed to cooperate with them. This is the kind of thing that the KGB-backed secret police did all over Eastern Europe in those days. And almost none of these thugs have ever been held accountable for their crimes. It is an outrage that there has been little post-Cold War information in the West regarding crimes committed against ordinary people by the communist intelligence services. Western Europeans are particularly anxious to forget this criminality.

I used to hear about the secret police in Vladimir Putin's Leningrad (St. Petersburg). The secret police operating out of Leningrad were well-known as the most thuggish of the KGB officers. While they were well-educated on the whole, they were implicated in a lot of horrible behavior. In 1980, I saw some their behavior firsthand. In any case, the Hungarian Foreign Ministry officials were generally professional and cultured. Although Hungarians were allowed by the Interior Minister to accept invitations to my house for dinner and a movie, they had to submit a detailed report on the event, including the theme of the movie, by noon the next day. At the Embassy, we received 16 mm films through the U.S. military. Educated Hungarians were very anxious to see Western films. In order to invite officials, however, I would have to send a list of potential invitees to the Foreign Ministry and include the name of the film. The Interior Ministry would then decide who could attend. Of course, private Hungarians were too frightened to accept an invitation, and we went out of our way not to endanger them.

The U.S. Government owned a large piece of property in the Buda Hills, where we had a modest American clubhouse. Diplomats from all the Western embassies would go there on weekends for tennis and socializing. It was one of the few places that Greeks and Turks mixed, or that Egyptians ate hamburgers with Swedes. We made friends from a wide range of countries.

Q: Let's talk a bit about the ambassador. You say his background was at the UN?

SMITH: He was a U.S. Civil Service Employee, with about 20 years experience at the UN.

Q: Did you get a feel for the motivation of sending somebody with that background there?

SMITH: He was sent out by Secretary Rogers, but I don't remember any more than that. I suspect that the Department wanted to replace him at the U.N. He did not turn out to be a successful ambassador. He even had some serious personal problems while in Budapest. I don't want to expand on this. He was also quite naïve in dealing with the Hungarian communists. Maybe we were fortunate that he spent considerable time in the embassy trying to decide on administrative issues, such as the color of the paint to be used in embassy offices. At least he was a nice, decent guy; just ineffective. After a year he was fired by then Secretary Kissinger and he went off to become a university president. At that point, Clayton Mudd, the DCM, became chargé d'affaires for almost a year, before a replacement was sent. The DCM at least knew the region quite well and he had no illusions about the limits of our relations with a communist government. During WWII, he had been an OSS undercover agent in Yugoslavia and, therefore,

spoke very good Serbo-Croatian, although his Hungarian was not as good. Clayton had to deal with a lot of internal embassy problems. We had one administrative officer after another. It was a difficult time to be Chargé.

Q: It just was competence?

SMITH: There were a wide range of personnel problems. It wasn't an easy work atmosphere for the admin officers, and one after another found a reason to curtail his tour. During my last year, we received an ambassador who had most recently been DCM at NATO. His name was William McCullough. He was a kind of hard bitten, WWII veteran, who first came across as a cold person. After a couple of months, I came to like and respect him. It was good to have an ambassador who was more concerned about U.S. policy objectives in Hungary than in being liked by Hungarian officials. He was a competent professional. Unfortunately, after only one year in Budapest, he was named Deputy Secretary of Defense, and the Embassy was without an ambassador again until after I left in the summer of 1979.

Q: McCullough later became ambassador to NATO?

SMITH: Yes, he later did become ambassador to NATO. I think it was Donald Rumsfeld who had arranged for McCullough to return to Washington to become assistant secretary of defense in late 1975.

Q: You mention long term objectives. What were you doing? Were you marking time, or were you preparing for something? What could we do?

SMITH: My job was to report on Hungarian political and economic developments. The Economic Officer dealt primarily with commercial issues, so I covered many economic issues. We looked at the comings and goings of foreign communist officials, in order to try and spot patterns or changes. I attempted to assess whether there was any split developing between Budapest and Moscow on domestic or international issues. It was interesting to watch the Moscow-Belgrade relationship for clues, and I became friends with two diplomats from the Yugoslav Embassy. Hungary's Communist Party leader, Janos Kadar was an interesting person. One minute he would talk about Hungary opening up to the West, and the next day, he would take some hard-line action against liberalizers. Maybe he had to balance reform with repression for the sake of good relations with Moscow. At times, it looked like Hungary was becoming less open to the West. I had never worked in such a closed, secretive atmosphere. We were always trying to analyze shadows, much as Socrates in his Republic. We attempted to look at the longer term; analyzing economic trends in the hope that Hungary might move more toward the West in its domestic policies.

At the same time we had serious arguments with the Hungarian Government regarding property in Budapest that the U.S. had bought in 1946-47, from people desperate to get out of the country. The U.S. even owned property occupied by the secret police. Ambassador McCullough made a priority of achieving a property settlement with the Hungarian authorities. His goal was to use revenue from the sale to secure better housing for the embassy staff. He didn't succeed during his

short tenure, but at least he convinced people on both sides to think seriously about the need for a resolution. We did manage a settlement seven years later, during my next tour.

Overall, our political goal was to bring a little more daylight between the policies of Moscow and Budapest. I'm not sure we were that successful, although the entire Western diplomatic corps was trying to do the same thing. The British were very active in Hungary at the time, and I worked closely with them on almost every issue.

The Hungarians, meanwhile, were engaged in major espionage against us. We found numerous electronic devices in the embassy and in our homes. One had to assume that every conversation (outside the Embassy's secure room) was listened to by the AVH. I had one particularly amusing experience. One morning, I called my wife at our home in Buda across the Danube River from the embassy in Pest. About an hour later, I picked up the same phone to call someone within the Embassy. Before I could dial, I heard some people talking. I listened a minute, and realized that I was listening to my wife and daughter talking in our bedroom over in Buda. Apparently, the person from the Interior Ministry who was charged with listening to my earlier conversation had forgotten to turn off the telephone line. I had many similar experiences. The secret police followed me everywhere I went in the country. I would tell Hungarians that they obviously had a full and rich economy, because the government seemed to have as many as six or seven people in various guises following me around at one time. In the 1970s, it was still fairly easy to spot the surveillance.

In 1975, I came down with a bad case of "flu" symptoms, and after a couple of months they discovered that my white blood count was very low. It was to remain so for the rest of my life. During my tour in Hungary, the AVH (like the KGB) used microwave radiation equipment to pick up conversations at U.S. embassies. The window in my office at the embassy opened into a courtyard that we were sure was being used by the AVH for microwave detection. Unfortunately, the Department claimed that there was no connection between a life change in my white blood count and the microwave radiation used from the neighboring offices, even though radiation overdose is a common cause of leucopenia. I think that the Department was only trying to avoid incurring any financial obligation.

Q: Did they go to the extent that the Soviets did? Not just you, but others of similar provocations trying to pass documents that they could arrest you with. I guess what they call them honey traps?

SMITH: I'll just say that it was tried on me, including once in Moscow's Red Square. Also, we had a couple of very cute girls who worked in the embassy who were always trying to seduce one of the Marine guards. We had to quickly transfer at least two Marines, who did succumb. Some of our Hungarian employees were doing illegal stuff in the embassy itself. We had an electrician and cook who were making false driver's licenses in the Embassy basement. These people had been hired through the Ministry of Interior's Diplomatic Service Bureau, allegedly to make sure that we received only honest workers.

Q: Looking at the political system, were you indulging in what amounts to criminology, or was it a different thing?

SMITH: I wouldn't use the term criminology, but it was more like a geologist looking at seismic data. During my first tour in Budapest, I didn't think that I had been adequately prepared for the work. In addition to language training, it would have been useful to talk extensively before going out with more experienced people, who had served in Eastern Europe. A two-week area course at FSI was no preparation for the kind of intense political atmosphere we faced in Budapest, nor was serving in Latin America any preparation for effective work in communist Eastern Europe.

Q: You weren't sort of learning under somebody, like the number two in the political section.

SMITH: No, I was the only political officer there. The DCM wasn't into a lot of mentoring. He was a nice guy, mainly interested in managing the Embassy, keeping relations from deteriorating and playing tennis and bridge. There wasn't anybody to really turn to for "how to" instruction. I found it a difficult situation during my first year. My counterpart in the British Embassy had already been there for two years when I arrived, and he was often helpful with useful advice. He was quite knowledgeable about Eastern Europe and I trusted him. There were some other junior officers who I could consult with. The Economic Officer, was Donald Kursch, and we often talked about policy issues. He first went to Budapest as the consul, and then became the economic officer. He had already acquired significant experience in Budapest by the time I arrived. I picked up a lot of information from other diplomats on weekends at the American Club. Some of these diplomats were quite savvy. The Egyptians and other diplomats from non-NATO countries also had better access to the Hungarian Government. They were often very open with us about their observations.

Q: The Yugoslavs and those played this sort of ambivalent role. In China, they were some of our principal contacts when we were finding out what was happening. But this was telling on the neighbor. Were they..

SMITH: My contacts with the Yugoslavs were at a lower level, because Clayton Mudd had been in Yugoslavia, and he had good ties with their ambassador. Some people who I became acquainted with on my first tour in Hungary became good contacts during my second tour. For instance, my Romanian counter part, knew that he was hated by the Hungarians on ethnic and historical grounds. So this young Romanian diplomat and I became quite good friends. He knew the kind of "communist speak" of the press. He would read an article with me over lunch and then tell me the significance of what was not written, as well as what was in print. Being raised in the communist system gave him an analytical advantage in figuring out events in Hungary. He and I engaged in the same conversations in the 1980s. He was the Romanian DCM at the time.

Q: What about the artistic cultural community, the intelligentsia. Did they play a role in society, and did we have any contact with them?

SMITH: The Hungarian authorities didn't allow us to have that much contact with them. During my second tour, I had many friends in the cultural/academic community. During the '73-'76 period, the only "officials" we could deal with were the so-called journalists. There was one journalist who was an alcoholic. I would take him out, buy him a few drinks and he some times opened up about domestic issues. I never really trusted the information, although it usually sounded plausible. I don't know what he really was, but it seemed like interesting stuff and I'd

report it. But we were pretty well isolated. The authorities did not allow us to go into communist party headquarters, which was only a few blocks from the embassy. We couldn't pay an official visit on any person who was a communist party functionary. It wasn't a U.S. restriction, it was a Hungarian restriction. We could visit those who had dual Party/government roles, but only at their government offices. Even those Hungarians had to be very careful with what they said.

They knew that even their conversations were recorded, sometimes from a distance. There was one Hungarian diplomat who I really liked and respected. He was a UN expert and had been in the ICC staff in Vietnam for a while. About a year after I left Hungary, I met him at the UN Headquarters in New York when I was up there for some function. He took me to lunch and opened up about how embarrassing it had been for him in Hungary when he had to repeat Moscow's official line.

Q: Did you travel much?

SMITH: Yes.

Q: But would you try calling the mayor of the city or something like that?

SMITH: Yes. I could call on the mayor of any city, as long as it had been set up in advance through the Foreign Ministry. But they were always formal, cautious meetings. Only rarely would I learn anything important. We traveled to show the flag. Occasionally some brave soul with slip us interesting pieces of information.

Q: What about the Soviet presence in the period from '73 to '76?

SMITH: The Soviet presence was everywhere in the mid-1970s. The Soviet Embassy occupied a huge compound right off the main boulevard. The street in front of the Soviet Embassy had been changed from that of a national hero to People's Freedom Street. The Soviet compound contained large schools, stores and recreation facilities. And they obviously called made all the major decisions concerning politics. There were about 80,000 Soviet troops in relatively small Hungary. We would see military trucks, tanks and armored vehicles all over the country. We had a very good military attaché, who was always in trouble with the authorities, due to his aggressive intelligence work. He was several times held in his car at gun point in order to keep him from observing military maneuvers. I developed trouble with the authorities, because I once traveled to Vienna with the attaché. Coming back, he decided to drive through a Soviet tank area. Afterwards, it appeared as if their intelligence people assumed that I was CIA, to the delight of the CIA Station. Our attaché, however, was a highly decorated officer from the Korean War. Unfortunately, his career was ruined after his daughter, using his diplomatic car, smuggled a Hungarian military officer's son out to the west. To make it worse, the boy became homesick after a couple weeks, returned home and explained how he had gotten out.

Q: Did you get any feel about the relations between the Soviets and the Hungarians?

SMITH: It didn't take long to understand that Hungarians did not like the Soviets. Even convinced communists bridled at the country's limited sovereignty. Although no Hungarian

would allow himself to be overheard saying anything negative about the USSR, they developed a kind of “doublespeak” to express their unhappiness with the situation. The “right thing” could be said with the wrong intonation or facial expression. In front of every Russian, however, they had to appear credibly friendly and fraternal. While all officials had to speak good Russian, the average student came out of eight years of Russian language study with little ability in the language. No, they didn't like the Russians.

Q: Correct me if I'm wrong, but it wasn't quite the visceral dislike that you had between the Poles and the Soviets.

SMITH: Not so much. I think there was a much more visceral dislike by the Poles than the Hungarians. The horrible destruction and human cost of the 1956 revolution led Hungarians to lose faith in their ability to overcome the Soviet occupation. Poles are more romantics, whereas Hungarians are cynics.

Q: How did we read with Janos Kadar?

SMITH: We felt that Kadar knew very well the temperature of Moscow; what was acceptable, or how far he could go on reform. During my first year, the Hungarian Prime Minister was suddenly forced to “retire for health reasons” because of his support for faster economic reform. Nevertheless, we spotted him on the tennis court the day after his “retirement.” Kadar did try to give Hungarians some feeling that the society was not as oppressive as it had been before in '56. I think he always carried with him a certain degree of shame over his role during and immediately after the '56 revolution. He came to power on the back of a Soviet tank after the assassination of Imre Nagy. Many friends of Kadar's were executed. He was kind of an enigma. He had come out of the old communist party; the clandestine communist party in fact, and he had spent a lot of time in Moscow. He really believed in Marxism-Leninism and the leading role of the Soviets. He was clearly a believer. We had almost no contact with Kadar even though he held a position on the government's council of ministers. During my second tour, the ambassador and I had periodic contact with Kadar. Some of these were strange meetings, but that's another story. Actually, I was glad to leave Hungary in July 1976. After a while, the whole atmosphere became too oppressive. While interesting at first, it was nerve wracking being followed everywhere you went and having most of your conversations listened to. If we wanted fresh milk or a banana or a medical appointment, we had to drive to Austria. Yes, I was more than ready to leave after three years.

Q: I'm sure you were. Did you get any feel for the average Hungarian's view of the United States and of Americans?

SMITH: Most Hungarians had a positive view of the United States, perhaps in part because of our being demonized by the Soviets. There were a few Hungarian who were still bitter because the Voice of America had called on people to rise up in '56, and then we did nothing to protect them. Nevertheless, most Hungarians had a positive picture of the United States. Many Hungarians had family in the U.S. who had left in migrations starting in the nineteenth century, and continuing in '45, '46 and then another wave in '56. Through one means or another, Hungarians learned about life in America, although it was often more positive than the reality. At

least indirectly, families in America and Hungary tried to stay in touch. Sometimes, the person in America would write to a friend in Austria. The Austrian would then either travel to Hungary or write in German to their Hungarian contact and pass on the information from their relatives in the U.S. Most Hungarians had a pretty fair idea of what was going on in the West.

Q: You were there during the Watergate crisis in the United States. How did that play in Hungary, or did it play at all?

SMITH: I don't remember it playing a role at all. I remember reading a lot about it myself, but I don't remember it becoming an issue in Hungary. The communists might have tried to get some political mileage out of it, but the Watergate scandal was small potatoes compared to what they were dealing with.

Q: I was talking to someone who served in Yugoslavia at the time when this happened. First you discredit a leader, and then you get rid of him. It's a coup. So what's new?

SMITH: I don't remember that being an issue in Hungary.

STEPHEN F. DACHI
Public Affairs Officer, USIS
Budapest (1973-1977)

Stephen F. Dachi was born in 1933 in Hungary. He attended the University of Oregon Dental School and then joined the Peace Corps. While in the Peace Corps he served in Colombia, Venezuela, and Brazil. During his career in USIA he served positions in Hungary, Panama City, Brazil, and India. Mr. Dachi was interviewed by Charles Stuart Kennedy in May 1997.

Q: In 1973, you were going to Hungary as public affairs officer. You were there from 1973 to 1977. Could you give me a little description of how we perceived the government there and also the situation in Hungary?

DACHI: That was a rather crucial time in U.S.-Hungarian relations. It had been about 14 months since Cardinal Mindszenty, who had come to the embassy in 1956 during the revolution and Soviet invasion and, in effect, received political asylum, finally left the Embassy and departed Hungary. He spent from 1956 to 1972, sixteen years, resident in the embassy. Hungary in general began a process of very slow but noticeable liberalization as early as 1964, only eight years after the 1956 revolution. Eventually, it ended up with what became popularly known as "goulash communism" and Hungary was referred to as the "happiest cell in the Soviet Bloc." A gradual normalization with most western countries began as early as 1964, but relations with the United States were frozen during the entire period that the Cardinal was in the embassy. The Hungarian government's position was that this was not an embassy, it was a prison. There was no ambassador. Relations were at the legation rather than the embassy level and the Mission was headed by a Minister. So, 14 months after the Cardinal left, at the time I arrived, the first steps in

the normalization process with the U.S. that in other East European countries had been underway for some time were just getting started. There had been a settlement of claims agreement reached during that 14 month period, and the incipient opening of a bit of dialogue, not much, between the two governments.

In December 1973 when I got there, there was a fairly new ambassador, Richard Pedersen, who had previously been Counselor of the Department of State under Kissinger. He was not the first ambassador. Martin Hillenbrand was the first one. Al Puhan was the second. By then, the ice had been broken for diplomatic discourse, but not much had happened beyond that. There were no educational and cultural exchanges or much in the way of contacts with the media. These were USIS domains which were vitally important at the time throughout the communist world, as the best and usually the only ways to get at least a modicum of access to some knowledgeable or influential contacts beyond the restricted world of a few ministries. By the way, we could not call it USIS in Eastern Europe, we called it the Press and Cultural Section of the embassy, which is what it will probably be called again soon all over the world after USIA and the State Department are consolidated. I was sent there with instructions to finally try to get a real information and cultural program started, now that normalization was underway. There was virtually no program there at the time. We had a small library inside the Embassy with very limited access. No off-premises activities were allowed.

Other than the settlement of claims, not much else had happened yet. There were two key issues at the time that Hungarians felt had to be gotten out of the way before they were ready for serious normalization. Number one was the return of the crown of St. Stephen. It was something that Hungarian fascist troops fleeing after the Soviet victory at the siege of Budapest in World War II had taken with them and turned over to the Americans, and we kept it at Fort Knox. During the Stalinist period, prior to 1956, there could be no question about returning the crown as far as we were concerned. In fact, the subject never came up. The Stalinist authorities of the time had no interest in the crown.

After 1956, there was a new regime installed by the Soviet Union. Janos Kadar became the First Secretary of the Hungarian Communist Party and was put in office with the aid of Soviet tanks. He, in fact, stayed as the head man until 1986 or 1987. So, returning the crown remained out of the question for many years. The Hungarian emigre community in the United States was very influential and was adamant about that, but the State Department was firmly opposed to it as well. On the other hand, the Hungarian regime felt that until we returned the crown and thereby accepted the legitimacy of the Kadar regime, something that unlike his pre-1956 predecessors Kadar was desperately anxious to get, normal relations were not possible. They resented the fact that they were not regarded as legitimate by the United States. To them, the key issue was the return of the crown. It was sort of a sine qua non. To us, on the other hand, that was something that would come as the last step of normalization, not one of the first. The other key issue for them was receiving Most Favored Nation (MFN) status, which had, by that time, been granted on an annual renewable basis to Romania and Poland. We wanted to keep that for the later stages also, and linked it with human rights and freedom of emigration issues.

Q: It had been granted to Yugoslavia, too.

DACHI: In those days, we never looked at Yugoslavia from Budapest or thought about it in terms of our East European policy, because it was not part of the Moscow orbit.

We were not ready for these two big issues. We thought of them as our trump cards. In moving relations forward, they remained the principal obstacles. They were preconditions for the Hungarian side. We first wanted an expansion of contacts, dialogue, and access for political reporting. We wanted more relations with the media. We wanted cultural exchanges and contacts. We wanted to explore expanded trade relations. But that was as far as we were ready to go. So, the time I was there, on the one hand, the dialogue intensified and expanded between the two countries, but on the other it was fundamentally spinning its wheels when it came to the two irreconcilable issues.

Q: You had as Secretary of State during a good part of this time Henry Kissinger, who was sort of more aware and probably more sensitive to Central European problems from his background. You had the Realpolitik man, Richard Nixon, as President for part of this time. Did you feel more of an engagement by the powers that be in the foreign policy area, Nixon and Kissinger, than at other times toward Hungary?

DACHI: There is no question that they wanted to engage more. But as far as Hungary was concerned, the price was the crown and the crown was out of the question. As it turns out, the crown was returned in 1978, not that much later, after Jimmy Carter became President. But in 1974 that seemed like a long way off. So, yes, Nixon and Kissinger wanted to engage, but they wanted to engage in the kind of political dialogue that was going to loosen the ties between Hungary and Moscow, the way, to a large degree, in Romania and, to a lesser degree, in Poland it had already happened and, at the other extreme, was not happening at all in Czechoslovakia and Bulgaria. They were hoping that Hungary, which was somewhat liberal on the economic side, could be energized a little bit to liberalize on the political side. In fact, they might have been disposed to do that, but the crown meant everything to them in those days.

Q: Was this one of these things where, every time you would sit down with a Hungarian official, the crown would be the first subject that they would talk about?

DACHI: Absolutely, the crown and MFN. After a while, we just used shorthand. You would go there and talk about anything, about opening an exhibit or whatever, and they would say, "Well, of course, we're in the period where the two key issues are awaiting resolution." They did not have to spell them out. It was just understood. But they referred to the two key issues each and every time, without exception.

Q: How did you respond?

DACHI: Our response was that there had to be prior movement on other issues. But even though Kissinger and certainly Nixon wanted to intensify their activities and get more results from Eastern Europe, Hungary, in the grand scheme of things, was on the back burner. Poland and Romania were much more important to us for a variety of reasons. So, it's not like we were getting constant reminders from Washington that we needed to accomplish more. That was not the case. It was a fairly quiescent situation.

Q: How did you find contacts (You were born there.), particularly with various elements, the plain bureaucrats, and with the intelligencia and the media people?

DACHI: This is a very interesting subject that we could talk about for quite a while. I would say there were two key things. Number one, I don't want to say I was the only Hungarian-speaking officer at the mission, but I was the only one with total fluency. This placed me in a unique situation on both sides. On the American side, I was able to be very useful. I could read the newspapers and watch television and be the eyes and ears for much that was shielded from non-Hungarian speakers. I was able to make a greater contribution than normally a public affairs officer could. On the Hungarian side, I was able to have many, many more useful and often very important contacts than I might otherwise have had. Over the three and a half year period, as dialogue was improving, we found that there were many people interested, willing, and often eager to say things to an American diplomat in a nuanced form in their own native tongue which they would not have felt comfortable saying in English. Many of these valuable contacts spoke no English at all and for the first time had a chance to talk to an American diplomat. As a result, I was able to make very substantial contributions to the Embassy's political reporting.

On the other hand, I had this Hungarian background and I had some relatives there, including a cousin who in my childhood years had briefly become my legal guardian after my parents died. He was a music director at the Hungarian State Opera, so he was a very prominent person. His wife was head of the western department at the Hungarian Chamber of Commerce. Their son was in the Hungarian foreign service and had recently been political counselor at their embassy in Washington. That was a situation laden with ambiguities and potential peril. In fact, about two years after I got there, in large part for those reasons, a major full-blown effort to recruit me was made.

Q: When you say an effort to recruit you, could you explain what that means?

DACHI: The general who was in charge of Hungarian counterintelligence in the Ministry of Interior personally attempted to recruit me in a carefully laid out operation in which he made a proposal for me to commit espionage for them in exchange for very substantial money payments. Many years later, after the fall of the communist regime, my cousin told me that the Ministry of the Interior had made an effort to get him and his family involved in this, which they refused to do. In fact, the whole time I was there, I had a wonderful relationship with my cousin, a very warm family relationship. At that time, he never intimated that anyone had tried to involve him.

Q: How was this proposal made? How overt was it? How were you dealing with it as an American Foreign Service officer?

DACHI: It was sort of a classical textbook effort. My wife and I and two of our children went to Lake Balaton in Hungary, a summer resort, for our vacation. A man, who later turned out to be the general from the Ministry of Interior, showed up in the same hotel. He first approached me by saying that his daughter was along, too. He saw that I had a daughter. Could they get together and play, practice English, and so on? Then he began to chat, asking me the kinds of questions that an average educated person interested in foreign affairs would ask about the United States;

in other words, general interest questions. Then he gradually intensified the dialogue until the end of our vacation period, although even by that time he had not yet revealed anything in the way of recruitment as his eventual purpose. He asked me if I was allowed to have Hungarian friends in Budapest. I said, "That's why we're here."

A few days after we returned to Budapest, he called me. He invited me to dinner at a hotel in a remote suburb of Budapest. As it says in the movies and the textbooks, you're supposed to do that in an isolated location, which is precisely what he did. I started becoming suspicious. I hadn't been too suspicious before, but now I was alerted enough that I reported it to the chargé, Clayton Mudd, before I went. Mudd knew that I had dozens and dozens of contacts. The idea of having dinner with any of them was nothing unusual, but there was something about this particular thing that bothered me. So, I mentioned it to the chargé because the ambassador, Eugene McAuliffe, was out of town.

Once we met at the hotel and sat down to dinner, the man got right down to business. He told me in a very cool and carefully crafted way that he was the General in charge of counterintelligence at the Ministry of Interior, that he wanted to propose a "cooperative venture" to me, to improve U.S.-Hungarian relations by having us work together against certain "mutual adversaries" that I could help him with. First he mentioned China. This was not long after we had opened our first diplomatic post in Beijing and we were not yet allowed to have bilateral contacts with Chinese diplomats in other countries. But we could talk if we "accidentally bumped into each other" at third country events like Independence Day receptions.

The Chinese Deputy Chief of Mission, (DCM) in Budapest was an excellent Hungarian speaker and he and I did in fact bump into each other from time to time at such functions. Because of our mutual fluency in Hungarian we would have quite lengthy conversations, although never about anything terribly substantive or politically sensitive. It was the buzz of the foreign diplomatic community and obviously Hungarian intelligence had gotten wind of it too. The Hungarian spymaster was obviously eager to "tap into" that dialogue but I was able to deflect that by insisting, truthfully as it happened, that the Chinese man never ever said anything of importance to me. Then the General mentioned West Germany, which was easier for me to handle because I just said that they didn't exactly qualify as "mutual adversaries," since they were members of NATO and staunch allies of ours.

At this point, this was becoming a very stressful and intense situation for me, to put it mildly. I was trying to think back to what it was that I was told in briefings and training as the thing to do in a situation like this. It wasn't a heck of a lot to fall back on except that I did remember, in general, that they said, "Don't get involved in any discussions, arguments, or debates. Just listen and remember as much as you can. Say as little as possible and get out of there safely and without commitments. Then come back and report it to the embassy and we'll take it from there." So, that was my strategy, although, in the event, it's a little more nerve-wracking to carry out than it is when you listen to it at the Foreign Service Institute in a briefing.

He ended up making a complete proposal for my providing them information. He kept saying, "Nothing about the United States. Just about other countries." He then offered basically financial incentives. He didn't refer to my family at all or try to use any blackmail of that sort. There were

no “outside women” in my life that he could use. He said that they would take care of my three children’s college education in the U.S. from beginning to end. That was basically the financial offer, plus whatever expenses he thought I was going to incur in taking people to dinner, lunch, or whatever to get information for him. The evening did come to an end eventually, about what seems like nine months later, but still in the same evening. The next couple of days I spent in the “bubble” at the embassy debriefing people with tape recorders. That was sent back to Washington. The ambassador was then instructed to make a protest.

The Hungarian Foreign Minister eventually came back to him and said that I was hallucinating, that none of this had happened. But one of the things the ambassador stressed very carefully was, "You may think it was a hallucination but we know he is telling the truth. One thing should be very clear: he is not leaving here. We've got here a list of all his contacts and all his activities. If even one of these contacts is now going to be impeded in meeting with him, we are going to consider this a major factor in harming the bilateral relationship." He made a very strong demarche. In fact, in a rather unusual situation, I remained at post for the rest of my tour for a little over a year and they never bothered me again. I continued to work without change with all my contacts.

The period I was there, I did establish a modest information program and a considerable cultural and educational exchanges program. I got the Fulbright Program started and even some International Visitors, none of which was possible prior to that time. This was, however, under restricted circumstances. We were not able to program off premises. I had literary evenings, speakers, movies, and so on at my house, organized around dinner. But I left there with a substantial USIS program established, which had not existed three and a half years before and managed to live through, overcome, and cope with this recruitment effort without it affecting the work. It was a memorable period in my life. If you really want to hear the details of how the recruitment was done, that's a whole hour right there. Since we're trying to keep things here in sort of a narrative contextual form, I think I gave you the salient summary.

Q: What about other contacts? Was there what could be called an intellectual class in Hungary?

DACHI: Oh, absolutely, there was very definitely an intellectual class. We developed very extensive dialogue with them. The thing about these writers, artists, historians etc., as far as the East European communist regimes were concerned, there were two issues uppermost on their minds. Number one, they needed a contented, shall we say co-opted intellectual class for a lot of reasons. They had to maintain an image of people who were working, productive and visible, to show that, of course, the regime respected history, culture, and intellectual pursuits. This was extremely important, even to the crudest and most dogmatic party hacks. That was one thing.

At the same time, to most communists the word intellectual was synonymous with dissident. Hungarian policy toward intellectuals was a very fine line between giving them maximum freedom on party terms so that they would produce “acceptable work,” without allowing them to become dissidents. In Hungary, like in other East European countries, they had sort of a cultural czar, a special minister, one of the most trusted party officials, in charge of being the watchdog of the intellectuals. He was the man who in the ultimate analysis would say, "Yes" or "No" whether a book could be published and would say "Yes" or "No" on trips to the West, and so on.

His name was Gyorgy Aczel. Compared to the Czech intellectuals, who had that Charter 76 group which became a significant dissident movement in 1976, it didn't quite happen that way in Hungary. It didn't happen because with a few notable exceptions, the Hungarians were given just a little more leeway, just enough to keep them vested in the benefits the system provided in return for them not making any trouble. They appreciated the fact that the regime was not clamping down as hard as the others. They managed to get by with that.

Nevertheless, it wasn't until after the fall of the communist regime, when I started going back there for visits and looking up some of my old intellectual friends, that I discovered a whole new dimension to this issue. Many of them were very unhappy with the fall of the communist regime. They felt they were worse off under the new system. It turns out that in this new system, they would write a book, go to the publisher, and the publisher would say, "This is a nice book, but I don't think it would sell enough copies. I don't think I can make any money on it, so I can't publish it." That was the opposite of what they had become accustomed to under the former regime.

In the old days, they could go and write anything they wanted as long as there was no politically controversial material, and, in order to keep them happy, the officially sanctioned publishers would print 15,000 copies of the book, put it in every bookstore and pay them the royalties on the 15,000 books. If only 280, or 28 for that matter were sold, so be it. It was a way to keep the writers and intellectuals on the payroll, leading a privileged middle class existence. They were published. They traveled to Pen Club meetings in the West and all of that. They were making good money. Nobody cared if anybody bought their books or not. Now the rules had changed. Once the system collapsed and they had to actually produce quality stuff with market value, they were resentful and angry, because the state was no longer "keeping" them, so to speak. Looking back a bit into the historical roots of Hungary's independence in the middle of the 19th century when it was struggling to get free of the Austro-Hungarian Empire, all the heroes and leaders of that struggle were poets and writers. They were in that role because the development and enrichment of the Hungarian language was seen as a key tool for moving them farther away from Austrian domination and the use of the German language which had been imposed on them. So, in Hungary poets have had extraordinary standing for over a hundred years, because as the creators of a richer and more highly developed language, they became the creators of a more distinct Hungarian national identity, distancing themselves from the Austro-Hungarian Empire and paving the way to eventual independence.

This, even to the communist regime, was something they never lost sight of. Even in "Nepszabadsag," the Hungarian communist party paper, there was a whole page devoted to poetry every week. There were lots of poets and writers on the full-time public payroll writing for dozens of publications. They would get published everywhere. In the regime's never-ceasing struggle for legitimacy, which it nevertheless failed to achieve because it was installed by the Soviets supporting intellectuals, supporting literature and writers and poetry and merging this with the image of the party, were absolutely key factors.

Q: Were you able to get members of the intellectual class, particularly the poets and others, off to the States? Was there much curiosity about what was going on in the United States?

DACHI: Those are two separate questions. A large part of the intellectual community was overwhelmingly Western-oriented. In fact, Hungary, in spite of all those years behind the so-called Iron Curtain, never lost its Western orientation. Nowhere was that more evident than among the writers. There were very few with a Solzhenitsyn type nationalist orientation.

Q: He was a devout Russian or a devout Slav. There was no compromise with the West or anything else.

DACHI: Right. The intellectual class in Hungary, many of them spoke English and read English. English language books were available to a limited extent. They had a literary journal dealing exclusively with writings from the West. They didn't set the United States apart from Western Europe. They were interested in all of it. Quite a few of them actually had a chance to travel to the West even before we in the embassy and USIS began to find a few new avenues for them to go. The Iowa Writers Program, for example, had Hungarian participants before we got into the picture. So, there was a certain amount of transit.

The Hungarian Solzhenitsyns, to the degree that they were nationalist, were really only nationalists on one issue. That was anti-Romanian and the historical struggle over Transylvania, the treatment of minority Hungarians in Romania, and the treatment of Romanian minorities in years past by the Hungarians.

I used to have cultural evenings at my house almost every week. I showed a lot of movies that had a certain amount of "freight," like "Jesus Christ Superstar," and "One Flew Over the Cuckoo's Nest," to cite two examples that made a deeper impact on my audience than any other films I can recall. They were particularly intrigued with the latter, especially because it was directed by Milos Forman, a fellow East European of Czech origin. The whole idea that "everybody is insane except me," the theme of that movie, had them riveted. In a symbolic but very real sense they considered themselves inmates of an asylum too, where grappling with the question of who were the insane ones was a central part of their existence. I had a lot of U.S. authors, poets, writers, dancers, musicians who came and gave readings or performances. I had a large living room that could accommodate up to 100 people. We had stuff going all the time.

At first, it was hard for Hungarians to get permission to come. We were always under surveillance. But I did something that in retrospect turned out to be the right thing to do. I never limited my guest list only to dissidents. I used to say that "If we have someone to speak on U.S. contemporary fiction, then anyone who is interested in U.S. contemporary fiction is welcome to come to my house even if he is the First Secretary of the Communist Party." I wasn't there to undermine the regime. I was there to exchange and offer ideas. So, there were pro-regime and communist people at my house along with these others at all times. I never ran an underground salon. People used to flatter me by saying that this was the modern day version of Gertrude Stein's salon.

After a while, more and more people got permission to come, because some of the people who had to give approval could come themselves, so they didn't have to worry as much.

There was nothing overtly subversive about it. I defused a little bit of the paranoia by saying that "I am only here to offer things from the U.S. and if you're interested, come and see them." In fact, one reason it took me so long to get suspicious of the general who tried to recruit me was my attitude that I was there to tell people about the United States and, as long as they were asking me legitimate questions, I was delighted to tell them anything they wanted to know. I didn't care who they were. A lot of people chose not to tell me who they were to protect themselves. That was fine with me. As long as you're asking me things like how the U.S. Congress works or how the primary elections work, I'll tell you. I don't care who you are.

Q: Did you get to travel around much in Hungary?

DACHI: I could have traveled around. There is not as much need for travel in Hungary as in other countries. It is a small country. There is only one significant city. Everything is concentrated in Budapest. If you did travel, you would find that people outside the capital were a lot more uncomfortable dealing with an American diplomat than the contacts I acquired in Budapest, because they were unaccustomed to it.

Q: What about the press there? Was there any rapport with the press?

DACHI: There was a great deal of rapport with the press. I had lots of events for the press. Those were the days when videotapes were first beginning and the very first video recorders were coming into use. We used to get tapes of "Meet the Press," and even the presidential debates between Gerald Ford and Jimmy Carter. I had lots of events for journalists, and they always came in large numbers. I would say that about two-thirds of these people, at least the ones that I had come upon, were also Western oriented. Many, many of them were very interested in serious discussions about things going on in the United States and the West and our views on international relations and foreign policy and so on. Those were some of the most substantive, meaty, and interesting discussions. They couldn't write about it, but they were all interested in it.

Their writing in a most indirect way did somehow reflect this input, in the sense that at least they had to know in their minds that our viewpoint had a great deal of legitimacy, even if it was not permissible for them to say so. But I would say that most of them knew every day they lived there that we had the better of these arguments and that they were simply in a geographic location where, because of historical circumstances, they were restricted and controlled in what they could do, what they could write. There were very, very few dedicated communists or true believers among them. But nobody dreamed that this would come to an end one day. They had to survive and make a living, take care of their children. If you were a writer or a journalist, if you wanted to survive, you had to play within the rules of the system there. But that doesn't mean that you ever truly believed that it was right or that it was true. So they were always extremely interested in honest, substantive discussions and exchanges.

Q: What about placements from the Western press, areas you dealt with?

DACHI: Well, there was the USIA Wireless File and, first and foremost, it was very useful for internal use in the embassy. I would send selected articles to certain journalists, but, of course, nothing ever was placed. There was no Voice of America correspondent there. At the

government level, there was next to no interest shown. Nothing we sent was ever acknowledged in public although many people thanked me for it in private and wanted to keep the flow of materials coming. We distributed articles very extensively, and I am sure that many people found them useful for background reading. I took that thing a long way.

We had extensive distribution, some of it to very interesting destinations. For example, the party central committee had an economic think tank that none of us had ever heard about previously, whose function was to keep up with, analyze and report on economic developments in the West. They were expected to write the most factual, objective analyses of what was going on in the West. The only people who got to read that, of course, were members of the central committee and others with top clearances. The communist leaders of the country felt they had to have the straight story about everything that went on in the West, and they employed the best economic specialists to do that, even though nobody else outside their tight party circles could know about it. That institute was one of our biggest clients. They wanted everything we had in our wireless file. All of those stories, briefings by Kissinger and everything else you can think of, they got to the top leaders of the party establishment through us. One day, our Secretary of the Treasury gave a policy speech to an IMF meeting in Manila. Our contacts at the think tank were on the phone asking for a complete transcript before it had even come in on the file. So, there were things we were doing that were quite centrally related to getting our policy points across, but it wasn't always done in what we would call conventional open channels.

Q: Were you aware of the think tank, how it operated, what they were interested in?

DACHI: To some extent. They were calling me and I was sending them the stuff. I think that when I first got into this thing somehow (I don't remember how.), I didn't know what their real purpose was. But eventually, somebody told me. The way this thing worked for me was, first of all, I would invite people to my house for some program. Sometimes we would have an economist speaking. Sometimes a CODEL would come and I would invite a Congressman to speak. I would invite a group of Hungarian contacts. Then I would get a call saying, "Do you mind if I bring so and so along, who is an economist?" There were always people who came along that I had never heard of before. They came, gave me their card, and said, "The next time you have an interesting article in the wireless file, send it to me." Probably that's how I got hooked up with those people at the central committee think tank. Lots of times that would happen.

Another valuable dimension of these programs at my house was that if there was some activity of a dissident nature going on we were interested in, for example, when a group of Czech dissident writers signed that protest manifesto, Charter 1976, and we wanted to know if something similar might happen in Hungary and who was going to sign and who wasn't, they knew we were interested in this. I would have an event at my house. There would be maybe 12 of these people among the guests. One of them would come up to me and give a few small bits of information and walk away. Later, another guy would come up to me and say a few things and walk away. By the end of the evening, I could construct a mosaic in which I had learned all that we needed to know about this particular activity, but no one of them ever told me enough so that you could attribute meaning to or piece together the whole puzzle from what any single individual had said.

That was one way of protecting themselves against accusations of treason. They often communicated with us by this method. It was a fascinating thing.

Q: When you left there, it was 1977. What was your impression of the difference in relations between the time you arrived and when you departed?

DACHI: What impressed me particularly was the fundamental importance of having a broad dialogue with people in all walks of life, in government and party and other levels. What we did through this dialogue was to clear away the underbrush of problems and misunderstandings that had accumulated after the war, during the Stalinist era and following the 1956 revolution. Nothing much by way of concrete accords was reached while I was there other than the fact that we signed a cultural agreement, which is something our government doesn't attribute much importance to in any case. But by substantially broadening and extending the dialogue into all sectors, in both official and unofficial, we made it possible to eventually accelerate the process of improving relations. Visits by CODELs and administration officials at increasingly senior levels also laid a lot of ground work. The flow of international visitors and exchanges was growing. Memories of Cardinal Mindszenty's 16-year stay in the embassy were fading. Pretty soon the idea of considering MFN or returning the crown didn't seem quite so explosive anymore.

A new ambassador, Philip Kaiser, came to Hungary in 1977, about the time I left. He was a very able and wise man. His personality and skills seemed tailor-made for dealing with the kind of circumstance in which he found himself. And, he had a new brief from a new president, Jimmy Carter, who was looking for ways to distinguish himself in foreign policy from the line taken by Richard Nixon and Gerald Ford. The way Kaiser was put together, he was just the right guy for the time. The crown was returned within a year after I left. It was taken there by the Secretary of State, Cyrus Vance. This was something that had seemed inconceivable a couple of years earlier. So, after having done four years of spadework, all of a sudden, things began to happen. MFN came along sometime in that period also. After that, the normalization process quickly ran its course and brought U.S.-Hungarian relations to a level commensurate with the much more liberal regime in Hungary as opposed to its neighbors. It would have happened much earlier if it hadn't been for Cardinal Mindszenty's presence there.

Q: What was your impression of Janos Kadar? When he first came in in 1956, he was certainly the evil genius, or whatever you want to call it, from the American point of view. From the embassy point of view and your own personal point of view, how did we evaluate Kadar by this time?

DACHI: Kadar was a unique figure. Almost the whole Hungarian communist party leadership spent the period between the First World War and the Second World War in Moscow. Kadar was not one of those. He stayed behind in Hungary. The rest of them were all one hundred percent creatures of Moscow. Matyas Rakosi, who was Stalin's tool and boss of Hungary during the most brutal years of repression from 1948 until he was deposed shortly before the 1956 revolution, was one of those. These people were Moscow-trained and legitimately deserved the label of puppets. Even though Kadar was one of them in terms of communist ideology, he was different in that he had spent most of his time in Hungary.

To understand the man, it is essential to realize that he regarded himself as the only one among those dedicated communists who was also a Hungarian nationalist while at the same time remaining ultimately loyal to Moscow. For the thirty some odd years he was in power, his goal as he saw it always was to serve Hungarian national interests first, albeit within the tight Moscow-imposed constraints on all the countries in the East European block. Kadar was extremely cognizant of and realistic about the fact that Stalin drew the line for the Iron Curtain as first and foremost a *cordon sanitaire* against any future German invasion. The next time there was going to be a war, the reasoning went, it was going to start somewhere farther west than on the Soviet border. To impart the communist ideology to the East European countries was secondary to that. Ideology and the communist dialectic was a tool, the only tool Moscow knew how to use, to impose its control from a strategic and military standpoint and keep the East European satellites in the Soviet camp.

What Stalin and his successors had to have were people they could trust absolutely in charge of each of the parties so that there would never be any danger of these people going off in separate ways from Moscow, above all in foreign policy. Most of these people turned out to be heavy footed, stiff, the worst kind of apparatchiks who truly were puppets of Moscow. Kadar was not such a person. But he realized that if he didn't adhere to the Moscow line, he could not survive. The bottom line on Kadar is that he got more for Hungary in terms of relative liberalization, economic and cultural, than anyone else could have, by never giving the Soviets anything to worry about on foreign policy or on losing control of the party. They, in turn, gave him more latitude to do liberal things in Hungary that may have looked dangerous from Moscow and would have been unacceptable say in Prague with Dubcek. He tried to do very much the same thing, but he wasn't trusted. They trusted Kadar because they knew that, in the ultimate analysis, he kept Hungary in the Soviet camp. As long as that was the case, he had quite a bit of leeway.

That is the way he was evaluated by us. I think that Richard Nixon, Henry Kissinger and National Security Advisor Helmut Sonnenfeldt were all strategic thinkers who appreciated that. I think they wanted to take it a step further and say, "In that case, why can't we have a more substantive dialogue about detente." Kadar's answer was never stated openly, but was assumed to be that, without MFN and the crown as a prize for his national objectives, it was not worth it to him to take the risk. Even the most harmless substantive dialogue, if he had nothing to show in return, would appear to be far too worrisome to Moscow. What I imagine he might have said was, "I'd love to sit down and talk with you, but we can't make any progress beyond a certain line. Anyway, if we make believe we are two pals just chatting over a cigar and some cognac, those guys in Moscow are going to pull my chain and it isn't worth it to me. Doing my best for Hungarians depends on the goodwill of Moscow and, most of all, on their trust and confidence in me."

I think that was appreciated on the whole. On the other hand, Kadar realized, for example, that he could never come to Washington on an official visit because he would always be branded as the guy who rode the Soviet tanks into Budapest. So, his presence and persona, in spite of whatever nuanced interpretation a particular U.S. senior official might give it, imposed a limit to what could be done with him. From the standpoint of the Hungarian-American community here and all the political appearances, Kadar could never be sanitized enough so that he could be brought over here and have the kind of contact that we had with Poland and Romania.

Q: Did the Hungarians you were able to engage in private talk have the same impression of Kadar, that he was probably the best you could get under the situation?

DACHI: Oh, absolutely, and they worded it exactly the way you did. They all realized that this whole communist thing was a sham, but they knew that Kadar was good for them because he could get them more than anybody else under circumstances which were totally beyond their control. The intellectuals had their czar, Gyorgy Aczel, who was also personally selected by Kadar and they knew he was the best they could hope for. If you don't have Kadar, you don't have Aczel, and so on down the line. So, yes, everybody appreciated it. In the end, as Kadar started getting old, times were changing and the pace of east-west relations picked up. He was actually put aside a year or two before the Iron Curtain came down. He "retired." The communists who took his place, much more conscious of the realities of a changing world, were the ones who actually brought down the Iron Curtain by being the first ones to allow the East German tourists to leave via Hungary. That, Kadar could have never done. That was when the whole system from Moscow to East Berlin began to unravel.

Q: What role did you find about how the Hungarians looked at the Soviets and also the role the Soviets played there? How did we evaluate this during this time?

DACHI: From the Hungarian standpoint, it was very simple. They had an expression they used every day. It said, "This is what there is. This is what we must love." The ultimate of realism. A small anecdote here: When Daniel Boorstin, the Librarian of Congress, came on a visit, they escorted him around to the usual kind of meetings. He liked to ask provocative questions. People like him could get away with it. I was always surprised at how openly some people answered. When he visited the head of the National Archives, Boorstin said, "Look, two things. First of all, when you were under Turkish occupation for 150 years in the 15th and 16th centuries, the Turks primarily were trying to establish economic hegemony. They ran an economic type of imperialism. Then you were under the Austro-Hungarian Empire for about the same amount of time. The Austrians basically were interested in imposing cultural hegemony and imperialism. Into which category would you fit the Soviet Union?" The guy, without batting an eyelash, said, "Both, but remember one thing. The Turks were here 150 years. The Austrians were here 150 years. These guys have been here for 40 years and they're not going to make 150." The Hungarians have been through a lot over the centuries and are pretty cool customers. The Poles get much more emotional. They hate the Russians viscerally.

Q: Of course, they've been run over. The Russians have absorbed them. It's not the same thing with Hungary.

DACHI: That visceral hate is not there, they looked at it in a more dispassionate way. One of their favorite stories, reflecting the characteristic Hungarian sense of humor is that some thousand years ago when they migrated from central Russia, they fell into the hands of the wrong real estate agents and settled in the worst location they could have gotten. Had they gone a little farther and settled somewhere around where Belgium is today, they wouldn't have had these problems. But they were stuck in the crossroads between Mongols, Turks, Austrians, Germans, and Russians. They have always been under someone's boot. They realized that as a small

country, they were sort of condemned to be spectators and all too often victims rather than participants in world affairs. The end of the 1990s, this is a huge period for Hungary because, for the first time, they are masters in their own house. This is extremely meaningful to them for that reason. Historically, it is the first time they are able to control their own destiny and are no longer condemned to be just spectators.

To get back to how did the Soviets look at Hungary, their bottom line was always the same. They didn't want any trouble, any deviation. And with Kadar, they were very comfortable. There were always stories circulating in the west and in our diplomatic cable traffic like "Kadar is going on a visit to the Soviet Union. Is he in trouble? Is he going to be replaced?" What made some people on our side think that we knew he was doing things that no one else in Eastern Europe could get away with. We were always worried that he was going to lose his job. But he never did.

Q: Looking at the map, one can see that, at the time, Hungary was not what we would essentially call the Soviet front line states.

DACHI: That's right. It was not.

Q: Hungary has borders with Yugoslavia and Austria, both of whom were basically neutralized. Czechoslovakia was poking right into Germany. Even though there was East Germany, Poland was the main supply route if anything happened. Hungary was sort of a backwater.

DACHI: Absolutely. It was not a front line state. That is exactly the proper characterization. Nevertheless, the Soviets maintained troops stationed in Hungary the whole time.

Q: Was there much of a Soviet cultural program and how did it take?

DACHI: There sure was a Soviet cultural program. But I was a lot happier as the American cultural attaché than I would have been as the Soviet cultural attaché. They would truck in the workers and the children from factories and schools to their cultural center. They herded people in there by the hundreds all the time, while we were scratching for every person who would dare come into our embassy library. But all that heavy-handed Soviet propaganda just washed off the Hungarians' backs. It never took. Intellectually, it probably took less than a blink of an eye for the Hungarians to adapt to the collapse of the communist system. Look how quickly they switched to and consolidated a functioning democracy. They, the Czechs and the Poles set the ultimate laser speed record for going from a communist to a democratic regime. In their hearts and minds they were a western-oriented countries all the time. They rolled over, played possum, whatever it took to get by. Historically, they have unparalleled experience as survivors.

People often said to me, "A 70 year old man today, no matter who he is, whether he is a Christian or a Jew, a leftist or a rightist, wealthy or poor, worker or intellectual, circumcised or not, at one time or another during his life, was in danger of being killed whether it be in a world war, the inter-war period, the Nazi occupation, the Soviets, whatever. It doesn't matter who you were. The reasons may have varied and the targets may be different but sooner or later, if you had views and were known for something, it was your turn to get killed." My contacts would sometimes say, "Well, I don't think I can come to this event at your house." I would say, "Why?"

They seem to be comfortable with you going to these events. You seem to be fine." He would say, "Sure, but they write all this stuff down. You never know, ten years from now, it may be different and they are going to call me and say, You went to that speech by an American journalist. What were you doing there? This stuff could come back to bite me." So, in essence, the overwhelming majority of Hungarians were people who would be extremely careful not to express a view on anything, unless they trusted you absolutely. The way to survive was to never reveal anything of yourself to the outside world. It's the survivor syndrome.

Q: What was the role during this 1973 to 1977 time of the Hungarian-American community? We had received a fairly substantial influx after 1956. There had always been a Hungarian-American community particularly in the industrial area. Obviously, these hyphenated communities always have a clout in American politics. How did it work in the United States in this period?

DACHI: Their primary interest was to make sure the crown was not returned prematurely. They were very much like the Cuban-Americans are today. But they weren't as obnoxious as the Cubans are. They pretty well limited themselves to the crown. I don't think that when Cyrus Vance finally went back with the crown he had overcome all opposition. There was probably plenty of opposition still left in the community, but that sort of took the steam out of it. After that, they did not really play too much of a political role.

PHILIP M. KAISER
Ambassador
Hungary (1977-1980)

Phillip M. Kaiser was born in New York City in 1913. He received his bachelor's degree in 1935 and then went on to study as a Rhodes Scholar at Balliol College at Oxford University. In Washington D.C. he served many positions in the State department and also served as the Special Assistant to the Governor of New York, Averill Harriman. He has had ambassadorships to Senegal and Mauritania, Hungary, and Austria, as well as different positions in London. Ambassador Kaiser was interviewed by Charles Stuart Kennedy in May 2005.

Q: You were in Hungary from '77 to '80. What was the situation in Hungary?

KAISER: Very, very interesting and significant. Hungary had emerged by then from the terrible tragedy of the '56 revolution and the guy who'd been the traitor in the '56 election, Janos Kadar, who had been originally part of the revolution, but then the communists very cleverly – and the guy who played a key role was the Soviet ambassador to Budapest at that time, Andropov, the guy who later became for a short period of time –

Q: Head of the KGB and then premiere of the Soviet Union.

KAISER: He moved over to the Soviet side, and for quite a while became the complete agent of Moscow. That meant he became involved in a series of terrible repressive acts. I won't go into detail; very bad, very bad indeed. Then he began to emerge from that background to a more liberal posture, much more relaxed and very interested in liberating the economy. He introduced something called the NEM, the New Economic Movement. When I got there within a period of relatively relaxed atmosphere and we had adjusted several difficult problems we had, conflicts with Hungary including the paying off of a loan I think going back to World War I. It was a period when Kadar had decided to move, to the extent he was able to, toward the West.

Q: When you presented your credentials, did Kadar intimate that "let's see what we can do"?

KAISER: Oh, yes. There were two big issues. There was the return of the crown of St. Stephen and there was Most Favored Nation treatment. They were desperate for MFN. They were developing trade. They were developing relations with Germany, he had already visited Germany, with France and he was clearly, compared to Czechoslovakia and Poland, the most relaxed, the most liberal of the communist-controlled countries in central Europe. I think he had visited Bonn and a large number of East Germans used to come to holiday in Lake Balaton in Hungary which is a very attractive area. In fact it was the vacation spot of all of Eastern Europe. We had reached a stage in the relationship where Hungarians could say, "Look it's time for you to return the crown of St. Stephen and for you to give us the Most Favored Nation treatment." I picked up the ball on both of them: two very important substantive issues in the relationship between the two countries which were capable of being adequately, satisfactorily adjusted. After getting briefed and reading as much background as I possibly could, I decided – I don't want to sound too self-serving – it was going to be the objective of my ambassadorship to get satisfaction on both these issues.

Q: Now, was there a quid pro quo, in other words, "We can do this, Hungarians, but what are you going to do for us?"

KAISER: This was all part of Carter's policy to loosen the grip that Moscow had on these characters, in Poland, Hungary, and Yugoslavia, too. I have written this up in considerable detail in my memoir. My friend Jackson was very interested in getting one country in Eastern Europe that met the conditions that made MFN possible. At the moment it was only relating to the Soviet Union, because you remember what the key to MFN was: that you allowed exit visas freely. You allowed people to exit your country without any obstruction. This was the key. Also there was no restriction on trade. You were allowed free trade.

Q: Was this the Jackson Vanik Amendment?

KAISER: Right. And I got Jackson on my side and I said to him, I knew him well enough to do this, I said, "Scoop, if you support the return of the crown we'll have a better chance to get them to comply with NEM, to comply with the provisions," and he said, "Okay, you can count on me."

Q: His assistant at that time was Richard Perle? I can't see him making any compromise with any communist government. Was he a factor at all?

KAISER: He was no problem. He was smart enough to appreciate that I had a very special relationship with Scoop and I could deal with him. I never went through any of his staff. I think I mentioned this before, I could call Scoop from anywhere in the world and I would get a response from him within 24 hours. His loyalty to me was complete. I never had any friendship like that with a senator..

Q: Could you explain what the issue of the crown of St. Stephen was?

KAISER: St. Stephen was a crown given to the first king of Hungary 1,000 years ago as a token of a newly established independence as a state. It had always been the symbol of Hungarian national identity, and Carter understood that. A symbol that had loomed large and significantly in the history of the country over several centuries. Whenever there was a new king, he was crowned with the crown, and it had a religious quality, too. It was housed in the cathedral in Budapest. It was removed from Budapest by individuals who were afraid that they would be taken over by the communists, that they would get a hold of it and take it to the Soviet Union. They moved it to Germany and buried it in Germany. But before I forget, before I lose it, I suddenly recall the fact that on a visit I took to a northern city in Hungary with - which was very unusual - a minister, the finance minister, we visited the church where apparently the crown had been hidden in the Napoleonic period. American soldiers uncovered it in Germany and sent it to Fort Knox, and that's where it had been since the end of the war.

Q: It had become a conflict hadn't it? We weren't going to give it up because they had these ungodly communists and you had Cardinal Mindszenty being held prisoner.

KAISER: It was, vigorously, it was violently opposed by the Hungarian American population, particularly those who had reached here, immigrated to America, after the '56 revolution. They were located mainly in important political states, Illinois, Pennsylvania, Michigan. Its return was vigorously opposed by the majority of these people. The worst problem I had was a congresswoman from Cleveland who represented a large Hungarian American constituency.

But, Stu, two very significant people approved it. Two guys in that community won the last freely elected, freely chosen before the communists took over as prime minister of Hungary. He escaped to America and he testified. This became the subject before the foreign relations committee and he testified in favor of returning the crown. The other guy who was the commanding general, I can't remember his name. He was commander of the forces resisting the Soviets when they invaded Hungary in '56, and he said the crown should be returned for the same reason that the president was in favor of it. The arguments were very clear: if you gave it you reinforced or reincarnated or revived the sense of national identity that goes far beyond the Soviet experience, and in that sense weakened the tie with Moscow. It's true, by the way. The other side said, if you give it back you make legitimate the Soviet occupation.

It took quite a bit of doing here. Carter was very interested. Cy pushed it. Carter asked for a memorandum on how to handle it, how to proceed. Hubert got word to Mondale to push in its favor in talks with the president, and he assured me that Mondale had done that. Humphrey was amazing. When I called on him, as one did with all the members of the foreign affairs committee,

I practically wasn't in the door when he said, "What are you going to do about returning the crown of St. Stephen?" I had no idea that he even knew about it. He knew more about more subjects than any senator in the United States. Carter finally decided to do it, and, it was resisted by Brzezinski to the very end.

Q: Brzezinski had his agenda which was Polish anti-Russian and he gave no flexibility there.

KAISER: We got word from Cy, this was in September while we were all here for the UN meeting, that he was going to see the next week the Hungarian foreign minister and tell him that we were going to return the crown. He said, "Would you like to come?" I said, "Yes, I would love to be there." So, I flew in, arrived in New York. That afternoon before the morning meeting that Cy was going to have, I called up George Mercer who was then Assistant Secretary and I said, "Is it all set?" He said, "I think we've got it all ready." Cy had a deal with the president that every day he would send a memorandum to the president on issues, listed issues that he wanted a presidential decision on. The guys in New York, Christopher, was taking over that task and he put that item high on the agenda for the president to see tonight. "We expect no problem, you should check in tomorrow morning" and I checked in the morning and they got an okay from Carter for Cy to go ahead and tell the foreign minister that we were going to approve the return. He told me, this was the next morning, "There were calls from Brzezinski, he said 'hold this up'". I said, "I'm very sorry, we've got presidential approval to go ahead." Cy told the secretary. He still tried very hard, tried to get the Vatican into the picture. We had to frustrate that effort, and we did. The cardinal of Hungary was a very good friend and he was actively in support of returning the crown. And, we had a delegation, Lee Hamilton and Senator Stevenson, Adlai's son, Missouri senator, headed up the delegation. We had one more gimmick so to speak: that this was not a political return, it wasn't the government returning, it was the American people returning it to the Hungarian people.

I got a request. "Could you possibly see to it that Kadar is not present at the ceremony of the return." (Laughs) I got the Hungarian government to approve Kadar's absence at the ceremony. We moved the crown to the parliament the day after the mission arrived. I had a special plan. They were going to arrive at midnight, we were waiting, because they were stopping over at a military airport in northern England, for a two-hour stopover. I said "Ridiculous, they can gas you up in half an hour." I got very official about this, very stubborn and ambassadorial. That's what happened. They arrived about 9 o'clock, and there was a delegation, Hungarian, waiting to receive them, and it was quite a ceremony the next day in the parliament when Cy handed over the crown.

Q: Were there Soviet troops in Hungary at the time?

KAISER: There were still Soviet troops.

Q: Because I was wondering if there was any effort to get them to move out?

KAISER: That didn't happen until the collapse of the Cold War and also the overthrow of the Communist party in Moscow.

It was a wonderful atmosphere. We laid down the conditions that any Hungarian who wanted to visit the crown had to be allowed to come in and leave. The crown had to be placed in an appropriate place like the national museum. At a critical moment, by the way - a little self-serving item, but true. It's a good ambassadorial story. There was one common goal on the details of the agreement. In one stage fairly early, I had instructions from Washington stipulating certain conditions that the Hungarians had to meet before we agreed to send the crown back. I went to see the deputy foreign minister who dealt with the western world. He looked at the conditions and he said that he would have to get the approval of the authorities, the politburo so to speak, before he could give his okay. So he called me up two days later and asked me to come over, and he said that the authorities wanted to change A, B, C and so on. I said, "If I send that back to Washington, you can forget about getting the crown back. Give me a piece of paper and I'll draft for you the cable I'd like to send back to Washington." He said, "Well, let me take this up again." 24 hours later, he said "You can send that cable." That was the last obstacle we ever had.

Q: What was the public reaction, what sort of ceremony was there?

KAISER: It was a beautiful ceremony and with a great Hungarian humor. A cute story got that got around implied that to offset the impact of our return of the crown, the Soviets had sent a train full of watches to return to the Hungarian people. (Laughs) One of the frightful things that Hungarians were very pissed off about was the fact that when the Soviets took over, the one thing that that they chose were the watches of individual Hungarians. None of them had watches.

The Hungarians were very much, very anxious about getting MFN. This was all part of a liberal economic policy that Kadar had launched. It had a real impact on the economy although when push came to shove, when the issue became political control of the economy, he reverted to the old method. However, the economists, I got to know quite a few of them actually, several of them who were on the academy of science who were allowed quite a bit of leeway in their thinking and what they wrote and so on. Of course, they wanted MFN. When Cy Vance came for the ceremony, giving back the crown which was beautifully done as I think I told you the big people to people, very well carried out, he had a meeting with, not Kadar, but the top guy, the nominal prime minister, and they agreed, Cy and he, that the next big step in the relationship was MFN.

The big problem of MFN was freely allowing people to emigrate if they so desired. I'm going to be a little immodest. Let me just say this. We discovered in the Helsinki Accord a phrase which stipulated that if you signed this accord you agreed to allow people to emigrate from your country. We used that clause. The Hungarians had signed that agreement as fulfilling the requirement. Several months after, Tip O'Neill, the speaker, came with a congressional delegation and visited the country. They were received by Kadar. I told Tip, we were very good friends, I told him to ask him explicitly that question, "Did they allow Hungarian Jews who wanted to emigrate to Israel for example, to get a visa to go, to be permitted to leave?" So he very categorically said "Yes. There was no bloc, no inhibition." And he said, "There's a favorite story we like to tell relating to this matter, the story of a Hungarian Jew" - he called him "Mr. Schwartz", I remember - "who had relatives in Israel. He came and applied for a visa. And he got the visa. And he went to Israel with his relatives. And after he had stayed in Israel for a little

less than a year he felt he wanted to go back to Hungary where he had lived and been born and lived and he felt more comfortable. So, he went back to Hungary. Then a year or two later he repeated the same process. His relatives pulled him towards Israel, he took a visa to Israel, and then he came back again. After the second time, one of his friends said, 'Mr. Schwartz you've had a very interesting experience.' He repeated the fact that he went to Israel he came back, he went to Israel and he came back. 'Tell me frankly, which place do you like better?' and Mr. Schwartz said, 'Frankly I like it best in-between.'"

By the way at that same time Congressman Tom Foley was with the mission. He later succeeded Tip O'Neill and at my suggestion he asked Kadar about his idea about the economy, and Kadar gave an incredible statement, so much so that Foley wrote me a note and said, "This is the best explanation of a free economy that I've heard in a long time." So we used - to get back - the Helsinki provision as indicating that Hungary was meeting the obligations.

Q: You were ambassador to Hungary from when to when?

KAISER: '77 to '80.

Q: Did you notice in the streets of Budapest a change in the economy?

KAISER: Stores were open. There were goods to be bought. Another joke - the two favorite stores where people would line up in the morning in front of the store before it opened: one was a bakery which knew how to bake country bread, bread that people ate as kids in the country before coming to Budapest; the other was a kind of a drugstore which claimed it had a cure for bald heads and knew how to grow back hair. There were shops., there was no visible shortage. It turned out actually subsequently, they borrowed billions of dollars from abroad, theoretically to modernize the economy and the chief banker, his name was Fekety, and we became very good friends, who generated these funds, was very popular with the central bankers all over the world. When the head of the Bank of England whom I knew heard that I was going to Budapest he told me about Fekety, what a remarkable character he was. It turned out later, they misled the lenders. Instead of using the money for restructuring the economy, it was used mainly to raise the standard of living, to maintain a reasonable standard for the majority of the population. Later on, when democracy was restored, communism was undone, they had an opportunity to do what the Poles did, i.e., to renege, to work out a deal with their lenders so that a good deal of the debt was forgiven. The Hungarians refused to do that and paid a big heavy price literally and figuratively by paying back every dollar they had borrowed.

Q: Were we interested solely in the plight of Hungarian Jews getting out of Hungary? What about Hungarian citizens who wanted to get out?

KAISER: They began traveling over Europe. I think they got pretty relaxed. We had the deal remember that insisted that any Hungarian living outside who wanted to come to Hungary in order to see the crown had to be allowed into the country.

Q: How about the 1956ers, were they coming back, too?

KAISER: Some of them were coming back. I think I mentioned before, one guy came back and traveled all around the country. He had lived through the terrible, when Kadar was at his worst, and he said, "I'm afraid I would have to admit if there was a free election today Kadar would win the election." He left when Kadar was the most villainous person in the country. There were 56ers that did come back. I don't think in very large numbers.

Q: What in your analysis in your country teams' analysis brought about the change in Kadar?

KAISER: That's a good question. I think maybe it was a reversion. In the beginning he was very much against the Russians and he was in favor, he belonged to the liberal group that opposed the Russians. They turned it around after the invasion and he decided to become their stooge, but then I guess he reverted back to his earlier days and, the best you could say was, the intimate involvement with the Soviet Union was a fall from grace so to speak. It was not his basic attitude and feeling and that's why he started the NEM and that's why he began developing relations outside the country. I think by the time I was there he had visited Germany, he had visited France. I suppose we could say he got religion.

Q: It's hard to say a nation or group of people have certain characteristics, but actually they do. I was wondering, I don't know the Hungarians, but would you say being a small country in Europe they were extreme realists, in other words, who's on top, seeing which way the tides of history are going?

KAISER: Well, that might have been a factor. I'm amused when you say a small country. They used to say to me, the foreign minister or the deputy foreign minister, "We're a small country," and I would say, "There are at least 10 countries in Europe that," are smaller than you are and I'd list them all. Then I'd say, "You're a medium-sized country."

To give you a sign of change. There was a guy, what the hell was his name? A Hungarian economist, brilliant, Hungarian Jewish, who immigrated to England. He succeeded John Keynes at Kings College at Cambridge. Brilliant. The name will come back to me. He came to visit. He had a niece in Hungary and I knew him. I invited him to stay with us, which he was delighted to do. That's interesting to begin with, that he stayed with the American ambassador. There was a colleague of his who was the architect, the original articulator of the NEM, the New Economic Mechanism.

Q: Like NEP, the old Leninist New Economic Policy.

KAISER: That's right. And he wasn't quite in disgrace, but something was going wrong. My guest told me he was going to have lunch or drinks with him. I said, "Invite him to dinner." He came back and said he couldn't come to dinner because there was a procedure. To dinner at the American ambassador, you had to get official permission and there wasn't enough time. A year later that scene was replicated. A year later. He was in from London and he brought the guy back for dinner. That rule was no longer operative. An indication of how the atmosphere had been changing. The economists cultivated the hell out of me. Two of them, for example, took me to all these outfits. I don't know whether you know that under the communist regime, each sector had its own summer resort, a place for vacation. The academy of science had a very fancy one and

two of them took me. A long ways from Budapest, beautiful setting, a beautiful place. I even was entertained by the finance minister which was really impossible a year or so before. The atmosphere was evolving and changing.

Q: How did the Most Favored Nations treaty situation go during your time? Was it approved by the Senate?

KAISER: It was approved, but I don't know what the procedure was for approval. I don't know what the actual detailed procedure was under Jackson-Vanik. We were given MFN and there was an inflow, a fair number of American businesses sent representatives to survey the scene and to see what possibilities there were. Now, there were one or two companies that had been exporting. There was one big company, electric, one of the biggest electric companies in Europe, which General Electric bought after the collapse of communism. Stole really, bought for a pittance. They provided a good deal of the electrical equipment for General Motors and Ford in Europe. Then they had a big engineering company up in the southern part of the country, very good modern engineering company. The manager was a real go-getter who was tough. He was called not the red czar, but the red manager or something, and he provided sophisticated items to the European branches of the American automobile companies.

Q: During this period East Germany was touted as being the great economic power within the Soviet bloc, but it turned out that the stuff they were producing was pretty lousy. At the time you were there how did we view Hungary, were they turning out better quality goods?

KAISER: The Americans were satisfied with the quality of goods. They were very good companies. The electrical company was the most powerful electrical equipment in Europe between the two wars. It was a Swedish company and this was a major branch. After the collapse of communist Hungary the Austrians moved in and bought that electrical company for a very modest sum and then GE moved in and bought it and paid the Austrians, what was still very underpriced. GE's done quite a job there. It's a major part of the Hungarian industrial recovery.

Q: Were you getting reports that the Hungarians were producing, at least in some sectors equipment that was competitive with the West, because most of the Soviet Union including the bloc, including East Germany, really weren't competitive.

KAISER: The stuff they were sending apparently was of adequate quality. I think that was clearly the fact.

Q: You were saying that the Hungarians expected great benefit for the Most Favored Nations.

KAISER: Not while I was there. I haven't checked in recent months, but quite substantial amount of trade. The target was 100 million in my day. Which used to be a lot of money.

Q: I was just wondering, you were watching, your political section was watching, other parts of the embassy were watching you might say the body politic within Hungary. Were you seeing this economic freedom, was this having an effect on the political dynamics within the country?

KAISER: It certainly affected the general atmosphere. A freer economy inevitably influences the character of the political scene making it freer and more relaxed. There was an ongoing process of freeing more and more of the economy. I was the only diplomat that the head of the trade union movement received because of my labor background. : After the crown returned, I was a very popular guy. No ambassador in a communist dominated country had an easier and happier time than I had subsequently. He received me, and he happened to be at that time the head of the World Federation of Trade Unions.

Q: Which we had avoided.

KAISER: It was a communist doctrine. That was the one the CIO was a member of, and left after it opposed the Marshall Plan. I had a cozy talk with him. At that time the AFL had walked out of the International Labor Organization. I think so, or was it the, well it must have been the ILO, and he said to me "Why don't you talk to Mr. Meany and tell him to bring" - this was a communist guy - "to bring the AFL back, the AFL-CIO back. We need him back here as a member of the ILO." That was the general sort of atmosphere at the time.

Now, I think I should use this point to run a little head of the game, but relevantly. The democratization of Hungary, in contrast to what happened in East Germany and Poland and Czechoslovakia, where it was a revolt in all those places. The transition in Hungary was peaceful and organized, which was very significant. The transition was organized by a nominally communist government. It all started with the return of the crown - the whole change in the atmosphere, which the return dramatically contributed to. You got a peaceful overthrow of Kadar, a younger communist ruler, more liberal. One of them, for example, a key guy who was fascinated at what was going on from Scandinavia by the social democrats and the major turning point in the Cold War was in the '80s when East Germans.

Q: I think it was '89, early in '89.

KAISER: Before the war a year or so before when the East Germans holidayed in Hungary in Lake Balaton which is a very attractive area which a lot of East Germans used to come to, wanted to return not back to East Germany, but to West Germany and to do the Hungarian government had to allow them to cross into Austria. And in spite of pressure from Moscow, pressure from East Berlin, they opened up the borders of East Germany who were holidaying in Lake Balaton. This was a major early step to what ended in the collapse and the breakdown of the Berlin Wall. Very significant. And all this can be traced with the changing atmosphere, which was given a big stimulus by the return of the crown. And Carter: later on he got some credit for it, but not enough credit. That was a major thing he did. It took a lot of guts to do what he did.

Q: Did Carter in his campaign of '76 mention returning the crown? Did he seem familiar with the issue?

KAISER: Oh, yes, very much so and when Cy broached it for him the first time - I mention it in my memoir - he asked for a scenario to deal with the issue and we did that.

Q: What was your relationship or the relationship of the Soviet Embassy in Budapest while you were there because I think this would be a very tricky situation.

KAISER: Interesting question. I had a relationship (laughs) with the Soviet ambassador. It was minimal, but respectable. He had a group of stooges, the ambassadors from all the satellite countries. So we, I and the British, organized a sort of group of Western ambassadors and we would meet once a month. We had in our embassy a secure room, and they had in their embassy, a secure room. We discussed freely our views of what was going on, exchanged views of what was going on.

I'm laughing for two reasons. The last meeting became a party. We got hamburgers and hot dogs, we cooked them. The Soviet ambassador and all the stooges were sitting around. At one point I took a tray for everybody and brought it over. This stunned the Hungarians (sic), to see the American ambassador personally bringing over all this. He was the dean of the corps, which was the case in all communist countries. Like the French, in Senegal; the dean was a French ambassador. The procedure was to meet with him. So, we talked quite frankly and he wanted to know, he was kind of delighted when I told him my father had some Russian background. "Oh, when did he arrive in America?" I told him 1905 or '06. The day before I left, I gave a farewell party. Somehow or other during the ceremony this came up and somebody suggested that my father had immigrated to America later than that. And he spontaneously said, "No, it wasn't 1910, it was 1905." Everybody was impressed. The irony was that he gave the same identical speech to every departing ambassador. The only change he made was in the names. When two ambassadors were leaving at the same time he gave the same speeches for each one, changing the name.

Q: One of the indicators at least for a diplomat who served in the Eastern Bloc was the food, the restaurants and all that. The Hungarians of course have got great cooking. I love their cold cherry soup for example, but was there a good food supply and were restaurants flourishing when you were there?

KAISER: I don't like restaurants. My kids never forgave me for that. We didn't go out much because when we went out I made a big fuss about it. There was a little American flag, the violinist came out.

Q: I hate a violinist playing over me.

KAISER: There were good restaurants.

Q: Was there a good food supply? I say this because in Romania, under Ceausescu, they were selling off all their surplus food for cash and the people if not starving were in very bad straits.

KAISER: There was some, they had a deal with the community. Either they were trying to get the door widened for, agriculture was a major item for them. They were very good at agriculture. Either they succeeded in breaking the wall in the European Community or they were working on it, but agriculture was a major industry for them. I've never eaten anything like a white Hungarian peach, nothing could compare with it. Their tomatoes were wonderful, but their

tomato juice was lousy, and I jokingly a big fuss about that, and when I came back years later they told me, "Taste our tomato juice now. I'm sure you'll like it better." We grew corn in our garden, but they had never seen that.

Q: They called it maize. It was food for cattle.

KAISER: When the corn had reached maturity, she asked the chef to go out and get some corn. He poured in all of the corn. He pulled out the whole crop and brought it into the kitchen, so we had to eat corn for two or three days. But the food was good. Yes, we had oranges and I think bananas, too. I don't think we suffered at all. There was no problem.

Q: What about relations with Romania?

KAISER: They were lousy. They weren't very good. Later on, when did they do a deal - they wanted to do a deal. Did they do a deal while I was there, did conditions improve? I can't tell you. I don't have any recollection.

Q: Was there concern about the Hungarian minority both in Yugoslavia and Voivodina?

KAISER: All over.

Q: I mean they had Hungarians.

KAISER: There were a couple of million auslanders. But big, in Romania.

Q: Yes.

KAISER: They never recovered from Trianon, the treaty that gave Transylvania to Romania.

Q: Did we make any effort to try to bring the Romanians or the Hungarians together, or was that their problem?

KAISER: No. I don't think we took any, I can't recall any particular initiative. I sent people to visit Transylvania to see what was going on there, and Rusk was interested in that, but I don't think we made any effort to ease the relationship. That came later.

Q: How about in the Voivodina in Yugoslavia, Nowy Sad and all that area? There were a sizable number of Hungarians there. Was this an issue?

KAISER: It was generally an issue, the question was, were they still citizens of Hungary or were they citizens of the country in which they were located?

Q: My impression is at least for most of the time the Hungarians were well treated in Yugoslavia. It wasn't a real problem there. How about with Austria?

KAISER: Relations with Austria are very good. I talked about K&K, Kadar and Kreisky, the Jewish prime minister under whom I served. It was a natural relationship because of the Austro-Hungarian Empire.

Q: I was wondering whether the Hungarians looked upon the Austrians as being their surrogate in the West in a way?

KAISER: Well, in a way. The Austrians used to drive into Hungary to fill their cars up with gasoline. It was cheaper I think in Hungary.

Q: In a communist country they usually kept the gas cheap.

KAISER: We used to go there and now it is a four-lane highway, it wasn't, in my time, between Budapest and Vienna. There was a good relationship. Of course the Austrians, there was a big influx of Hungarians after the '56 revolution. In the tens of thousands.

Q: Did the '56ers in Austria represent sort of a group looking for revenge or anything like that?

KAISER: I didn't have any sense of that. In Austria there was an anti-foreign movement, but on the other hand they hosted a lot of refugees, a large number of Hungarians, and they handled the immigration of Soviet Jews. Vienna was a very important passing point. And that they did very well. Kreisky had a big hassle with the Israelis. The Israelis wanted the Austrians to compel the immigrants to move to Israel, and Kreisky said they can go to wherever they want to go. And a fair number came to America. Quite different by the way, quite dramatically different. It's worth noting how the Americans treated the Soviet Jews who wanted to emigrate. Scoop Jackson, encouraged that emigration, pushed for it, facilitated it. The block was the Soviet government. In contrast to the way we behaved with the German Jews when Hitler came.

Q: Oh, yes.

KAISER: A terrible chapter.

Q: Well, we lived and learned. What about Czechoslovakia? It was going through a very repressive regime after the "Prague Spring" and all.

KAISER: They became the worst of all.

Q: What was the relationship between Czechoslovakia and Hungary while you were there?

KAISER: It was nothing special. The one thing I can think of is that the intellectuals whom I knew felt superior to the Czechs and were very proud, if you will, of the state of their communist society compared to particularly Czechoslovakia and Poland, but then Solidarity changed things.

Q: Yes, and of course it turned out to that the intellectual movement of Czechoslovakia with Havel became a major force.

KAISER: They were sweeping communists with their feet. It was a massive street demonstration. In East Germany the same thing. Like Hungary, which had its bloody '56 revolution.

Kadar, one of his chief weapons in dealing with Moscow was, "Would you like to see another 1956, or do you want to maintain a moderate relationship, a calm relationship?" He used that very cleverly. One of the interesting scenes of our experience with one of my diplomatic colleagues was when Brezhnev came at a critical moment to visit Hungary. The big question was, how would he react to the more liberal atmosphere in Hungary in contrast to Moscow? There was also the question of what kind of shape was he in. He was going from there to Vienna a week or 10 days later to meet with Jimmy Carter. I had word from Washington they wanted to get as much of a feel for what, it was already known that this was kind of sick and so on. It was very interesting.

He arrived, the Hungarian officials were a little embarrassed about the visit, and the plane landed and he got out of his plane and like an automaton, as if a button was pressed on the back of him and it moved him around in the line of ambassadors, and he couldn't say a word. Until he got, strangely enough, to I think the French military attaché and he exchanged a word or two. He was there for two days and he gave his approval to what the Hungarians were doing, and then we returned to the airport to say goodbye. Again, he marched through and was a little more human, and he stopped at me and he tried to say something. Gromyko was with him and he couldn't get it out so Gromyko said, in English of course, "Goodbye Mr. Ambassador."

When I (laughs) left the airport, in front of the airport was Kadar with his top people all clearly heaving with relief, and I made some wisecrack about it. I don't remember exactly what I said, but it was something to the equivalent I guess, "I can see why you guys look so relieved." They laughed, they took it well. I just reported to Washington and I gave as much detail as possible, that this was not a very vigorous guy in the prime of his life and so on. I gave them every detail I could remember. I thought it would be worth recording that.

Q: In your dealings with Hungarians, particularly Hungarian officials, was anybody taking you sort of aside and saying, "Look, Mr. Ambassador, we're on our way. Have patience, our country is changing and we're moving more towards" -

KAISER: They didn't do it as bluntly as that, but that was kind of the implication. They were doing interesting things and they let one or two ministers have a kind of personal relationship with me. Particularly the economics minister, who we did a deal with, the American Federal Reserve, some kind of deal. He was in Washington and I saw to it that he got royal treatment in Washington. He was a good guy and he became a good friend.

The following are excerpts from an interview conducted by Morris Weisz in 1992.

KAISER: In any case, [after the Democrats' victory in 1976], I thought that I was all set to go to Yugoslavia as Ambassador. Cy Vance and I had been friends since the Johnson Administration.

At the last minute, Kissinger asked Vance as a special favor to appoint Larry Eagleburger as Ambassador. Larry had served as a young officer there.

Q: And wanted to go back.

KAISER: Very much so. They appointed me to Hungary which was most fortunate. It was a much, much more interesting and a more productive assignment. It also gave me an opportunity to see how a relatively liberal Communist society, but still Moscow controlled, how it works. I have a long chapter on this in the book. I mention the fact too that, just as a matter of interest, that when Reagan came into office, Cy Vance asked Haig as a special a favor to appoint Peter Tarnoff, who was a Foreign Service Officer and had been Executive Secretary to Cy. . . to give him an ambassadorial appointment and Haig said, "Sure, we'll look after him." Nothing ever happened. Cy told me, "I called him once. I called him twice and then I let it go. I knew nothing was going to happen." This is not untypical. The Democrats have always been much more generous on this kind of thing than the Republicans.

Hungary was a fascinating place. As I indicated it was the most liberal of the Eastern European countries. They had what they called their NEM, the new economic mechanism. They were trying to develop a market economy, by fits and starts trying to develop a real authentic price system, and they had trade unions which were under state control. The head of it was a man called Gaspar, who was conservative, and President of the Communist World Federation of Trade Unions. He didn't particularly like this economic reform because the farmer seemed to be doing much better under it than the average worker, particularly the less skilled worker. He received me. I was the only Western ambassador he ever received, and the reason was because of my labor background, and because they were kind of currying my favor. They wanted to get the Crown of St. Stephen back. He was very cute, insisting the Hungarian unions were "autonomous". As a matter of fact they had their own newspaper which was a little more independent - I underline a little more - than the party paper and the government paper. As I mentioned earlier, he gave me a real pitch about what a great trade union leader Meany was and how he wished I would talk to Meany and urge him to return to the ILO, because they needed him and the American labor movement. Also, now that I recall it, he gave me another amusing pitch about how important trade unions were for the development of democracy in a system in which there was only one political party.

Q: The separate function of the trade union.

KAISER: And, as I told you, it was interesting too, how the Austrian trade unions kept pretty active liaison with the Hungarian trade unions. I also saw it on the other side when I got to Vienna.

G. JONATHAN GREENWALD
Political Counselor
Budapest (1982-1984)

Born and raised in Pennsylvania, Mr. Greenwald earned degrees for Princeton University and Harvard Law School. His first government assignment was General Counsel in the Department of the Air Force. He later transferred to the Department of State, where he served as legal advisor as well as Political Officer, both in Washington and in various assignments abroad. His foreign posts include Germany (East and West Berlin), Yugoslavia, Hungary and Belgium. He also had assignments concerning anti-terrorism.

Q: Well, I think, certainly in retrospect it was a very important development on the way to what Europe is like today in the division, end of the Cold War, and so on. Let's go back. You went to Budapest as Political Counselor after a period of Hungarian language and area training. What was the situation when you got to Hungary? That was, what, the summer of '82?

GREENWALD: That's right, the summer of 1982. By that time Hungary had already clearly established itself as in many ways the most progressive of the Eastern European states. They had started their economic reforms in 1968 at the same time as the Czechs had begun their reforms. The Hungarians had kept a very tight control over their reforms, keeping them essentially economic and making sure that the political side didn't spin out of control as happened in Prague. Whereas the Prague spring ended in the Soviet invasion in a crackdown in Czechoslovakia, you had in Hungary a situation of gradual liberalization which had reached by 1982 a substantial change from what had existed in the years after the 1956 failed revolution.

Q: What about on the political side?

GREENWALD: Well, you had a quality of life which, I think, allowed basically for people to say and do what they wanted as long as they didn't question the fundamentals of the Communist system and the fundamental of the relationship to the Soviet Union. That allowed for considerable areas of freedom, certainly in intellectual life, cultural life, in day-to-day existence, and also in many political areas, and in regard to political areas, policies dealing with the lives of people. You weren't only thinking about whether or not Hungary was a member of the Warsaw Pact who was committed to following that policy in the United Nations. If you consider political to be how do you approach the question of deciding about where the new subway line is to be built or whether there is an environmental problem in Balaton, or any of a hundred or a thousand different issues, there was free room for expression. Of course, one of the jobs of the Political Counselor was to look into the situation and ask himself where was it likely to go. What is it likely to mean in the larger picture. Are these many areas of freedom, economic, political and cultural, likely to coalesce at some point into something which changes the shape of Hungary's relationship to the Soviets and Eastern Europe. I think everyone in Hungary basically was agreed and there was a consensus, which was one of the striking things about the country. There was a consensus on a couple of points. One was that 1956 should never happen again, that it was a horrible tragedy for the country. Kadar said this quite frankly; he said call it revolution or call it counter-revolution but what it clearly was was a national tragedy and must never happen again. Those who wanted a lot of change, those who wanted a little change, those who wanted no change agreed on that. The rules of the game were set by the memory that what happened in '56 would lead to operating the way that would reach that kind of crisis. The other basic consensus, I think, was a little more surprising, and that was that everyone in the country wanted to take the

Baich Oot. A fairly major street in Hungary is called the Baich Oot. *Baich* in Hungarian means Vienna; *oot* is street. What that meant was everyone wanted to find a way to be like Austria. Whether you were a Communist or not a Communist, that meant neutral, independent, substantially more tied to the West than it was at the present time.

Q: Prosperous?

GREENWALD: Prosperous, of course. There was a joke told by all sorts of people. It was a true story that during one of the ugly events of immediate imposition of Communist rule, in fact, in the Second World War was a show trial of a number of prominent Hungarians including Cardinal Mindszenty, who was imprisoned as a result of that trial in 1948. But another of the people being tried was Esterházy of the great noble family, the Esterházy family. He was accused among other things of having smuggled money abroad. He was on the stand at this show trial, and he was asked how he pled and he said, "Innocent," and the prosecutor said, "How can you say that? We have all of these documents that show that you put money into this bank in Vienna." He said, "Yes, I only sent money to Austria. I didn't send it abroad." There was an enormous nostalgia, which was more than just a nostalgia. It was a yearning with a clear political content to it for reestablishment of the old ties of the Austrian Hungarian empire. Even in the time that I was in Hungary, 1982 to 1984, it was true that Hungarian ministers and Austrian ministers had regular telephone contact with each other. They would pick up the phone and talk about many different problems and issues. There was a perceptible growing back together of many of the old contacts. The Hungarians built the autobahn to the border and completed it years before the Austrians completed it. It was more important to them that that autobahn link from Budapest to Vienna be reestablished. It was fascinating to work in the country. You could see so many things happening that seemed positive and seemed potentially very important if you tend to believe, as I do, being a fairly conservative person in terms of personal character, that evolutionary reform is preferable to revolutionary reform, because it's a much safer reform. It's much more likely to get from A to B to C to D and not fall off a precipice. Hungary was a very positive experience, because you could see evidence around you that in fact there was evolutionary reform, there was change. It wasn't certain that it would get where it wanted to go. That was very true. I remember one instance. There was a major dispute that grew up in Hungary, which in some ways is still alive, over the building of a huge dam on the Danube River. The Czechs have a name and the Slovaks have a different name for it, but it's a dam built where the Danube bends. The Hungarian and Czechoslovak governments agreed to jointly build that dam. The environmental group of Hungary was horrified that it could do terrible damage to the river and to the wetlands, the ecosystem. The Academy of Sciences produced a report that was highly critical of it. All this is very remarkable in Eastern Europe to have that happening where a government makes a major decision as a new sign of friendship between Hungarian and Czechoslovak people, this great project, a sign of prosperity, and then large numbers of people including people in the establishment like the Academy of Sciences start saying no, this is wrong, this is bad, you can't do it, you shouldn't do it. Students began to hold demonstrations, sit-ins at the university, all those sorts of things you used to see in the United States. Of course, the Czechoslovak government was furious. You can't allow this, you've got to stop it, you've got to carry on your obligations. The government temporized. It didn't build its part of the dam. It kept trying to find ways around the problem. March 15 is a Hungarian national holiday that involves the revolt against the Austrians in 1848. For years it was not celebrated, particularly after '56,

because it was felt it was too dangerous to allow this kind of public expression of feelings. There was background also that it brought on the '56 revolution and there were events around the 15th of March that stirred up the population, and the government was afraid of the same thing happening. But by the time we were there in the '80s, it was again commonly observed. I was told by an old Hungarian that in the '60s and early '70s they used to go out to the embassy and walk around the streets, and kind of see how many people were wearing little badges of Hungarian colors on that day, and thought that was a political sign. By 1982, '83, '84, everybody was doing it. Ceremonies were participated in by the government party leaders, but there were also a lot of little private things that were done that had more potential dissident lean to it. There were places where wreaths were laid and so forth. I came upon one of those on March 15, 1984, and I walked along with some of the students who were participating in that. After it was over, I got in a conversation with a young girl. I went off to a coffee shop with her, and we continued the conversation, and she began to tell me about what she was doing at the university and how active she was in the environment movement and various other movements and what had been happening to her. The dean of students had called her in and had a couple of heart-to-heart talks and said, "You're pushing this too far, and we might have to suspend you." She was very obviously out on the edge of just going beyond that point where you were allowed to exercise dissident views in Hungary. I was very impressed by that meeting. I came back from it wondering what was going to happen with this. Was Hungary going to evolve enough so that it would have room for somebody like that girl or would she end up in a couple of years going over to outright dissidents and emigrating? Would she be lost in the country here? Would she go with the outright opposition? It was very much an open question which way things would go, and clearly Hungary wasn't a fully independent actor in that drama. It could be affected by what went on around it, particularly with what went on in the Soviet Union. It was during the time that I was in Budapest that Brezhnev died.

Q: This is a continuation of a Foreign Affairs Oral History Interview with G. Jonathan Greenwald. It's the 21st of April, so it's about four weeks after our last session, Jon, and I think right when we concluded the other day you had just recalled that Brezhnev had just died while you were in Budapest as Political Counselor. You were there from 1981 to '84. I believe that the death of Brezhnev was about '83. Does that sound right to you?

GREENWALD: Good heavens, I should know better. It was in the fall, I believe, of '82. I thought it was '82. I'm not entirely sure. I'll have to look that up. [November 10, 1982]

Q: Well, that's an important detail obviously to him and to what followed. But why don't you talk about the impact of that and his successor on Hungary and, of course, U.S. interests as seen from the embassy in Budapest.

GREENWALD: A small footnote correction: I was actually in Budapest from July of 1982 until July of 1984. I spent 1981-82 learning Hungarian at the Foreign Service Institute. When I arrived in Budapest in the summer of 1982, Brezhnev, of course, had long been ill, and his demise was expected but always the day after tomorrow rather than tomorrow. Of course, it was a period of very poor East-West relations generally, because you had the serious dispute over middle-range rockets, the effort to negotiate some type of solution to the middle-range rocket problem that had been started with the stationing of SS20s by the Soviet Union in Eastern Europe. It appeared to

be breaking down, and we appeared to be getting into a new relative ice age in relations. The Soviet Union was in what was already, I think, being called a period of stagnation. In the last years under Brezhnev very little seemed to be moving. Brezhnev himself had no physical energy to set in motion any new currents, and there was great interest in what would happen after his death. The death occurred, as it happened, unexpectedly. He died, I believe, of a heart attack. There was substantial pomp and circumstance surrounding it, a huge funeral that I recall watching on television in Budapest, but great excitement, hardly hidden excitement, in Hungary among Hungarians that a real change was going to happen. The new man was Andropov, who had a reputation in the West as a hard-liner, which is natural because he was the head of KGB for many years. But Hungarians who felt they knew him very well believed there were more possibilities there. And the State Department, the U.S. government, the West in general was very interesting in learning more about Andropov, because obviously as the leader of the Soviet Union his influence would be enormous. They were particularly interested in Hungarian views because (a) the Hungarians were generally the most relatively candid in giving their comment about whatever was happening within Eastern Europe or within the Soviet Union, but they had (b) a very special connection to Andropov. He had been the Soviet ambassador in Budapest during the crucial year of 1956. He had been the ambassador as a young, up-and-coming member of the International Department of the Central Committee all during that period when Hungary was in ferment, the ferment that led to the revolution. He played a crucial role in the crushing of the revolution in November of 1956. He played a crucial role in the beginning of the reconstruction and the selection of Yanosh Kadar as the new Hungarian leader and the first year or so of the reconstruction in 1957 before he went back to his career within the Central Committee International Department. But there were many, many Hungarians who had very strong personal recollections of it, a number who had maintained contact over the years. Those were usually relatively difficult for us to talk to, because they were still at the very top levels of the Hungarian party and whatever they said would be at least carefully guarded. But there were a great many Hungarians who had dealt with him during the period in which he was ambassador who were no longer within the upper circles of the Hungarian party, either because they had retired or because they had been on the losing side of the revolution and had been out of power, out of influence for 25 years in between. But these people had dealt with Andropov. They knew something of his personality, they knew something of his predilections, and they were quite willing to talk. So we had a wonderful opportunity at the embassy to file reports about the personality, the character of the man, which were eagerly received in Washington. In particular, we did two very long telegrams based largely on interviews I conducted, also interviews that Ambassador Bergold at a different level conducted. But the people who were now dissidents, people who had been on the losing side of the revolution, those who were perhaps most willing to talk candidly were generally people who were my contacts. I was supposed to be in touch with the dissident community, people like the man who had been the press spokesman for the Nagy government during those brief days in October-November 1956. He had dealt with Andropov extensively. There was the man who had been the Prime Minister of Hungary for a brief period between 1953 and 1956 after the initial fall of the Rákosi hard-line government. There were efforts to establish during the Khrushchev period a slightly more reformist Hungarian government, a man who had been the Prime Minister for a brief period but had long since become a dissident of Hungary, a somewhat protected dissident. He spoke his mind rather freely but stayed out of jail, as most Hungarian dissidents did, but was a good source of information, political gossip and more than just gossip. He was willing to speak quite openly about his views of Andropov as a person and

what he might mean as a Soviet leader. Generally these were very nuanced views. They were not views of somebody who was a hard-liner, a person one couldn't do business with. They gave an impression of somebody who was highly intelligent and very much open to discussion, ruthless if need be, as was obvious in some of his actions, but a person who was likely to give new impulses to the Soviet Union, the kind of impulses that Brezhnev had been unable to give. The Hungarians, being where they were within Eastern Europe in the spectrum of reform versus conservative within Eastern European political thought, hoped and believed and had reason to hope that Andropov would be sympathetic to their own type of reform, goulash Communism. They were quite optimistic that they would be given more leeway to develop their economic reforms and develop gradually their political reforms, which were behind the economic reforms but which were still, in Eastern European terms in the 1980s, significant. We reported all that. It was well received, and there was a great deal of readership for the kind of political reporting we were able to do during that brief period when Andropov was healthy enough to be active as the Soviet leader. But, of course, he very quickly became mortally ill, or what was a mortal illness perhaps at the time he came to power began to lay him low. After a very short time it was apparent that his period in power would be quite brief. The Hungarians were much less optimistic about what a Chernenko leadership would mean to them. It was in that period, that personally I heard for the first time the name Gorbachev, and the Hungarians were among those who began to speak of him as a person who was very much a protégé of Andropov and very much possibly a leader who would continue the stirrings of new directions that Andropov had begun. They were very disappointed when Chernenko was given the nod over Gorbachev in 1984 on the death of Andropov. But they were saying at the time that they thought that would be a brief interregnum and that Gorbachev was still the coming person. That the Soviet leadership had not quite been ready to trust full power to a very young and healthy person. They would want to wait and give him a few more years to prove himself while staying with the old tried and true Chernenko, whose health was obviously not good and who was thought to be only a brief stepping stone to the Gorbachev period. So it was a very exciting period to cover from the embassy in Budapest. I think the two years there were among the most intense and most enjoyable professionally that I had. They were certainly made more so by the delight of the Hungarian people that we had learned Hungarian and were able to move reasonably comfortably within the society and enjoy what was often called goulash Communism but in some ways was champagne Communism. It had a sparkle, a liveliness that really wasn't available anywhere else in Eastern Europe.

Q: How much of Hungarian Communism or economic-political life in Hungary changed during this period while you were there, or was it more an anticipation that there would be further changes as the Soviet leadership evolved further?

GREENWALD: There was already, of course, a considerable development of Hungarian reforms. The reforms were introduced in 1968. The period from 1956 to 1968, roughly speaking, was a period of consolidation. It was often a brutal period as the leadership reestablished firm control over a country that had been in outright revolution. But by 1968 the reform wing of the party, what some called the social democratic wing, the elements of the old Social Democratic Party that had been merged with the Communist Party after the Second World War, were again becoming dominant within Hungary. Kadar gave them considerable rein, and there was a dual development in 1968. You will remember that was a remarkable year in which there was ferment

all around the world. There was great ferment in Eastern Europe, and in Czechoslovakia it turned into the Prague Spring. The Prague Spring quickly moved from economic reform to political reform, and it went beyond the point that the Soviet Union was willing to tolerate. There were close contacts in the early days of 1968 between the Czech leaders, Dubcek and Kadar. There was an effort to coordinate the reform movement because they saw that they needed each other, that each one was stronger because of the other. Kadar was a much more cautious leader than Dubcek, perhaps a stronger leader, one able to keep better control over his own political system. He quickly felt that it would be impossible for the Soviet Union in 1968 to tolerate major political reform at the same time as they were allowing major economic reform. He had cautioned Dubcek not to go as far as he went, but the Czechoslovaks went in their direction. The Hungarians very, very cautiously and determinedly kept their reforms on the economic path. By the early 1980s, though, it was, I think, no longer fair to say that Hungarian reforms were only economic. It had reached a point where they were beginning to experiment with more types of somewhat more democratic representation at less than national levels, at village levels, at county levels, and even within the party. They were beginning to try to find ways to extend some degree of political pluralism, because they recognized that you couldn't maintain a strictly economic reform. At some you would have to have decision making in general encouraged throughout the society if you were going to have an economic reform that wasn't simply directed from the top but was self sustaining. They were still very much in the early stages of exploring how to do that, and every time there was a hint of a new direction in Moscow, they paused and took stock. They had great hopes in some of the reform economists who were prominent in the Soviet Union in the early '80s. But the belief in Hungary was that Andropov would be willing to allow them to continue the experimentation which had begun on the political side, partly because he trusted the Kadar leadership, which he knew and which he had helped to put in power because he trusted them to do it in a gradual and safe way. They didn't have that same feeling of confidence in Chernenko, either in Chernenko's personality or in their connections to him. They believed there was great potential in Gorbachev, but they didn't know him that well, they didn't know him as well as they knew Andropov. So there was a definite feeling of disappointment and a momentary retrenchment when Andropov died in early 1984. But it was clear that the Hungarians felt they would have to go further with their reforms. They couldn't draw a line between economics and politics and build a fire wall. They realized they would have to have both, but they wanted to control it from the top.

Q: Did you ever have any problems in dealing with the dissident community? You mentioned that they were able to speak their mind. Was it ever difficult? Did you have to be sensitive to any restrictions either from the embassy or from the foreign ministry or elsewhere in the government?

GREENWALD: I always had the feeling in Hungary that the Hungarians basically considered that they were one large family that had had a horrible feud in 1956. As Kadar put it, whether you call it revolution or counter-revolution, it was a great tragedy and it must never happen again. There were understood rules within that large family of what could be done and what couldn't be done, and there were always efforts to push out the margins. The dissidents in Hungary were trying to push out those margins, but they understood what the rules of the game were. They understood that they had a situation that was far better than what any similar group had in Eastern Europe. At that time, oddly enough, most of the dissidents had their own personal connections to elements of the leadership. They were very often literally the sons and the

daughters. One of the people I dealt with most often, for example, was a nephew of the man who was the deputy editor of the party newspaper. He thought very differently from his uncle, but there was literally a family connection. It was odd that after the system broke down in 1990, the people that came to power immediately were not these dissidents. They were people who had played no active role at all in politics, either in the leadership, in the government, or in the dissident movement. There were people who had basically been badly burned in 1956 and who ducked down low, who accepted the terms of the arrangements that had been made in the country, that you could do many things but you would have to stay out of politics, and they stayed out of politics. They were not contacts of the embassy. They were not people who wanted to be contacts of the embassy, and they weren't politically active in the early 1980s. It was only five and six and seven years later that they began to be active and came forward again. The people that we had dealt with as dissidents lost the first election. They basically won the second election. Many of them are in power right now. The only political prisoner case we had to deal with during the two years I was there was a matter of a young firebrand within the dissident movement who was co-editor of the leading Samizdat journal, Beszelo. He had been driving along in Budapest one day with copies of the journal in the front of his car. He was stopped by the police for, I think, just a normal traffic offense. The police asked him to open up his car, and he objected, probably because the Samizdat was there. He got into a scuffle with the police, and blows were exchanged, and he was carted off to jail and put into jail, charged with having attacked police. Who knows the truth of that, but he got some blows himself. There was concern in the West that there would be a political trial. This would lead to a crackdown on the Samizdat movement, on Beszelo. We were told quite bluntly and confidentially by the Hungarians that they had no wish to create a political martyr, there would be no political trial, a way would be found to release him. In fact, he was released, and Beszelo continued to be printed by the dissidents in a couple of thousand copies which were then passed around to five or ten times that readership in the country for a number of years until it was no longer necessary to do Samizdat. So our contacts with these people were quite open. I sometimes went to lunch in a good restaurant in Budapest with them. We would have them to our houses. The present Cultural Counselor was the person who was formally in charge of dealing with them, because it was thought it would be more politic, more diplomatic, to say that our contacts with them were cultural rather than political, but I would usually go over to his house whenever he had some of them over. The one bow to security was that he would always turn on his stereo fairly loud whenever we had conversations, but I really don't think that that greatly fooled anyone in the Hungarian Secret Service.

Q: You were able to see some of these underground publications on a regular basis? They were widely available?

GREENWALD: Sure. As soon as they produced, they came by and gave us a copy. We asked for a couple of copies, and we would send them back to Washington so that they could be read in the U.S. government.

Q: Were most of your contacts, your meetings, your discussions in Budapest, or were different things going on elsewhere, or is it such a centralized country that Budapest is all that really matters?

GREENWALD: It's a good question. Of course, Budapest wasn't all that really mattered, and we did try to cover the rest of the country, but we did it obviously less well than we would have liked. Budapest in Hungarian terms is this huge city. There's no American equivalent, because the population of Budapest is perhaps 20 percent of the population of the whole country, and it's certainly the intellectual capital of the country. So it wasn't as bad as it might have been in some countries to be located in Budapest and to have most of your contacts there. But we did try to travel. We were very small, and most of the time that I was in Budapest, I was the only political officer. We had a political section of one, and we had an economic section of one. Briefly we got a second person during the two years that I was there, but most of the time I was alone. So there was a limit to what we could do. But I tried to travel as often as possible. I tried to make friends with people, chance acquaintances, who lived outside of Budapest, and visit them in their homes and get to know a little bit about what was happening in the cities. But in terms of our regular contacts, they were people in Budapest.

Q: Harry Bergold, you mentioned, was the ambassador. Was he there throughout the two years that you were there?

GREENWALD: No, he was there the first year. He had been there for at least one, possibly two years before I got there, and he left in the summer of 1983. We had then a very interesting, very different kind of man, Nick Salgo, who came in as ambassador. Salgo was a political ambassador, political appointment, but he was a Hungarian American. He was born in Hungary. He grew up in Hungary in the 1930s as a young man who had graduated from university. He went to Switzerland just before the war to start his business career, and then when the war came, he wisely continued west and eventually got to the United States and made his fortune in real estate. He owned the Watergate complex here. He went back to Hungary as ambassador, and it was, of course, a remarkable experience for him, also a remarkable experience for the Hungarians. They had never had as an American ambassador somebody who knew the country quite so well and spoke native Hungarian. I remember very well an early experience. There was a courtesy call that Salgo was to make on the Minister -- basically the Trade Minister of the Hungarian government. He was quite a liberal fellow, a person who basically from his job was interested in more contact with the West, switching the balance of Hungarian trade from more than 50 percent with Eastern Europe to more than 50 percent with Western Europe and the United States. When we were waiting for him in his outer office. When he came in, he came in furious. He was just upset. He had just come from a Central Committee meeting, and he just let his frustrations out and he said, "These people just don't understand. They don't understand that Hungary has to trade to live, that trade is essential for this country and it's good and vital." Salgo began to laugh, and he said, "Mr. Minister, it's a good thing that you didn't grow up in Hungary in the 1930s. You would have left just like I did." There's an important point, that Salgo wasn't one of those who left after 1945 because the Communists were bad guys who had ruined their wonderful Hungary. There were a lot of people that came to the West, came with that attitude. They came from the old Hungarian aristocracy, and for them everything that happened after 1945 was a black period. Salgo came from a Jewish commercial family, and he had mixed feelings about that old Hungary, pre-1945 Hungary, the Hungary which was controlled by the aristocrats and was strongly anti-Semitic, that believed that trade was sort of dirty business that wasn't really for gentlemen. In some ways, though, he was quite anti-Communist himself, in that sense a Reaganite. He had a feel for the commercial side of the goulash Communism that was rather

impressive. We got along rather well with him, in fact, for that reason. In other ways he was a very difficult person, at least for the embassy, because he was a man who had ten new ideas every day. Two or three of them would be good. None of them would be wrapped in a normal, nice bureaucratic package, and the job for us was always to figure out which two or three were good ideas and which weren't. But he kept us on our toes, and he expected people to use Hungarian, to learn Hungarian, to use it. He never thought it was a hard language to learn, and said that. He learned it the easy way.

Q: He learned it in his earliest days.

GREENWALD: I got along with him quite well, because I used Hungarian, and he appreciated that. In some ways he was quite a lot of fun to work with. As I say, he was a challenge for the Hungarians. He felt that the only way to really learn the language is to learn it in the country, that FSI is good, it does a fine job of beginning to prepare its student to speak the language, but you really have to learn it in the country. So he worked very hard trying to get agreement that the second half of the language year for language students would be spent in Hungary. He recognized that he didn't want to do it in Budapest, because the embassy would grab the person and before long they'd be doing their regular job and wouldn't be learning. But he tried to get an arrangement that the students would spend a few months somewhere else in Hungary, living ideally in a home, getting instruction somewhere else, Pécs (Paich) perhaps or Shofron or whatever. After a great deal of effort and a lot of resistance from FSI, which I think felt slightly threatened, it was agreed to give the idea a trial. Unfortunately the place that was arranged to have people go to was Debrecen, east of country but very near a large Soviet air base, and the first person who was designated to be the guinea pig student was the air attaché. Before long the Hungarian security people caught on to that and said no, and that idea was scotched. I think later the idea was eventually put into play but unfortunately wasn't able to be done when he was there because of the nervousness, I would guess, of the security or the intelligence people on both sides.

Q: As a former dean of the School of Language Studies at FSI, I vaguely remember discussion of this, and I don't think it was only to protect and defend the total length of the FSI program, but there were some real problems on occasion, including suspicion that it would be used for information gathering, intelligence gathering. But most students would certainly be highly motivated and would use it very effectively with minimal supervision. We were always concerned that some were not, that they needed more direction in many cases. But I think, as I recall, we all agreed and certainly felt in principle that if you could learn in a language environment where you used it every day, that would certainly be better than doing it only for a few hours a day and then going home to an English language environment.

GREENWALD: The way in which I learned my Hungarian best and used it most was by developing my love for sports and particularly for Hungarian football. This was highly useful for learning the country and covering the country, because Hungary is a football-crazy country. You could begin a conversation with anyone in the country -- I think you could have begun it with Kadar himself if you could have sat down with him, but I began it with other rather senior political people that way -- by saying, "Why is Hungary no longer the most powerful national football team in Europe if not the world. Why isn't Hungarian football the best in the world as it

was in the 1950s." Then you go on to, well, the society has changed and in what ways it changed, for the better or for the worse, and you could have wonderful conversations in every pub as well as in political circles like that. In fact, the last telegram I wrote -- it wasn't a telegram because they wouldn't let me send it as a telegram, it was very long -- was a telegram about Hungarian football. If it's this long, no, you have to send it as an airgram. It was the summation of my efforts to learn about Hungarian football but also of my efforts to learn about the psychology of the society, including just how far the reforms had gone and just how far they had not gone, and where the next stage would have to be if they were to be successful.

Q: Okay, well, maybe this is a good point to move on unless there's something else that you would want to say about your two years in Hungary.

GREENWALD: No, I think that probably touches the main elements.

KEITH C. SMITH
Deputy Chief of Mission
Budapest (1983-1986)

Ambassador Keith C. Smith was born in California in 1938. While attending Brigham Young University he received his bachelor's degree in 1960 and master's degree in 1962. He entered the Foreign Service in 1962. His career includes positions in Mexico, Venezuela Hungary, Washington D.C., and an ambassadorship to Lithuania. Mr. Smith was interviewed by Charles Stuart Kennedy in February 2004.

Q: You left this memo-writing job when?

SMITH: In 1983, to go as Deputy Chief of Mission (DCM) in Budapest. I first took a two month refresher course in Hungarian at the Foreign Service Institute. I thought I was going to be the DCM to Jacques Shirley, who was the top career USIA officer. He was fluent in Hungarian, having spent WWII trapped in Hungary and was extremely competent and a decent guy. I visited with him at USIA and we discussed policy issues in great detail. As it turned out, I was the DCM to a Nicolas (Miklos) Salgo, political appointee, who took the job away from Shirley after making a \$550,000 contribution to the first Reagan election campaign. He also gave a discount on the sale of a Watergate apartment to Charles Wick, a close friend of the Reagans. Wick later became the Director of USIA under the Reagan Administration. Salgo had been born in Hungary. He moved from Hungary to Switzerland in 1938, and then to the U.S. after the war. When he learned in early 1983 that he would not get his first choice as ambassador to France, he pressed the Reagan White House successfully to become ambassador to Hungary. He had been a successful mergers and acquisitions businessman in New York. Salgo was married to a very wealthy French woman who had no desire to live anywhere but France or the U.S. In any case, \$550,000 was the price paid for the job. The selling of ambassadors, which continues to this day, is enormously corrupting to the government and demoralizing to the Foreign Service. I've lost hope that this "spoils system" will ever change.

Q: So, where and when did you go overseas?

SMITH: In the spring of 1983 I went to FSI for a refresher course in Hungarian. The course turned out to be very useful, and it helped me communicate well in Hungarian from the day I returned to Budapest as DCM in July. I had met with Salgo once before going out, and he assured me that he supported my nomination as DCM. I later found out that as soon as I'd left the office he told the country director that he planned to give me a three month trial period, after which he would decide whether to replace me. In any case, he was happy enough with my work to keep me there through the entire three year assignment.

Q: So you were there from '83 to '86?

SMITH: Yes. They were very interesting years. I felt very much at home in Budapest in 1983. We were assigned the loveliest house that I'll ever live in. It was much nicer than I had later as ambassador. More important, the political situation in Hungary was opening up and the economy had improved somewhat. The Communist Party (The Hungarian Socialist Workers Party) had started allowing Americans to have more contact with average Hungarians. This enabled us to get a better feel for the economic and political situation in the country. We could also call on officials at the Party headquarters. Within a short time, I met a lot of people from the artistic community. They tended to be more open and trustworthy than the "journalists" we were forced to befriend in the 1970s. We knew from sources in the Ministry of Interior that the artists were not usually required to report all of their contacts and few of them were interior ministry plants. It was a good feeling to be working in a relatively more open society. The totalitarian aspects of a communist state were still in place, but it was administered less oppressively. Hungarians were slowly beginning to discover what life was like outside of the communist world. More were allowed to travel to the West, and they had seen life in Austria and Germany. They began to understand that the world was farther behind economically than they had been led to believe..

Q: Did you have the same ambassador the whole time you were there?

SMITH: Yes.

Q: How did he operate? Would you explain how he used you and all.

SMITH: I don't want to go into too much detail. He had little idea of what was expected of him as ambassador, which would have been tolerable if he had been willing to ask for advice. It had been a serious mistake to name him ambassador. He considered himself to be a tough businessman, working with a Foreign Service filled with people who were weak and indecisive. He thought that his Hungarian roots would be an advantage, but the opposite was the case. Fortunately, the ambassador was out of the country on vacation for over half of our three years together. This made it easier on the rest of the embassy.

Salgo was the first person in Hungarian history to have his own private airplane in the country. He told the Hungarians that it was a test of their desire for good relations with the U.S. They finally agreed to let him station his own plane there, on the condition that it would be piloted by

a Hungarian air force officer. That was their way of ensuring that he wouldn't photograph military sites from the air on his way to Vienna or to his estate in southern France, his Paris apartment or to his chalet in St. Moritz Switzerland. Not only was the ambassador gone most of the time, but his wife was in Hungary only on rare occasions. She was a wealthy French woman who did not feel comfortable with the lower standard of living in Hungary. Salgo, however, liked having the ambassador title. He had a heavy Hungarian accent in English, and always wanted me to stand next to him at diplomatic receptions. Often people would meet him, then they'd talk to me and assume that he was a local employee who was there as interpreter. It was quite funny at times. I don't think he ever caught onto that.

Even though Salgo was out of Hungary much of the time, he had the idea that a successful ambassador should make lots of decisions. When he was not collecting expensive Hungarian art or taking fencing lessons, he would make a flurry of decisions on all kinds of issues, and then leave the country assuming that they would all be implemented. After he would leave, we would have to figure out how to either comply with them or get around them, since most of his decisions were unrealistic or damaging to the U.S. He refused to take the advice of career diplomats. It was a tough time for all of us. There were many occasions when I told my wife that I couldn't put up with the ambassador any longer, and wanted to leave. She always talked me out of it. Working with Salgo often seemed an impossible task. But I loved being in Hungary, traveled a lot and made many lifetime friends. I also felt that I couldn't abandon the other career employees.

Q: Did the ambassador have useful contacts? Some ambassadors who were foreign born and return to their native country turn out to be, particularly in a place like Italy and all, coming from essentially a nondescript or lower class background, often with a peculiar accent and all, and really that doesn't fly very well in the more sophisticated capitals. I'm wondering though about him.

SMITH: The only personal contacts he had were friends from his youth. They were all over 70 and all were long retired. Speaking Hungarian was not an advantage for him. He spoke an outdated Hungarian of the 1930s. Although he certainly recognized that Hungary was relatively poor and non-democratic, I don't think he ever understood the damage the communist system had done to the psychology or social interaction of the average Hungarian, even of his childhood friends. Communism made people more, rather than less selfish and they lost the ability to make decisions independently. Since the ambassador was a very conservative businessman, he and the Hungarian officials could never really relate to each other. Government officials had a hard time dealing with him. He constantly changed his mind, even in the middle of negotiations. He saw himself as decisive, but he was anything but that.

We finally got around to holding property negotiation with the Hungarians on U.S. land seized by the communists in 1947-48. Fortunately, we had a very capable administrative officer, and he and I put together an agreement that we persuaded the ambassador to present to the Kadar Government. The Hungarians quickly agreed to it and we suddenly had a six million dollar exchange of property. We used the money for reconstruction and renovation of American housing properties in Hungary. The admin officer and I had devised language to be inserted into the agreement that would allow the Hungarians to tell us that the money could only be used for

renovation in Hungary. Using this language, the embassy avoided having the money transferred to Washington for other uses. The Hungarians were also anxious to see the money spent in their country and we at the Embassy were delighted to be able to hold on to funds.

Not surprisingly, the ambassador convinced the Regan Administration that he deserved the full credit for the agreement. After the fall of the Berlin Wall, he was appointed as the official State Department property negotiator throughout Eastern Europe. It was really a bizarre situation. He had some success, but in most negotiations he left more confusion than clarity in his wake. This usually occurred because he would constantly change his negotiating position – as he had in Hungary - leaving even his own side confused.

Salgo thought that as ambassador, he should develop a personal relationship with Communist Party leader, Janos Kadar. He arranged several private meetings with Kadar. Each time, I advised him against going to the meeting alone. I told him that he should take a note taker, and since I spoke Hungarian very well at that point, I could back him up. “No, no he said. I need to talk to Kadar between four eyes.” This meant that he wanted to meet with Kadar alone, believing that the intimacy of the meeting would induce Kadar to open up about sensitive political issues. It turned out that Kadar never really did open up with Salgo. Each time he visited Kadar, there would be a note taker from the Foreign Ministry. In fact the note taker was very close to the security services and later became ambassador to Washington. On each occasion, Salgo would return to the Embassy and forget to write up anything for several weeks. Eventually, he thought that he should dictate some information on the meeting, since Kadar, after all, was the most powerful man in Hungary. Often Salgo would be flying out of the country right after the meeting. By the time he returned he couldn't remember what the discussion with Kadar had been about. So he would describe in his cables Kadar's health condition and what kind of scotch they drank. Basically that was it.

Six months into his assignment, Salgo decided that he needed to write an analysis of his impressions of Hungary for Washington. Unfortunately, he had trouble writing intelligible English. So he'd put his thoughts on paper in English, and then he'd hand it to me and ask me to write it up in proper English. His French and German were better than his English. In his first six month report, he wrote that Washington could only understand the relative progress of the Hungarians if it recognized that the Hungarian people were genetically superior to the other East Europeans. I advised him against saying this, no matter how strongly he believed it. He answered that people in Washington would agree with him. I again warned him not to write that Hungarians were genetically superior. We had a big argument about it. I scratched it out of the draft and he agreed to try again. When I was given the next draft, it contained the same “genetically superior” language. He was insistent about the language. I told him that he would only discredit himself and the Embassy back in Washington. We went through discussion for almost a week.

Finally he announced that he was going to use his original language and that I could take my name off the document as having cleared it. It did just that. He was the ambassador, and if he wanted to make a fool of himself, I couldn't stop him. As I had predicted, officials in Washington were appalled by the language and just ignored his cabled impressions after that. We were fortunate to have had a really terrific deputy assistant secretary, Mark Palmer. He later

replaced Salgo as ambassador, and did a wonderful job while in Budapest. Palmer also backed me up after I was been targeted by the secret police. Salgo would have had me replaced, believing that the secret police had damaged my effectiveness. It would have been the wrong reaction by the U.S. to a clear provocation by the worst elements in Hungary.

During my period as DCM, we began to develop U.S. commercial ties with Hungary. Several American companies were interested in doing business there. IBM was the first to establish an office. We were also trying to help an American company sell crop dusting helicopters to Hungary. Things were slowly beginning to change in Hungary. I even saw the changes close to home. I had a gardener who worked at my house and who lived with his family on the property. I liked to go out and mess around in the garden too, so the gardener and I would have political discussions in Hungarian while we worked. He was a real believer in communism and every day he read through the Party newspaper, Nepszabadsag. I liked the guy and enjoyed discussing politics with him. Our talks were good for my Hungarian language and for my understanding of Hungarians. I remember that early in my tour, the gardener made a trip with his family to Romania. He was delighted that Hungary was more developed economically than Romania, and he ascribed it to the form of communism practiced in Hungary. Of course, compared to the situation in Romania under Ceausescu, Hungarians were much better off. About a year and a half after his trip to Romania, the gardener took his wife and two of his three kids to Austria and Germany. He couldn't take them all, since the youngest one would have to remain as a hostage to their return. Their trip to the West was a real eye-opener for the family. The gardener returned visibly shaken and admitted that the situation was much better for people in the West. He was quite depressed for several months after the trip. He was honest enough to admit to me that maybe communism was not the answer for humanity. This example illustrated the slow, but positive change that was taking place in Hungary in the mid-eighties. Busloads of people were making day trips to Vienna to shop, and they usually returned changed in their political views. Of course, the regime's domestic opponents were not allowed to travel, but they already knew what the situation was. A lot of lower level officials were also traveling to the West, mainly to Austria, but also to Germany. By 1989-1990, these changes in Hungarian attitudes played a significant role in the Soviet loss of control over Eastern Europe and in the collapse of the Soviet Union.

Q: Were the '56ers able to return at all at this time?

SMITH: Some who left in 1956 were getting special permission to come back. In fact I met an American military doctor in Germany who was Hungarian. He had left in '56. I talked him and his wife into coming back, although they were scared that they would be arrested. They stayed at our house, where they felt a little more secure. They then started coming back on a regular basis. It wasn't a problem. The Hungarians had decided by the mid-1890s that they had little to gain from keeping these people out; at least those who were not known to have killed someone during the revolution in 1956.

During this period, we were active on several political/security issues. NATO and Warsaw Pact countries had signed the Helsinki agreements, part of which obligated the Warsaw Pact countries to respect a host of human rights standards. This provided us a benchmark to judge their internal policies. We would press them from time to time on the treatment of prisoners and civil liberties.

The secret police, however, were still very active in the 1980s, though they were much more sophisticated than during my earlier assignment. They were much more discreet and capable at surveillance. They were still very much active in attempting entrapment. In fact, I was a target again of the secret police, as I had been in the 70s. I had taken a trip to Moscow. I can't go into a lot of detail about this one, but I was targeted in Moscow by the KGB, and the Embassy had to arrange for the DCM to accompany me on the train from Moscow to Leningrad.

Unfortunately, the CIA had sent out a station chief to Budapest who was a disaster. He had only served previously in Africa and had terrible tradecraft. Even his personal behavior was not professional. Fortunately, some of the junior members of the station were terrific. While I was chargé, a Soviet military officer offered to report to the U.S. He had become disillusioned with communism and appeared to be a decent guy. Unfortunately, he was later executed as a result of information passed to Moscow by Aldrich Ames, a CIA agent recruited by the Russian KGB. While not a big supporter of capital punishment, I thought that Ames should have been executed by us for being responsible for the deaths of ten Soviet citizens. Ames had been turned by the Russians through his greed for wealth and lack of commitment to American ideals. In any case, our station chief was too stupid to realize that he was exposing his own people to detection through his terrible tradecraft.

Q: Without going into details, how did this work? Did he understand the area?

SMITH: No, he was an African hand. It was his first tour in Eastern Europe. It had been a big mistake to send him to Hungary. He was a poor manager of the people working under him and their morale and operational capabilities suffered. I'm sure that he quickly blew his cover with the Hungarian Interior Ministry. He insisted on coming in on Saturday mornings and having everybody from the station there at the same time. It was very bad tradecraft. Later on, he caused me a lot of trouble because I took action to have him pulled out. I sent a Roger channel message to Washington saying that I thought the agency should send out an inspection team to look at the station.

Q: A roger channel being?

SMITH: A cable that went directly to the director general of the Foreign Service, and did not pass through the Agency's communication system. As a result of my message, the CIA did send out several inspectors. They determined that the station chief should be withdrawn almost immediately. I don't want to go into details about the reasons for this. Not surprisingly, he blamed me for his troubles. This later caused me a certain amount of grief. Back in Washington he made charges about me implying that I might have been cooperating with the other side. Later on that caused me to confront State's counter-intelligence people and to be polygraphed at FBI headquarters in Washington. It was so stupid. In the middle of my being polygraphed, the FBI's chief specialist stopped the exam, looked at me and said, "What are you doing here? State should stop wasting my time." He could see that I been the target of an angry agent. He considered it as ridiculous as I did.

The station chief caused me problems because all of this occurred during a period when there were a lot of spies being uncovered, mainly in DOD and CIA. State was clearly trying to protect

itself from criticism from other intelligence agencies. At that time both the FBI and CIA often said that only they knew how to do counterespionage and the people at the State had no idea about security. As it turned out, there were more spies at CIA and at DOD than at State. Anyway, every agency was trying to protect itself. That is why I had to take that polygraph test. The episode caused me some short-term grief, but did not affect my career. The polygraph test caused me additional stress, because it was performed just two weeks after my wife had unexpectedly died. This occurred in December 1986. It was a horrible time for me.

Q: Going back, how did we see the Kadar government at that time as compared to when you were, you were there earlier?

SMITH: 'Do you mean compared to the mid-1970s?.

Q: You had a decade in between. Was this a different government really, or not?

SMITH: The atmosphere was different. Kadar was still a real believer in Marxism, but he was really not running things as much in 1983 as he was in 1973. Hungary had progressed in developing the outlines of a market economy, and the universities had developed some good economists who were experimenting with different approaches to market mechanisms. More private enterprises were allowed. In the 1970s, only small family-run shopkeepers had been tolerated. When I was there in the '70s you could only hire immediate family members.

Q: Ma and Pa shop or something.

SMITH: Something like that. Later on, you could actually hire up to ten individuals and they didn't have to be family members. People began to develop an entrepreneurial spirit in some areas. They saw how things were being done in the West, and a business mentality was developing.

Also, during my second tour, the Hungarians allowed us to go to the Communist Party headquarters and we had direct contact with the Party officials. During my first tour we were never allowed into the communist party headquarters, that was only a few blocks from the embassy. During the second tour we could go there and meet with members of the central committee staff, particularly the international staff. I went to receptions attended by Janos Kadar and other senior Party leaders. The Soviet DCM had been the Embassy PAO when I was political officer there in the '70s. He returned to Budapest as Soviet DCM when I was DCM. At first, he was scared about having contact with me, but I kept inviting him to the house. I finally got him over with his wife by showing the movie *Reds*, a Hollywood film that painted a favorable picture of the 1917 revolution. I invited other communists, such as the Yugoslav ambassador and his wife, the Chinese ambassador and his wife, and some people from the foreign ministry. The Soviet DCM felt politically protected by the composition of the guest list. In any case, this seemed to break the ice, and we met him and his wife for dinner several times later.

Q: This was a movie by Warren Beatty about members of the American communist party talking about the Russian Revolution.

SMITH: The movie was based on John Reed's book about the revolution. I remember the DCM saying this movie could have been made by Mosfilm, the Soviet film company. As a result of our friendship, my wife and I were the only ones invited to his farewell when he was transferred earlier than planned to be deputy foreign minister. We were the only Westerners invited. Kadar and the whole central committee showed up during the reception. Years later, the Russian returned as ambassador to Hungary. His most recent post was in Finland. I've lost track of him now. He was actually a pretty decent guy and when they were leaving his wife invited us to visit them in Moscow. Of course, if we had, it would have hurt his career. During the same period, we had members of central committee, who later became officials in the government, over to our house. One of the most prominent was Laszlo Kovacs, who became foreign minister of Hungary after the fall of communism and is now a Commissioner in the EU. During the 1980s he was the head of the International Secretariat of the Hungarian Socialist Workers Party, the official name of the ruling communist party. I contacted him during later trips to Hungary and was impressed with how rapidly he had become a "Westernized" foreign minister. I thought his policies toward Romania and Slovakia were quite sensible.

Q: Did you have the feeling that the communist party was beginning to reach out to the people as opposed to sort of using its cadre to tell people what to do and all that?

SMITH: I never got the impression they could really ever reach the people. They only knew how to work top down, rather than start with the base. This is the problem of Putin right now. Thinking you can run the government top down is short sighted. It made the government more fragile and unable to withstand popular discontent. It just fell apart in 1989. I remember one Hungarian; a nice guy, but a real believer. On one occasion we were arguing about Marxism over lunch. He stopped and said, "what you are telling me is the same things my kids are saying." I knew that things were changing if his children were telling him the same things I was. Hungarians had become communist for various reasons. Some were thugs. Some were idealists. Some were Jews who saw their families liquidated by the Nazis, and came to see communism in the 1940s as the only alternative to fascism. Many of the younger party members, however, were just opportunists. We called them careerists. We often referred to them as radishes; because they were red on the outside and white on the inside. .

Q: Radishes?

SMITH: A lot of people were like that in the 1980s. They knew that to get ahead you had to join the communist youth organization. Some would find reasons not to join the Party, but others did become part of the apparatus. They secured the best jobs, the largest apartments, were treated in the best clinics and shopped at special stores. I was dismayed that after the fall of the Berlin Wall, it looked for a while like former communist officials won the Cold War. Even today, in much of Eastern Europe, former communists are running the most prosperous state companies, and in a majority of cases they are the top government officials. Many who shunned the Party still claim that the apparatchiks won the Cold War. Until recently, Poland has been run by old communists. Hungary is still run by old communists. Lithuania is run by old communists. It's still the case in Russia and Ukraine. They will hang on for years to come.

Q: On that same theme, was there anything equivalent to the Czech dissident movement that came out of the Helsinki accords?

SMITH: There were a small, but determined group of dissidents. They were treated badly even while I was there. But we did meet with them even though they would sometimes get beaten up after meeting with Embassy officers. I met with some of them, but our political officer made a point of meeting with these guys on a regular basis. Eventually, it provided the dissidents a measure of protection against the worst kind of brutality.

Q: Who was your political officer?

SMITH: Part of the time it was Richard Baltimore, who is now ambassador somewhere in the Persian Gulf. He developed good relations with the dissidents. The man who has been mayor of Budapest for the last ten years was one of the dissidents at the time. They weren't as well-organized as Charter 77 and others in Czechoslovakia and Poland. Much of the dissident movement coalesced in the mid-1990s around an environmental protest group that opposed the building of a large dam on the Danube River, between Slovakia and Hungary.

Q: You were saying part of the environmental movement. This is the beginning of the green movement in Germany and elsewhere, wasn't it?

SMITH: Yes. The Green movement absorbed a lot of the dissidents. That was a politically acceptable way of opposing the government on other issues as well.

Q: You were saying something about the Danube?

SMITH: There was a project to construct a large dam between Slovakia and Hungary. The Hungarian environmentalists opposed the dam's construction on the grounds that it would destroy a lot of virgin land in the region of the Danube bend, and would add to the river's pollution. They were very much opposed to it. The Czechoslovak dissidents were more intimidated by the secret policy than were the Hungarians. After the dissidents coalesced on environmental issues, they began to look for other issues on which to oppose the Party. Meanwhile, there was a lot of rot going on from within the communist parties in all of Eastern Europe. It was the communist party of Hungary that really allowed East Germans to start leaving illegally into Austria in 1988-89. The fall of the iron curtain and of communism in Eastern Europe gained considerable momentum in Hungary. The communist party just decided that it could no longer resist the urge of its citizens to travel freely to the West. It was common in the '70s and '80s for East German and West German families that had been divided by the country's separation to come to Lake Balaton or someplace else in Hungary, so they could vacation together. At the end of the vacation, the East Germans were forced to return home. It was quite a sad situation, and it got to the point where West Germans used to try to smuggle their relatives into the West through Hungary. A lot of them got caught and served time in Hungarian jails. Their East German relatives would be sent back to Berlin and also be imprisoned. It caused a lot of tension between Hungary and West Germany.

Q: During your time this was going on?

SMITH: Yes. But things became even tenser after I left, and the willingness of the Hungarians to enforce the Iron Curtain began to weaken. About two years after I left, the decision was made by the Hungarian Communist Party not to stop East Germans from leaving through the border at Hegyeshalom, the western gateway with Austria. The East Germans protested, and Moscow protested, but the Hungarians said that they could no longer stop the flight of other countries' nationals. Too many people wanted to go, and I guess the Hungarians felt like that was an impossible job. Or maybe more of them stopped believing in the communist system. It's hard to know what the motivations of the leaders were. But that was the end of communism in the Warsaw Pact. Within two years, the Soviet Union itself collapsed.

Q: During the time you were there, '83 to '86, was Hungary playing much of a role in the international world, with the international communist world, or with the greater world?

SMITH: No. They were not playing much of a role. There were still large numbers of Soviet troops stationed in Hungary. About 80,000 Soviet troops were in the western part of the country. There were about an equal number in Czechoslovakia and in Bulgaria. But Hungary was not an influential player in world affairs. The Soviet leadership still feared a repeat of 1956 if things were loosed up. Moscow called the shots until the opening of the western border in 1989. World attention was not as focused on Hungary as it was on Poland in the 1980s. In Poland, there was the Solidarity Movement, and Poles were more likely to go to the streets and carry out serious protest. But the secret police, even in '83-'86 were still a pretty substantial force in Hungary. Externally they did pretty much what the Russians wanted them to do.

Q: Were they at all involved in hosting or training terrorist movements?

SMITH: Yes. I'm glad you mentioned that now. They hosted Middle East terrorist groups and allowed them to operate fairly openly. The Libyans had a training center in Hungary. The second secretary of the Libyan embassy lived about four blocks from us. It turned out he was one of the guys who was training terrorists from both Europe and the Middle East. In mid-1985 there were large bombing on the same day at the airports in Rome and Vienna. Quite a few people were killed in both places. It was all orchestrated from Budapest out of the Libyan embassy. The Hungarians knew all along what was going on. We were suspicious of the weekend activities at the Libyan Embassy, but we didn't have any hard evidence. On weekends a lot of cars from Germany, driven by people who looked like they were from the Middle East, would come to the Libyan embassy and also to one of the other Arab embassies, I've forgotten which one. In any case, the Libyan embassy seemed to be the center of attention.

The bombings in Rome and in Vienna brought to an end the terrorist operations of the Libyans. In Vienna, one of Hungary's most famous comedians had been paralyzed in the airport bombing. That angered a lot of people in Hungary, and it brought condemnation of Hungary from Austria and Germany. The West finally had hard evidence that terrorists were being trained in Budapest. The Libyan Second Secretary was asked to leave Hungary, but nothing else happened to him. His wife did not want to go back to Libya and put up a fuss. She told the entire diplomatic community that it was unfair that they be sent home. The whole thing disgusted the rest of the diplomats, and we let the Hungarians know how we felt about their complicity. The Soviets

were heavily involved in terrorism throughout Western Europe, particularly in Germany and they were certainly complicit in the activities of the Libyans. The East Germans were also doing a lot of terrorist training in an attempt to de-stabilize West Germany. We were able to get a lot of even more firm evidence after the fall of the Iron Curtain.

Q: How about the Jewish community there? How did it stand?

SMITH: The Jewish community was quite small. About 80% of Hungarian Jews had been exterminated by the Nazis and their Hungarian Arrow Cross supporters. During both of my tours I worked to help the Jewish community on issues of importance to them. During my first tour in Hungary I was asked by the American Jewish community to go to a town called Saytoralyaujhaj, on the Slovak/Hungarian border. It was located up in the northeast corner of Hungary. Before WWII, the region had a large community of the Satmar Jews, and after WW II, most of the survivors lived in New York City. A Rabbi Teitelbaum, who was venerated by the Satmar Community, was buried at Saytoralyaujhaj. Since all of the town's Jews had been killed by the Nazis, the town wanted to convert the cemetery into a park. Since 1945, the cemetery had been allowed to grow over with grass, and all the headstones were simply leaning against a rock wall. Of course the Satmars in New York wanted to restore the cemetery. As a result, I got to know the Chief Rabbi of Budapest, who had been appointed by the Hungarian Government, rather than by the Jewish community.

Many local Jews considered him to be a collaborator with the communists and a spy for the government. Of course, he said that being a Party member helped him protect the interests of the Jewish community. In any case, we made two trips to the town and met with the town council. Eventually, we worked out a deal where half of the old cemetery would be made into a park, and half of it would be converted into an attractive memorial cemetery with the old rabbi's tomb. This solution allowed people from New York to visit the cemetery and pay their respects. Since nobody knew where the scattered gravestones belonged, they used them to decorate the cemetery half. It was one of the unusual, but interesting experiences that occurred during my first tour. I felt good to be able to help resolve a sensitive issue to the satisfaction of both communities.

During my second tour, the Jewish community had gained more self-confidence and unregistered Jews started to come out of the closet. They sought identity with the others. Jewish leaders even began to do some rabbinical training for young men and offered Hebrew studies to others. I remember visiting another rabbi, whose name I can't remember. He was an impressive scholar who had lived through the hell of the Hungarian Holocaust, but insisted on staying in Hungary. He became very active in bringing together young Jews and in writing the history of the Hungarian Jewish community. There remained a lot of division between the Jewish community that collaborated with the communists, and the Jewish community that hadn't. This is still a problem in many of these countries. I found the same divisions later in Lithuania. The Jewish community also tends to split along religious lines, with some conservatives refusing even to recognize the others as Jews. In any case, the synagogue in Budapest has now been restored with the help of American Jews and I think it is now one of the largest in Eastern Europe.

Q: How about the Catholic community? Obviously you're over the patch for a good number of years now when Cardinal Mindszenty was there. Back in this '83 to '86 period?

SMITH: Catholics could go to church as long as they didn't hold high positions in the government. Otherwise, in the '70s if you were seen in church you would have serious problems. Somebody would visit your boss at your factory, and say that you had been seen in church. You would be warned not to return to church if you wanted to keep your job. At the least, one would lose any chance of promotion.. There were some prominent non-party people who would make a political statement by visibly attending religious services. By the 1980s, many Catholics and Protestants had become bolder. Even some secular people would attend services at the St. Matyas Cathedral just to thumb their noses at the authorities. It became an accepted form of demonstrating Hungarians nationalism and anti-Sovietism. Sunday services at the St. Matyas Cathedral ended in the 1980s with everyone singing the national anthem. It was stirring to participate, even for someone as non-religious as I was. Watching the crowd sing the anthem, which starts by calling on Hungarians to “stand up for their country” inside that cold cathedral with secret police taking notes of who was attending, was an experience I will never forget. It made Hungarians feel pride in themselves. Gradually, government retaliation lessened and people began to get away with church attendance, even party members. The Communist Party lost its zeal for fighting religion. It was just another sign of the rot in the communist system.

Q: Were you getting the feeling that sort of the strict communism and all was running out of steam?

SMITH: Yes, you could see the rot taking place, but I didn't know how deep it really was until later.

Q: But were we saying that, or was it in hindsight that you...

SMITH: No, I think we were saying that they were running out of steam. Obviously they weren't as ideological and dedicated as they were. We felt there were more people who really didn't believe in Marxism-Leninism any more. Most of the Party was made up of opportunists. In the Embassy, we reported the change. There were a few believing members of the leadership, such as Party leader Janos Kadar, but not many people two layers below him in the Party were convinced communists. They were determined to hold on to power, and Moscow was just as determined to see that they held the communist system together and remained loyal to the Soviet leadership, even if ideology was not enforced. The Soviet leadership had Hungarians and Russians reporting to them from almost every organization in the country. Of course, the tendency of these people was to tell Moscow what it wanted to hear, so the Soviet leadership did not understand the degree of ideological rot that was taking place throughout Central Europe. Although the press was always controlled, there was a handful of journalist who always tested the limits of orthodoxy. One of the most courageous was a friend on mine from the mid-1970s. He was outspoken on economic policy even in the 1970s, and even more so in the 1980s. In about 1993, he came to the U.S. and worked for the World Bank. But even in the mid-'70s, he wrote articles calling for changes that would move the country in the direction of a free market. By the mid-'80s, he was joined by other economists in calling for market reforms. The Hungarian Academy of Sciences became a haven for closet free-market economists. It became almost impossible in the mid-1980s to find a Hungarian economist who really believed in the centralized state system.

Q: What about the universities and the young people. You mentioned one of the people you were talking to said this is the way my kids are talking. Was there a divide?

SMITH: A generational divide was developing fairly fast. Even the Communist Youth League (KISS) found it difficult to mobilize young people. The disaffected young began to demonstrate every year on the birthday of Kossuth Lajos, a poet and hero of the 1848 revolt against the Austrians. The fact that he died fighting foreign control made him an even more powerful symbol for the youth. Every year on his birthday, a lot of young people would illegally congregate at his statue. The secret police would jail a few of them and take down the names of the others. Finally, the Party decided to have KISS try and co-opt the anniversary ceremony. It was a giant flop. During my first tour, the secret police were tough on the organizers. The disaffection of the youth, however, was just too great to continue the same degree of repression in the 1980s. On May 1st, people were given the day off and told to march through town waving red flags and communist banners. By the 1980s, however, the crowds became thinner and less animated. The erosion from within had started, but the Party did not have the stomach to crack down as hard as they had in the 1970s. In the U.S., many Americans believe that Ronald Reagan single-handedly brought down the Soviet empire. What nonsense. He did some things which may have slightly helped speed the collapse of the Soviet Union, but only fractionally. The system was rotting from within. Much more important in weakening the communist bloc was the psychological effect of increasing travel to the West, and the fact that people could see the slow economic growth of their countries compared to those in Western Europe. Another factor was the stagnant and aged leadership coming from the Soviet Communist Party. Brezhnev did more to topple the Soviet Union than any Western leader. In addition, the effect of Pope John Paul in killing off communism should not be underestimated.

However, the state continued to control most aspects of life in the mid 1980s. There were certain limits. Dissidents would be pulled out of their cars and beaten up from time to time. The mother of one dissident, who was a good contact of the Embassy, was murdered in very mysterious circumstances. That happened just before I transferred out in 1986. She obviously knew who the person was, or that the person represented one of the police units. Was it because of his activities, or was it just a random killing? I don't think it was just a random killing. That was a very rare occurrence in Hungary. I think that there were still people within the secret police who were willing to do that kind of thing in the mid-1980s. I have friends who believed that the secret police had become a group of more enlightened individuals. Yes, there were some enlightened people who understood the problems of the Soviet system, but Russians like Vladimir Putin never stopped being thugs. They could do whatever they wanted to a person, and they did. It was a very rough time for many people, right up to the collapse of the Warsaw Pact.

Q: Did we have any programs such as scholar exchange or exchange programs or anything like this?

SMITH: We carried out some scholarly and youth exchanges. USIA was able to get people who were not obviously politically oriented. Some scholarly exchanges dealt with historical issues, or the hard sciences. There were some who were given the Party's permission to go to the U.S. The West Germans were active, particularly through the Friedrich Ebert Foundation and the Konrad

Adenauer Foundation. They were fairly effective in demonstrating to Hungarians the benefits of democracy, as practiced in West Germany. The Austrians were also active in trying to show people the benefits of market democracy. The Embassy had a Cultural Affairs Officer, John Menzies, who was terrific. He would use his home leave and vacation time in the U.S. to secure scholarships for Hungarians from universities around the U.S. He would then browbeat the Hungarian authorities into letting the students travel. He did an enormous amount of good things, much of it on his own time. In fact, he later single handedly started the American University of Bulgaria. He got the billionaire ethnic Hungarian George Soros to give him money to fund the university. I got to know Soros, when he started his first Open Society Institute in Hungary. He is now world famous, but I had little idea of his wealth or influence when I drove him around Budapest in my old battered VW. It didn't seem to bother him. He was a very nice guy. I saw him a couple times later and we discussed his philanthropy in Eastern Europe. He and Ambassador Salgo didn't agree on many things, so I ended up helping Soros on my own time. He was a tough negotiator with the Hungarian Government. They knew that he could put a substantial amount of money into Hungary and they eventually allowed him to bring in Western textbooks and education materials.

Q: How about the universities? Were we dealing with them at all?

SMITH: I had limited dealings with the universities. It mainly fell to the Public Affairs Officer, who was an American born in Hungary. He did a great job and is still a close friend of mine. His Hungarian language skills were good, and he understood the mentality of the Hungarians of the 1980s much better than our Hungarian-American ambassador. It again illustrated the advantages that a trained diplomat usually has over a person who was given the job for political reasons.

Q: Now did the theater or the artists, often this is a group within the communist society, as long as they kept within certain bounds or display a certain independence and all that?

SMITH: There's some of that. My artist friends kind of kept their heads down when it came to the communist authorities. They weren't really trying to buck the system, but neither did they support it. In the '70s you had to continually demonstrate, no matter how phony, a positive attitude toward the regime. By the 1980s, artists and many academics just didn't have to demonstrate a negative attitude to the regime in order to be left alone. The friendship of my many artist friends was very important to me. They gave me a better insight into the society and the thinking of Hungarians. Sitting around at night talking with them was good for my language skills. None of them spoke English. Most important, I have a wonderful set of lifelong friends. I benefited greatly being able to speak their language, even if it was hell to learn.

Q: Were you seeing the beginning of English teaching for the young people who saw this as a way to get ahead?

SMITH: A little bit. But the government was promoting German over English because of the country's Austrian and German business connections. That's still the case today. For example, Hungarians are not as good at English as the Poles. Poles are really into English study. I was in Poland two weeks ago, and it's amazing to see more and more speaking good English.

Everybody is trying to learn English. Hungarians are excellent linguists, but they don't feel as close to the U.S., politically or culturally, as do the Poles.

Q: How about Russian?

SMITH: Eight years of Russian language training was obligatory in Hungarian schools. Everybody had to study Russian, but few spoke it well. It's not like the Baltic States, where everybody had to speak Russian in order to study or work. In the former Soviet Union, it was the only official language and you spoke it all day long. As a consequence, they speak Russian perfect in the Baltics, whereas in Hungary, Poland and the Czech Republic everybody studied Russian, and only a few became good Russian speakers. Some Hungarians went to Moscow for advanced studies. Many of them married Russians. One way of getting ahead in the communist party was to study in Moscow and marry a Russian. In these very male dominated societies, bringing "a good Russian woman" back to Hungary or to Prague showed your commitment to Marxism-Leninism. Of course, many who went to the Soviet Union were at an age where it is easy to fall in love, particularly when you are lonely and away from your home country for a long period of time. Sounds like a description we could give to American diplomats.

Q: What about Romania? Did it play any role?

SMITH: Romania was the country that Hungarians loved to hate. The hatred was more visceral than intellectual. After all, the average Romanian had nothing to do with the Treaty of Trianon, that had awarded much of former Hungarian territory to Romania. Hungarians didn't hate the United States, even though the official position was very anti-American. At a personal level they strongly pro-American. But with the Romanians, they really felt it in their bones. The Transylvanian area that they lost as a result of the Treaty of Trianon was considered the "heart and soul" of the real Hungary.

Q: When was the Treaty of Trianon?

SMITH: The Treaty was one of the re-drawings of European boundaries that was imposed on the losers of WW I. I think it was signed in 1919 or 1920. Since Hungary was part of the Austro-Hungarian Empire during the war, they suffered a huge loss of territory, even though they were reluctant participants. Hungary had been twice the size before WW I. Hungary lost the northern part of Yugoslavia and most of what is now Slovakia. Romania's taking of Transylvania really hurt the most, although there was continued resentment of the Serbs, Croatians, Slovaks and Czechs by Hungarians because of territorial loss.

That reminds me that in 1980, between my two tours in Budapest, I was recruited to go to Romania with two Congressional staff members. The purpose was linked with the question of whether Congress should re-extend Most Favored Nation trade treatment to Ceausescu's Romania. I was the Hungarian speaker who was assigned to accompany the group. We also had a political officer from the Embassy in Bucharest who spoke good Romanian. We traveled around the country, mainly in Transylvania, in a Romanian made Dacia, driven by the Embassy political officer. For a week my job was to try and evade the almost ever-present secret police

(Securitate) by jumping out of the car before it came to a halt, go into schools in order to see what languages instructions were posted on the walls, and to talk to people on street corners.

Ceausescu didn't like this idea of our visit. In fact, he hated what we were doing. Yet he knew that if Romania was to be granted Most Favored Nation (MFN), he had to allow us to do this. It was a very delicate mission, and at times we had bizarre experiences. I had to go into bookstores to see in what languages books were being sold. On several occasions, I had Hungarian-Romanians grab me by the arm, pull me into some back alley and up stairs into an apartment with the shades drawn, just so they could whisper to me out of the hearing of the secret police or their informants, what was being done to silence the Hungarian minority. The Hungarian community in the United States had lobbied Congress not to grant Romania MFN, charging that the Romanians were engaged in cultural genocide against the Hungarian minority. They charged that Ceausescu was trying to eliminate any remnant of the Hungarian culture.

At that time, the U.S. had enough political influence to be able to force the Romanian authorities to allow us to meet in Tergu Mures with Karoly Kiraly, who was the number one ethnic Hungarian dissident. He had been put in prison for several years for his outspoken views, but when we were there he was working in a fruit canning factory. He was only alive because he was well-known by all Hungarians abroad and was a former deputy prime minister of Romania. When traveling to Romania from New York, I was approached in the departure area at Kennedy airport by two Hungarian-Americans. They had come to show me the latest letter received through dissident channels from Kiraly. I have no idea how they were able to get into the departure area at the airport, but they were able to communicate indirectly with Kiraly on a regular basis. It was a very bizarre, but politically hopeful experience.

In any case, I felt that it was a great opportunity to meet with this very courageous person. It took extraordinary personal will to openly defy a leader as murderous as Ceausescu. Kiraly talked to us at the canning factory while three or four secret policemen sat there taking notes and watching everything. I invited him and his wife to have dinner with us that night. Although we thought we were going to have a private dinner with him, when we arrived at the restaurant we were surrounded by people from the local "friendship society." They were all secret policemen. Even though they insisted on sitting at the table with us, we had dinner and talked fairly openly about ethnic issues. I had to be the interpreter and it was a real struggle to keep my mouth shut when one of the police agents tried to correct Kiraly. It was one of the most interesting experiences I ever had. After that night, things got more difficult for us. During the week before, I was able to collect a lot of information on the Hungarian minority from ordinary people.

Following that dinner, however, the Romanian secret police kept me boxed in, and harassed everyone we met with. Ceausescu personally had the secret police try to tie our hands. Everywhere we went after that, we were closely followed. We now had to declare our proposed contacts in advance to the foreign ministry. The poor guy who was the American desk officer in the foreign ministry was under enormous strain because of his role in putting together our trip. He thought that his life and the future of his family were at stake. He was right. He later defected to the United States and his name was put on a Romanian hit list.

Transylvania was an interesting area, one where there was historically a lot of religious ferment. For example, the Unitarian religion comes from Transylvania. It was a big area for Protestantism in the 18th century. On the other hand, ethnic Romanians were about 99% Orthodox Christians, at least those who professed any belief. The Romanian Orthodox Church was much cozier with the Ceausescu regime. In Bucharest, we had met with Orthodox religious leaders. They faithfully gave us the “party line,” although I shouldn’t be too hard on them. Many Orthodox priests had been killed or imprisoned by the regime and some compromise was probably necessary to preserve the Church. In any case, in Transylvania, most of the religious leaders (all non-Orthodox) with whom we met had been visited in advance by the secret police and their offices contained police listening devices. It was sad to see how they wanted to talk openly, but knew that the price would be too high. We could leave the country when we wanted to; they could not.

However, one night we met with the Catholic Bishop of Romania, an elderly priest who had just resigned because he had terminal cancer. We also met the new bishop, who had only recently been released after being in prison for about 13 years. As the Hungarian speaker, it was my job to talk with them. The new bishop took me for a walk at night into the most remote area of his garden. He talked about what was happening to his church members and priests; including who was being put in jail and what was happening to people who attended religious services.

As it turned out, however, many Hungarians in the U.S. had overstated the extent to which the Hungarians were being treated more badly than the general Romanian population. Everyone was being treated badly under Ceausescu, except for the military, police and informers. Romania was a terrible place for anyone else. Book stores were nothing but piled stacks of books on Ceausescu. The cult of the personality had reached sickening proportions. After our trip, however, we came under a lot of pressure from some Hungarian organizations to produce a report that backed their exaggerations. It was difficult to produce an objective report, but we did the best we could to accurately reflect what we had seen. In the end, Congress granted Most Favored Nation to Romania. We received protests from the Hungarian community who felt that we hadn’t been objective enough about the liquidation of Hungarian culture.

Q: Back onto Romanian/Hungarian relations. Did this crop up at all?

SMITH: All the time. There’s a phrase in Hungarian that one constantly heard which means, “no, no never (nem, nem, soha).” It means that Hungarians will never accept the Treaty of Trianon, and that someday they would get that territory back.

Q: No, no never?

SMITH: Yes, no, no never. So it was an emotional issue among Hungarians and Romanians. The Romanian Embassy in Budapest always felt embattled. My Romanian counterpart, who I mentioned earlier, would insist on giving me the Romanian position each time we met, in order to ensure that I properly interpreted what I read about Romania in the Hungarian newspapers. In Hungary, everyone was convinced that the Hungarians in Transylvania were being squeezed to the point where they would lose their culture and their language. It is still an issue for the more conservative sides in Hungary. Viktor Orban, the last prime minister, made an issue of granting Hungarian citizenship to Hungarians living in Romania and this became a contentious

international issue. Nevertheless, Hungarian-Romanian relations are now much better. I think the fact that both countries were determined to be NATO members helped. NATO made it quite clear that if a country fanned conflict with neighboring countries, you wouldn't be considered for membership. NATO also improved Hungary's relations with Slovakia, in spite of the large Hungarian minority there. Soon, Romania will join Hungary as an EU member.

In my period in Budapest, many Hungarians still hadn't accepted that Slovakia would no longer be part of Hungary. During the Cold War, the Warsaw Pact did serve to dampen these ethnic conflicts. But it is possible that the control exercised by Moscow only intensified regional hatreds. You couldn't complain openly about the Soviets, so why not the neighbors? Of course, Hungarians don't like to think about their treatment of the minorities when they were in charge. In every way, the region has changed for the better. It helps that the generation of Hungarians who best remember the Treaty of Trianon have passed from the scene.

Q: What about relations with Yugoslavia? You had this hunk of the Vojvodina in northern Yugoslavia that was very rich farmland and had been part of Hungary.

SMITH: Feelings were not as strong against the Yugoslavs, even though there was a feeling that that the Vojvodina really should belong to Hungary. There wasn't the same emotional attachment to the region. Maybe some of this was due to Hungarians being able to freely travel to the Vojvodina and visit members families there, whereas they couldn't go to Romania as easily. Hungarians viewed the Yugoslavs as more westernized. That is hard to believe now, after we have seen the behavior of the Serbs toward the Kosovars and Bosnians, but that's how Hungarians (and I) saw it at the time. During my tours in Budapest, the Yugoslav Embassy was very active. They seemed to be everywhere, and they were well-accepted by the Party leadership. The Romanians were the only communist-country representatives who were treated worse than the Americans. The Slovaks were not treated badly, because they were still part of Czechoslovakia. They were pitied because of the Soviet invasion of 1968 and the harsh repression that followed. There was kind of a hierarchy in the treatment of fellow communist representatives, with the Yugoslavs on the top, then the East Germans and Czechoslovaks, and the Romanians at the bottom

Q: In a way it's different, but Kosovo is the same for the Serbs. Although Serbs don't live there really, very few do.

SMITH: Well Transylvania still has a lot of Hungarians, and that's where the revolt against Ceausescu started, ultimately bringing down the regime. It began with the open opposition of an ethnic Hungarian; a Protestant minister.

Q: While you were there up to '86 and I can't recall where it stood, were there any reverberations hitting Hungary about the Gorbachev period and all this?

SMITH: I'll always remember the day in early 1986 when I was walking down the street by the Embassy, and I was suddenly pulled aside by Janos Fekete, the Director of Hungary's Central Bank. He was a very sharp guy. He had come out of the bank to give me the news that Gorbachev, and not a hard-liner, had taken over in Moscow. He kept saying, "Great news, great

news, you gotta know this. Gorbachev was made the head of the communist party central committee and not Andrea Gromyko." Gromyko had been mentioned as the leading candidate to take over from Chernenko. Fekete felt very good about Gorbachev's selection. Brezhnev had been strongly disliked by Hungarians, even by Party members like Fekete. I don't think Fekete was ever a true believer, at least as long as I knew him. He had too many free market instincts. Hungarians felt like the selection of Gorbachev was going to open things up in the Kremlin, and they were right.

Q: Were you getting the feeling that Kadar was getting past his prime?

SMITH: Yes, there were a lot of stories circulating about Kadar's health, and we knew that he wasn't going to work every day. I think he was in his mid '70s at the time, and he died a couple years after I left. He wasn't really running things, even in the mid-1980s. His authority seemed to be dissolving and people were beginning to talk almost affectionately about him as "the old man." To some extent, the same rot that was happening in Russia was happening even faster in Eastern Europe. We were seeing the same thing in Poland. In the Czech Republic, hardliners were still at the head of the communist party, as a result of being put into power by Moscow in 1968. I had been in Prague in 1975, and remember it as one of the depressing places I had been to. The national spirit had been broken by the invasion of 1968. The secret police seemed to be everywhere. As many as eight secret police followed my wife and I around town, and one was placed in our train compartment as we returned.

When returning to Budapest from Prague, I almost felt like I was going back to an open society. Political freedom is relative. In 1974, I remember having a strange discussion with a Vietnamese worker. He had gone to school in Hungary years earlier, had learned the language well and had settled down there. I remember asking him when he planned to go back to Vietnam. He answered with a question. "Why would I want to go back to Vietnam when I'm living in a free country?" At the time it struck me as a kind of bizarre answer, but it's the way he saw it and there was a lot of logic in it.

I remember an experience I had with a North Korean. North Koreans could never be seen having contact with Americans. On one occasion in the 1970s, I went into the parliament to sit down and listen to a debate on some issue. I sat next to a person who turned out to be a North Korean diplomat. After I introduced myself, the guy immediately got up and went to sit several rows behind me. He was only protecting himself from future trouble. On another occasion, I was at a crowded reception and a North Korean diplomat came up to me, and out of the side of his mouth asked, "Do you have your own car?" After I answered yes, he quickly walked away. Then he returned a few minutes later and asked, "How big is your flat?" I didn't dare tell him that my family and I lived in a large three story house. I told him I had 100 square meters, or something like that. He returned two more times, asking similar questions, but taking care to see that no one noticed him talking with me. He was obviously beginning to doubt the official party line. I had some similar experiences, which were all quite interesting. Russians, Bulgarians, as well as many others from communist countries viewed Hungary, in a relative sense, as a freer country than their own.

Q: Well I was in Yugoslavia in the '60s and people, it depended where they came from. People came out of Italy and all, these American tourists and all, they'd say, "What a dour people these are" and how oppressed they are, and people would come out of Bulgaria or Hungary or something, and this was again in the '60s, would talk about, what a free and lively people these were.

Well before we leave here I want to make one point, you alluded to it back before, talking about the Hungarians are genetically better than anyone else. One of the problems in using former natives of a country as ambassadors, everybody in the State Department is looking very closely for bias. And as soon as something like that comes up, it immediately tags that person as being a lightweight. In other words they're so biased they're bringing all their genetic biases into it. That they're kind of dismissed and it really reflects on your mission in that you can't overcome the suspicion in Washington.

SMITH: It is difficult for a person who grew to adulthood in another country see their original homeland as objectively as someone else. Our PAO was born in Hungary, but left as a child. He took a professional approach to his job and had a good sense of irony about things Hungarian. But he was a Foreign Service Officer who had come in through the exam system. Ambassador Salgo not only viewed fellow Hungarians too favorably, but he had no idea about what an ambassador should do. He would have been more successful if he had been willing to take advice from me and the other professionals at the Embassy. Instead, he carried a deep distrust of anyone who worked professionally for the government; a feeling too often found in successful businessmen. They assume that their skills automatically carry over into government, whereas skills developed in government have no relevance to business.

The practice of sending out political ambassadors who buy their positions is one of the last bastions the spoils system. It too often results in disaster. Many politically appointed ambassadors buy the positions because they want the lifetime prestige that the job carries. In Italy we have had a series of disastrous ambassadors. But President Carter appointed an academic, who was a specialist in Italian history (and who had an Italian wife) and he was a disaster. His ego got in the way of his job. We had a series of ambassadors in Greece who were disasters for the same reason. Professional diplomats hate the practice, but the White House (Democrats and Republicans) believe that it serves the interests of the political system and is just another reward for loyalty. In any case, Salgo later contributed another \$550,000 to the Reagan campaign, and the White House rewarded him by nominating him as ambassador to Sweden. He didn't get there, because Congressional Democrats were taking control of the Senate. They never acted on his nomination before Carter was elected President. Salgo had asked me to go to Stockholm as his DCM, but I declined his invitation. I couldn't take another three years of working under him.

NICHOLAS M. SALGO
Ambassador
Hungary (1983-1986)

Ambassador Salgo was born in 1914 in Budapest, Hungary where he was raised. He left Hungary in 1936 and moved to Switzerland where he worked until 1947 when he immigrated to the United States. After becoming a citizen of the U.S. Salgo served at USIA and then was the ambassador to Hungary from 1983-1986. Ambassador Salgo was interviewed by Charles Stuart Kennedy in July 1991.

Q: How did your appointment as ambassador to Hungary come about?

SALGO: It's a rather peculiar thing, and you assumed that it was because of my Hungarian background--absolutely not. What happened really was that after serving with USIA and getting into some missions and other, and getting into this task force, which really I found quite interesting, I began to know more and more people around the White House. And, between others, I met Elizabeth Dole and, through her, Bill Clark. At that time, Bill Clark was the chief of staff.

Q: He was then national security advisor.

SALGO: Yes, he was already national security advisor. And they asked me what is my interest. And I was rather arrogant, I said, "You know, it so happens that two years ago I made a trip to Antarctica as a paying guest on an Argentine navy ship. I think I know exactly how to cure the big problem that we have now with the Argentines. Because we really helped the British to lick them."

Q: This was the Falkland Island, or the Malvinas, crisis, whatever you want to call it.

SALGO: Yes, and really I had ample knowledge of the background. And for me it was so typically the same stupid irredentism than what I got in my childhood, and was trying to tell to my Argentine friends, "Don't you see that these bastard generals of yours, who don't have the foggiest idea how to handle the economy, use this nonsense to detract attention?"

Anyhow, so I said, "Look, I would love to become ambassador to Buenos Aires and straighten out the mess. Because it will cost us economically if we let them doubt and be furious against us for a number of years." Bill Clark thought that was a great idea. I also told him how I intend to try to settle it. (Which is immaterial; one day it will happen.)

And so the thing was put in motion. Buenos Aires was available. And it went so far that one day the Argentine ambassador, whom I knew, came up to me congratulating me, because he had the pleasure just to advise of the "agrément" for my nomination. So I said, "Thank you, very much." And I was taking, very diligently, Spanish lessons.

On Monday, I am called in, I can't remember who it was. Anyhow, called in by somebody saying, "I have good news and bad news for you."

So I said, "You pick."

So he says, "The bad news is that you are not going to Buenos Aires, because somebody, who is very high, expressed some interest and the president has to consider that." (By the way, I know who it was, and he never went to Buenos Aires either.)

He says, "But we have good news."

I said, "What is it?"

"You go to Budapest."

I said, "What?!" I was flabbergasted and really very upset. And I said, "Okay, I need 48 hours, or at least 24 hours, I want to think it through."

And I did think it through and came to this conclusion, that, number one, it is such a fantastic expression of confidence that I can't turn it down. Because to give to somebody who is (at that time I was hardly 30 years here) immigrant, you know, to go back there.

But I also felt that it was not necessarily a good choice. It was not necessarily a good choice, I made it very clear to Bill Clark. I said, "If things continue to develop favorably between Russia and us, I think I can do a very good job. Because evidently my job will be to balance the Russian ambassador, who is de facto the viceroy of Hungary, and I am representing the other superpower, who is viewing with it. But realize one thing: that if things get sour, I will be the first ambassador being kicked out by the Hungarians as persona non grata. Because the Russians will surely not like to have an American ambassador who has a much better position, by his ability and by his background and his language and his education, and consequently he has easy contacts. So if you take that in account and you still want me to go, I will."

So that's how I went.

Q: Well, let me ask a question. You know, William Clark, here was the national security advisor at the time...

SALGO: You know what was his answer?

Q: What?

SALGO: "When I see a cowboy, I know a cowboy. You are a cowboy, you go." For him, a cowboy was the guy who will always fall on his feet and will deliver.

Q: Did you have a feeling at that time that the White House really had much of a feel for Eastern Europe or not?

SALGO: No. They had a lot of curiosity for Eastern Europe (which was not evident, but they did). No feel whatever. One of my early reports, had to do with it. Bush, as the vice president, made a speech in Vienna, after visiting Budapest, which made havoc in whole Eastern Europe. That was the famous "differentiation" speech.

Q: What was that?

SALGO: Until then, was a famous saying: "If I met a Commie, I know all of them." Okay? The new idea was: We differentiate. We differentiate between the different satellites states. And I had to send back a cable that I am all for differentiation--provided we know the differences. It was not very well received at the State Department. And I tried to work out the differences. I organized meetings between my colleagues, and we visited each other so to work out what are the special conditions of Poland versus Hungary, or Romania versus Bulgaria, and so on.

Q: Well, in the early Reagan period...

SALGO: That was a very important step.

Q: I know, because in the early Reagan period there was first, the Soviet Union is the Evil Empire, and relations were really not good. You went there in 1983, this was still within that early period.

SALGO: Look, I was doing a very personal policy there. For instance (as probably in many other places), in the whole diplomatic corps, there were really two cliques: the Russian clique and the NATO clique. And then there was a group of so-called third countries who tried to pick up some information from us, from the NATO group, but tried to still show themselves interested in the Russian group, who wouldn't let them come near even. If there was any major reception, or a national day, you would see basically one group here, one group over there, and a lot of little guys floating around. And I found out in no time that, from what I called satellite ambassadors, all of them spoke either Hungarian or German.

So first of all, I paid courtesy call on all of them, including the Russian ambassador. Which astonished the daylight out of them, because no American ambassador did that before. And I explained to him, "Look, I am coming here, I will have to be here a few years, we will be together, as well be friendly." And he loved it. And from there on, whenever there was this group, I always walked first to the Russians, spent five, ten minutes with them (with one of my colleagues translating, because the Russian ambassador was the only one who didn't speak anything but Russian, and I don't speak Russian), and that created a certain attitude. And I don't have to tell you that the whole room was buzzing: "What's the American ambassador doing there?" But it worked.

Q: I'd like to come back, and then we'll develop this theme more, but in the first place, when you were nominated, were there any problems from the Hungarian side? Were they kind of unhappy to have some...

SALGO: No, they didn't dare to show that they were anxious and scared. They were. They admitted it later. The regime, you know, they were afraid that I'm a typical Hungarian expatriate who's coming back with vengeance in his heart.

Q: Yes, well, this is so often the case...

SALGO: But it wasn't.

Q: ...that an emigré who goes back, and what happens, usually two types of things. One, they're going back with vengeance, or two, they're going back to say, "Gee, look, I'm a poor boy, I left your lousy country, went back and made good in the United States. I'm going back to really show what happens in the United States." I mean, this is so often the pattern.

SALGO: I tried to be in the middle. Because frankly I had no vengeance in my heart (I don't believe in that), and I saw there a real possibility, and I think I was reasonably successful.

Q: Did you have any problem getting through the Senate?

SALGO: No. Funnily enough, I was told that it will be nearly impossible to get through Senator Pell.

Q: He was the chairman of the Foreign Relations...well, he wasn't.

SALGO: No, he wasn't, he was minority.

Q: He was minority at that point, yes.

SALGO: But he had a connection with Hungary because his father used to be a minister there and so on. And, you know, Senator Pell is a very nice person, but he has his dogmatic approaches.

Anyhow, what happened was that I show up for my hearing and Senator Pell is not there. It was Lugar who was the chairman. And it went very nicely. Lugar is a gentleman, and other senators were gentlemen alike. So some of my friends said, "Hey, that wasn't a hearing, that was a love-in..."

It's finished, we go back to the Department, telephone rings. Senator Pell. He's furious because he was misinformed. He wants me in his chambers at six p.m.

Lawyers tell me at the State Department, "Tell him to hang himself, you had your hearing."

"Forget about it," I said. "No way. I will not do that. If he wants me in his chambers at six p.m., I will be there."

"But don't do that, he will crucify you."

I said, "Look--it is my future."

So I went, and he was quite astonished that I did. I said, "I understand, Senator, that you were misinformed and wanted to have a chance to talk to me. Please, I am at your disposal."

So he gives me his typical ten-or fifteen-minute speech about how idiotic it is not to use professionals but amateurs. How incredible it is to use somebody who is not native American. And how absolutely unacceptable it is to use somebody who was born there, raised there, educated there, and is here only 30 years that's all.

So when he finishes (I was prepared for that), I said, "Mr. Senator, as you probably had read in my CV, I studied law and have a degree of L.S. in law. And evidently I expected your questions. And I prepared in my mind six good reasons why you should vote against my nomination, and six good reasons why you should vote for my nomination. Because, as you know, there are always pros and cons. Now which six you want to hear from me?"

He looked at me, started talking, and that was the end. And we had a pleasant conversation, where he was telling me his story, I told him my story. And then, when it came to a vote, he voted for the record "for", but not as a precedent. He did want the record to show it.

Q: Before you went out, what type of preparation did you have?

SALGO: It was very poor. I had a very capable desk officer, and he asked me: Do you want this? Do you want that? And I said, "Yes, I want everything I can." I said, "I am a Rip Van Winkle, from '36 to '82, so I need fill in." So he organized for me a kind of a seminar sessions. Two or three, with four or five Hungarian-origin professors, Gaty and at least four or five, individually or group. And they tried to fill in my missing gaps.

Particularly I was interested: Where is communism now? Where is Kádár now in his development? Where they say the Hungarians are going? What are the conflicts with the Russians? What are the conflicts with the other satellites? I mean, the main questions. So, because of that, I was able to pick that one up. But frankly, as far as State Department, Washington, administration, or system--zero.

I think they are now doing a much better job.

Q: Yes, I think they are making much more of an effort, for both career and non-career officers, to have a much better preparation period.

SALGO: I tell you, my major preparation was that through these USIA missions I was able to go to Hungary ahead of time. Got acquainted with our ambassador then.

Q: Who was our ambassador then?

SALGO: Harry Bergold. And invited him and his wife, for a week, to our place in France, where I tried to siphon out of him everything that I could. Which is one thing which I still think is absolutely ridiculous that we are not doing it. You know, there is no debriefing and briefing between the out-and ingoing ambassadors?

Q: Well, you know, I have to say that the whole genesis of what I'm doing right now, this whole program, is because of this, what I consider, terrible deficiency.

SALGO: My statement was that the janitors overlap. Everybody overlaps except the two guys, the DCM and the ambassador. You know how the Japanese do it?

Q: No.

SALGO: They force the two ambassadors into a seclusion for at least a week. They live together, they have no contact with anybody. I mean, that's why Japan is so effective.

Q: All right, you went out and met the ambassador. This is really very atypical.

SALGO: Yes, because I felt that I had to find knowledge.

Q: But, I mean, here you are talking about a relatively new administration still, in '83, and there's often the feeling that, well, we don't want to get tainted with what other people did, or something like that.

SALGO: That has nothing to do with it. It was the department who didn't give a hoot.

Q: The department never has. No, I agree with you, I think it's terrible. When did you get to Hungary?

SALGO: November '83, as ambassador.

Q: Yes, as ambassador. All right, now you'd had these briefings from experts in the field, and from the desk, and you'd had this time with the former ambassador, together, to pump him for the information. How did you see Hungary at that particular stage? It was different than the other countries in the Eastern bloc.

SALGO: First of all, I had to find out how different it was. So I made my business to go to Belgrade, go to Bucharest, go to Warsaw, go to Sofia, to East Berlin and Moscow, really to get a feel and discuss it, invite my colleagues. I organized even a general meeting of all of us in Vienna, where we had secure conditions. I realized very early that all the statement about having no privacy and being completely penetrated was not a joke...it was an understatement.

I realized that Hungary had a very privileged position. Because János Kádár, not for nothing, boasted always that he was not a "Muscovite." You know, because practically all the major leaders were Moscow-educated and Moscow-fed. In other words, a period of their lives they were there and taken care of. Kádár never was. And Kádár's Russian was miserable; he needed always an interpreter. And he was very proud of that.

I realized that to be an ambassador in Hungary was useless, practically, unless you get in with the Politburo crowd. Because the so-called government was nothing but just straw people.

Q: Sort of apparatchiks, who were...

SALGO: Not even apparatchiks. I did not make bones about it, I told the foreign minister, who later became ambassador here, I said, "Mr. Minister, what you are telling me, I read in the newspapers two years ago. I want to know what the White House (that was the name of their Politburo building), what the White House today wants, which means that I have to talk to the White House people." And frankly I forced my way in. I was the first Western ambassador who forced his way in and see Kádár and see the Politburo people.

Q: In other words, you found that the Foreign Ministry and all, which normally you deal with, I mean, it represented nothing.

SALGO: Nothing. It was a facade. And Varkony became foreign minister because he was a very good translator for Mr. Kádár, which was enough qualifications.

Q: After this, where did you find Hungary at that time, as far as its communism, its ties to the Soviet Union, its internal development?

SALGO: I found that one of the simplest and easiest ways to judge Hungary was to listen to their jokes. Hungary is the greatest fabricator of jokes. Not necessarily new jokes, but jokes adapted to the conditions. For instance, the joke went around, "In Hungary there is only one Communist-- the only problem is that nobody knows who it is."

Q: Sort of like: A minnow is a whale that has passed through all stages of communism, that type of thing.

SALGO: And, of course, everybody was on the defensive. The local, I found out, I assumed that from the beginning. You know where I got very good support from the very beginning?

Q: No, where?

SALGO: Believe it or not, from our intelligence agencies. Bill Casey, the fall guy who is now everybody heaping dirt on him?

Q: Casey?

SALGO: Bill Casey. Turned out that he knew me way back. Admiral Odom became a great supporter of mine. I found a situation which was absolutely incredible. The embassy, the chancellery, is a corner building. It is surrounded, from both sides, by building belonging to the national bank. So evidently we were a free target.

That wasn't enough for the Hungarians. Seven years before my arrival, something fell down from somewhere in the facade, so the Hungarians immediately erected a scaffolding to protect the passing people, on both sides of the embassy, which was a direct method to penetrate wherever they want and whenever they want.

When I saw that, I said, "Somebody's crazy." And I did get a very good briefing in advance from the different agencies. And I got nowhere with the FBO and with the organization: "Oh, it would

cost six million dollars. We don't have six million dollars to make it. It has to be done all with American personnel." I said, "You are out of your cotton-picking mind."

So after a while I got tired of it, and I came back and I advised the department that unless by first of April 1984 I have money and authority to take care of the facade, I'm closing the embassy for security reasons. They never heard yet from a political ambassador.

Then suddenly things started rolling. And particularly then Odom showed up himself for a meeting session, with four or five of his very well-dressed colonels, projections, things showing how one of the previous ambassador's shoes was a radio emitter (scaring the shit out of everybody, excuse my English, there were some 30 people there in the room). It was Dr. Lamb, the assistant secretary for security. So when the light goes up again, Lamb looks around, saying, "Gentlemen, it seems that the ambassador has a point." And Odom chimed in, "Not only he has a point, he should have closed down the goddamn embassy the day when he arrived!"

So you know what happened? I got my authority. I had it done by Austrians. Had it done for less than one million dollars. Instead of two and a half years, in four months. But with 32 Seabees watching 40 Austrian workmen. Which is the only way to do it. You have check personnel doing it, but you have guys who know what the work is. So not an idiot from the office, but a Seabee watching him doing it.

Q: What were the intelligence agencies of the Hungarians really trying to do?

SALGO: Oh, they were trying...not only that, they did penetrate us. We found, when we did that, bars... which had thread on it so you can remove and put it back.

Q: You know, there were these great intelligence efforts to penetrate embassies then.

SALGO: They did.

Q: I know they did, and I've served five years in Yugoslavia, but I really wondered, for all the effort, does it really make any difference?

SALGO: I fully agree that it doesn't make much difference, except that finally you have to draw a line. So what I did, first of all, instead of having a room next to my room for my wife, like my predecessor had it, I asked and got installed a bubble there. So without anybody knowing whoever I wanted who came to visit me, I could take him into the bubble and talk.

Q: You're talking about the bubble, it's basically a plastic room, which is...

SALGO: No, it is really a completely secure room. Secure room even against electronic eavesdropping. And really imposed a certain discipline. But frankly I used those for myself, for what we called direct communication. It's a great installation.

You want to hear an absolute real story but amusing like hell?

Q: *Sure, sure.*

SALGO: I arrived there one day, whatever it was in November '83, and the first news they tell me--you know, the whole embassy's lined up at the airport, etc.--says, "We will take you now to the residence, which you know anyhow."

"Yes, etc,"

"But there is one little problem."

I said, "What's a little problem?"

"About a week ago, some tractor or some bulldozer, by error, cut all the telephone lines of the residence--both the regular outgoing line and the direct line to the chancellery."

And I said, "And why didn't they put it together?"

"Oh, they tell us it will take them three weeks to do it."

So I really blew my top. Nothing we can do, all right. Day later, the British ambassador calls up saying, "We welcome you here. I know that you will sit for at least ten days before you can present your papers." (You know why? Because Reagan kept sitting the Hungarian ambassador for two weeks. So, okay.) "But why don't you come over with your wife for lunch?"

So I did. Very nice guy, Appleby was his name, and he makes motion that I understand, you know, the room was bugged. I said, "Oh, yes, I realize that."

And during the lunch suddenly I had an idea. I said, "Ambassador, do you mind if, in a way, I avail myself of the conditions which exist here?"

And he, a typical Britisher, cracks a smile, saying, "Be my guest. You are my guest."

So I started a hell of a tirade, starting out by saying, "You know, these Hungarians hopefully will realize that I could do a lot for them or against them. And I really have every intention to help them in many ways what they need, you know, with their loan situation and... But how in the hell these bastards expect me to have anything for them when I arrive here and there's no goddamn telephone in my house? And I am told that it will take them three weeks to mend a cut, which they theoretically did by error, when I know well they did it on purpose just to aggravate me. So that's the way you make somebody to feel nice." So he chimed in and said, "Calm you, etc., etc."

Long story short. We go home. Next morning, just by curiosity, I lift the telephone. Hah, it works!

My first call was to the ambassador. I said, "Ambassador, I am calling from my residence. That means that your communications system is perfect."

Q: How did you find the staff at the embassy, including your deputy chief of mission?

SALGO: Some very good. Some so-so. One or two unbearable. Deputy chief of mission turned out all right finally, but really it was a typical State Department dirty trick on him and on me.

You know what they did? Six months ahead, May or whenever it was, I was already officially the nominee, okay? I will go in sometimes in the fall. They give the DCM job to a new guy, and tell the new guy, "You get the agreement of the incoming ambassador."

So what happens? I am traveling for my own, I remember, in Colombo, (or Sri Lanka). Telephone from Washington. The new DCM begged me to accept him. I said, "Keith, how the hell can you do that to me, or anybody? I don't know you from Adam. I never talked to you. I have no objection you going there, but I will not abandon my privilege that if, after one day, or three weeks, or three months, we get in each other hair, to tell you to pack." You know, that was a dirty trick.

Q: Why do you think this happened?

SALGO: Because they thought that I am a complete idiot.

Q: Did it work out all right?

SALGO: It worked out all right, because he was an honest guy and he really did try. But he was never DCM in his life before. But it so happens that I was a manager all my life, so all right, so I taught him how to become a manager. And was able then to recommend him to one of my colleagues as a DCM. And he went from me to Norway and was a very good DCM. But it was a dirty trick.

Q: Had they told you, "Okay, here," because normally you're supposed to be given about six or seven folders, and then you...

SALGO: Yes, I never was given a single one. I was given this guy, whom then I was able to live with, but which meant that I had to work much more than normal.

Q: How much expertise on the Hungarian situation did you find at the embassy?

SALGO: First of all, the embassy was way understaffed, because of the freeze, you know, because of Mindszenty. You know, for sixteen years there was nothing happening there.

Q: We're talking about Cardinal Mindszenty, who had been kept there. Was he still at the embassy?

SALGO: No, no, he left in '71. But there was a sixteen- year freeze on the embassy, so when all the other embassies got staffed and specialists, etc., nothing happened. So they were catching up, after, in my time. For instance, there was only one political officer, only one economic officer. I got a junior political officer, I got a junior economic officer. There was no science officer,

though at the end of my watch I got a science officer. So we had to restaff it. Some people were excellent. Some people were so good that I got them back to my successors, because really I could recommend them. And one or two I had to just ship home, which was not easy.

Q: Did you find that there was a feel for the Hungarian situation?

SALGO: Some people, yes. But I also got an audit of the embassy, which was dated May of the same year, '83, which was a terrible audit. If you want to read it, it was just terrible.

Q: This was inspectors?

SALGO: Inspector general's audit, which really accused my predecessor that he doesn't give a hoot about the whole embassy, etc. Which wasn't true, but anyhow. These audits, I find, very often look at attacks of personalities and not the effect of their work. Now if somebody has a kind of withdrawn personality, then evidently there will be a lot of tongue-lashing and chatting against him, particularly if these auditors do nothing but try to dig dirt out of the people.

Q: How about the USIA effort?

SALGO: Was pretty good. Pretty good. And the guy who was there fortunately had to leave immediately, because there was a major problem, security, etc., related. But he was supposed to leave anyhow. The guy I got since made a major career; he is now one of the top men in USIA. He was another Hungarian-origin guy, with the name of Csaba Chikes, and he was pretty good. He got on-line with my ideas.

We, for instance, completely changed the whole methodology of operation. Because one of the major bellyaches of the Hungarians was that we are full of money, we can afford all these exhibitions and shows, and they have no money and it costs so much here in the United States that they can't afford it. I found out--I just dug into it and found out, that they were absolutely robbing us. We paid incredible amounts for space, labor, transportation for our exhibits.

So I said, "Hold it. I have a deal for you. You give us everything what we need here, free of charge; I give you \$130,000 for your next exhibition in America." They grabbed it. You know how much we saved? \$100,000. And we signed an agreement that from now on we pay each year a certain amount to them which will be determined by how much we feel it should cost us, etc. So we became the quartermasters, because we decided how much we want to spend, give them the money, and then have them do for us whatever we needed locally.

Q: You said that the Foreign Ministry was a facade. How then did your people in Budapest get to the White House, you basically had to use one's credentials as an ambassador.

SALGO: No, that wouldn't help.

Q: I mean, but at least...

SALGO: Oh, I got them with me. First of all, I would take them with me, which my predecessor never did. First of all, I took on me to visit all the 19 counties, officially, visit all the major cities, officially, always taking one or two officers with me--either the political guy or the second political guy, the economic guy, whoever was available. I organized for them joint trips. For instance, I got from Bucharest a Romanian-speaking political officer, and my Hungarian-speaking political officer, and they traveled all Transylvania, speaking both languages. So really they got into the know. And I listened to their reports--I couldn't go everywhere myself. I also made sure that I am talking to the secretaries of the Politburo, who are really the policy makers. Szuros, for instance. Does that mean anything to you?

Q: No, it doesn't. I don't know Hungary.

SALGO: I liked him from the first day, because Szuros, shortly after I arrived, was subject of tremendous attacks by the East Germans, by the Romanians, and by practically all the Russians, because he was the first high Politburo guy who said, "Look, my job is first Hungary; Warsaw Pact after." And, of course, that was never said before. And I frankly admired, from there on, Kádár, who supported him and didn't give in to the pressures to fire him.

Q: His position was what, secretary of the Politburo?

SALGO: Yes, Szuros was then the foreign secretary of Politburo.

Q: As you went in, what was our policy towards Hungary? What did we want from Hungary at this particular point of time in the Reagan administration, in the early to mid-80s?

SALGO: The best way, I think, to answer your question would be to read the Bush speech of Vienna, which was taking place, I think, just a week or two weeks before I arrived in Budapest. Frankly, I don't have it in my mind clearly. It was a policy of, how shall I say, not the kind neglect, but kind very superficial interest. If you don't bother us, if you try to separate yourself slowly and within what you think you can, from the Russian locomotive, we like that. But don't expect much from us, because basically our problem is Russia and not you. But that, frankly, I was never told, I figured kind of out. One of my major original problem was that during my three- plus years I never received a policy statement.

Q: It's not unusual. I would have thought that somebody would have said, "Well, your whole idea is to try to pry Hungary loose from the monolithic Soviet..."

SALGO: Oh, yes, that was implicit. That whatever we can do with Hungary which would diminish their support of the Soviet power is in our interest. So I didn't have to learn that from anybody. But what was the quid pro quo? There wasn't any. So you have to do it really in a more subtle way, showing the Hungarians what they gain by asserting a certain independence.

Q: What could you show?

SALGO: The fact that it brought in tourism--if they didn't treat so harshly, like the Russians did, tourists. It brought in better trade with Austria, and even with the other satellites, if they accept

the notion of border trade. Which didn't exist before, but which is a notion which I learned in Switzerland in my early days because there was a Zone Franche. And Zone Franche meant that from both sides you could trade there, and it was a very good economic motor. And they installed that. So these were the things which were changing the character of mentality to some of the leaders.

I, for instance, got, through my contact in the White House then, the secretary of interior, Bill Clark, that we accepted the first Politburo member to visit the United States, which was the number-two guy under Kádár. Somewhere or other I planted the idea (not me, but you know...) that maybe one day the president of the United States should come to Hungary, and maybe one day Kádár should come and visit America. And they went for it like kids.

Q: He'd never been. Neither side had been there.

SALGO: But, now, Bush had been. Never before. No, because where did we go in any satellite country? Nowhere. Nowhere. Anyhow.

So, based on that, I sold to Washington's idea that I bring along the number-two guy, who looked then as a successor (he never became one). And I took him around here, and we were received by Mr. Reagan, we were received in the home of Mr. Bush. So it was full treatment. And six months later, the Russians sent one of their Politburo they were so jealous. So, you see, it was a rapprochement methodology--open up.

But this guy, who claimed to be my friend, etc., accepting the invitation, etc., and gave here a few speeches, which weren't too bad, basically didn't believe what I was showing to him--because that was his whole education. So at one point I sensed that. See, again, a born American would have never sensed it. But, talking to him in Hungarian, I got this edge in his voice, you know, "Yes, it is good. Yes, blah, blah..."

I said, "I tell you what," (I think we were in Detroit, I don't remember in what city), I said, "I will stay in the car. You stop the damn car wherever you want to stop it. I will tell you what kind of store or where we are, and you go with your Hungarian crowd in it and look around. I will not even go in with you."

"Why?"

"Because I know damn well you think that we are showing you Potemkin village. And please understand that Potemkin villages are stopping at your country's western border."

Okay. So he says, "All right."

So there is a big department store. I said, "You want to stop?"

"Yes."

"You go in. I wait here."

And we wait and wait and wait, and they don't come out. So I said, "What is going on?"

So I send in one of my guys and out comes he with a big package and a smile on his face. You know why? It was really funny. He says, "Now I believe everything." Turns out that he has a son who wears shoes which are 16 sized large. Incredible. He says, "Not only I could buy a pair, I had a choice between many."

You see, these are the things what you can do. From there on...

Oh, by the way, you know who was his secretary, whom I brought with him?

Q: *No.*

SALGO: Two years later, the prime minister of Hungary. His name is Nemeth Miklós.

Q: *My gosh. So you got two for one.*

SALGO: No, because I smelled that the guy is coming.

Q: *What was your impression in your dealings with Kádár? I mean, he had been there really...*

SALGO: Humanly, it would be interesting if I would have the time really to write a little essay about it. You see, for me he was a clearly typical, small Hungarian, self-educated, very vulnerable, with a great burden on his mind.

You know, at a later point I tried to influence him. And it didn't work. Influence him to take a position like Deng: Let the younger generation be the front. I said, "Look, it will finish poorly. Let the younger take the blame and take a senior position." He would not answer. But I understood later. He felt (and maybe rightfully so) that if he really let the reins out completely from his hands, they will ask him to answer for the death of Nagy.

Q: *This is Imre...*

SALGO: Imre Nagy. And, you know, his cohorts' execution, which was one of the dirtiest part of the history, because they were given a salvo conducto to get out, and then they were arrested and shot.

Q: *This was the aftermath of the '56 revolution.*

SALGO: And that was on his mind in a way which really prevented him to put himself really in a good shape in history. I think he did a tremendous amount for Hungary, under the given geopolitical conditions. I'm not talking about '56, '57, but I would say from '58 on.

Q: *Well, he grew a great deal, didn't he?*

SALGO: But look, he became a national hero. He became really the father of the country.

You know, there was a joke going around that Brezhnev is interrogating Kádár on one of his visits, saying, "János, is it true that you are really popular in your country?"

He says, "Yes, I am."

"So popular that if there would be a real election--you know what I mean by real election?"

"Yes, I know what you mean by `real election.'"

"--you would be elected?"

"Unquestionably."

"What percentage vote you would get?"

"Ninety percent."

"Ninety percent. You know, I get always hundred percent."

"But that is not the vote we are talking about."

He says, "Okay. And what would you do with the ten percent who are voting against you?"

Q: You made a cut across the throat sign.

SALGO: Kádár said, "No."

"Why not?"

"Because that's the Party!"

Q: Ah, they were the members of the Communist Party who'd vote against him, yes.

SALGO: And, you know, that was about the situation. The Party didn't like him because he was absolutely clean, austere in his living--a small little apartment, nothing--and very popular. One of them. Basically a very primitive person. Tremendously self-educated. Had an excellent library, personal library where he worked.

Q: Well, did you find that he was using you to get a feel for the United States?

SALGO: Yes.

Q: Because he could talk to you in Hungarian, which of course would probably...

SALGO: Yes. Yes, he did, very much. He first tried to smoke me out, I call it, by using, funnily enough, what I consider my method. Started talking about himself, his views, etc., which is my method if I really want to smoke out somebody. Because that, you know, creates a familiarity...

So he was telling me a lot about his youth, how he became Communist, why, etc., etc. And since we were only three years different in age, I had early memories which jibed in perfectly with his stories. And, funnily enough, things come back to your mind, and I think I really put our relation in a very good base.

One day, when he was talking about how he just started to be a full-time worker, because he finished his apprenticeship, and that was around 1927 or so (he was born in '11, yes, he was 16 years old, yes, '27 or '28), and after a year and a half he was fired because of the Depression, and that he was paid to go to demonstrate on the street.

And it suddenly came back to my ear the cadence of the demonstrators, which went: *Munkat, Kenyeret*, which means: Work, Bread, Work, Bread. But, in Hungarian, *munkat* is accusative. In other words, it understands "give us work, give us bread" and I repeated the words.

It was so funny. He looks at me, "How do you know that?"

I said, "Your telling me about the demonstrations brought it back to my mind. I heard it, I was a youngster."

So that created a certain relation where I could really talk to him about things, and he felt he can talk to me. One of the most funny things, as memoir of Kádár, is, you may recall that the last, or an important part of the Helsinki process was a cultural forum which was held in Budapest. And in preparation of this, the foreign minister suddenly got all excited and called me daily practically: "You have to take care of your NGOs."

I said, "Hey, we are not Russia. I can't do a goddamned thing about our NGOs. And you better don't do anything, then everything will be all right. You begin to fuss around with them, you will have the whole world's headlines. So I try to persuade them: leave them alone, let them do what they want, and they will run out of money and steam and everything will be fine."

At the last minute, I don't know who in the big brainstorm tells them that they should stop the meeting of the NGOs, which was scheduled...

Q: *The NGO was the...?*

SALGO: Nongovernmental organizations. You know, how shall I say, the self-appointed gadflies, of the "human rights". Mostly very nicely people.

So they evacuate them from the hotel, threw them out of the hotel. So they go to another place, and of course the headlines are there...

Next time I see Kádár, he starts out to say, "Mr. Ambassador, I wish my people would listen to you more than they do."

I said, "What are you talking about?"

He says, "Oh, these damned demonstration things, which we needed like a hole in our head. And you told them to leave them alone."

So, you see, he knew everything. He was really informed perfectly. I never would have told him that.

Q: Well, did you feel, while you were dealing with him, he was there while...

SALGO: Oh, he was there. He had a system, for health reason, to go away twice a year for four weeks. Go away in a kind of a seclusion. And then when he came back he would complain to me, saying, "You know, these bastards don't even leave me alone. They always find a pretext to come to see me for my decision."

Q: Well, did you find a change in his attitude...

SALGO: During my period?

Q: During the period you were there, particularly towards the United States and the West?

SALGO: Very much so. His interests grew tremendously, through the fact that we were able to feed him facts and history and everything. He very badly wanted to come and visit the United States, which unfortunately I couldn't organize for him. There was no way to let him come.

Q: Well, I mean, particularly with the '56 crowd still in the United States and the Nagy business, there was just no way really.

SALGO: No, there wasn't.

Q: How about from, particularly not as much from the State Department, but from the Reagan administration during this time, did you feel there was a change in attitude?

SALGO: Oh, yes. There was even some change of attitude to the degree that Reagan wanted to come there. Except the timing was so stupid that I had to really say absolutely no. His people wanted him to come there on May 8.

Q: May 8 was the...

SALGO: When Kádár and all the others had to stay in the lineup on the Lenin tomb on Red Square. That shows you that some of the people were uninformed around Reagan.

Q: Well, I mean, you didn't have the feeling that the group around Reagan really had a feel for...

SALGO: Some yes, but they were really not the policy makers. The originator of the May 8th visit was his Chief of Staff, Mike Deaver.

Q: I know the man. Well, we can fill this in later. But anyway, from what you were getting out there, I take it that you tend to treat our White House with a certain amount of caution, because you really didn't feel they had much sensitivity to...

SALGO: Shultz had a tremendous sensitivity. So I was all right once I was established there. Some guys, who come out and then say the State Department is terrible, etc., are just not fair. Once the State Department people, the top people, saw that I work and I achieve something, I had full cooperation and full support. So I had no real problem with the department. Look, proof of the pudding is I am still there-- and now that is five years later. And finishing this year will be my eighth year in the State Department. So that means that they wanted me to stay there. And I like it. So the department is all right. It needs very badly new blood and a new attitude and a new system of organization, but that's a different story. But I tell you, I warn you, a guy is coming out with a book. Did you hear about it?

Q: No, I haven't.

SALGO: Called The Betrayal of America. Funderburg, you know.

Q: Oh, I know, Funderburg was in Romania.

SALGO: You know what kind of a guy he is? I told you that one of my efforts, from the beginning, was to get together with my colleagues. We made two dates with Funderburg. One, I come down to Bucharest to visit with him. I came and he wasn't there. We made another date with Funderburg that he comes to visit me in Budapest. I am still waiting for him. He's not very responsible, in my opinion, I never met the guy. But to write a book, *The Betrayal of America*, of the Reagan administration, you must be...

Q: Crazy, yes. I mean, you know, when one deals with Eastern Europe, we're particularly finding it right today, and it's being focused on Yugoslavia, but that won't be the last place it's going to happen, these ethnic tensions... You were talking about the irredentism, which really drove you out. I mean, it so permeates the whole area.

SALGO: Look, I had a big and hard work here with Mr. Antall, the present prime minister, and Mr. Jeszenszky, the foreign minister. When I heard Mr. Antall to say to the audience that "I am the prime minister of 15 million Hungarians, of which 11 million lives inside Hungary's border and four around it," I got so mad, I said, "Mr. Antall, you have the one chance in life of do something positive toward the Hungarians by making Hungary the magnet, the economic and political magnet, so that borders disappear. But what you are doing? Rehashing the stupidity of Horthy." So he didn't like it.

I said, "Here, you should have talked to the two million Hungarians who declared themselves in the 1980 census as Americans of Hungarian origin. That you should talk to." I said, "Why is

China doing so well? Because of the overseas Chinese. Not because of the Transylvania refugees." I said, "Look, don't give me the nonsense, because I was there when you Hungarians had to stop the Transylvanians coming in." I mean, it is false. You know why they had to stop coming in? Because they didn't know what to do with them.

Q: Well, we're getting ready for a tremendous exodus in Yugoslavia, I'm afraid. Were you sort of apprising the State Department, and looking for, if there ever is, if there ever was the thaw, because now there has become a thaw in Eastern Europe, that once you take the Communist pressure off, all hell is going to break loose, on the ethnic side as well as...

SALGO: No, I hoped, and I'm still hoping, that somebody will appear there with the statesmanship of an Adenauer, or a Schuman, or an Aponyi, or somebody who will be able to say that there is no solution to the ethnic problems. And the ethnic problems are only the consequence of two things: poor education and poor economy. In good education and good economy, the ethnic problem is a liveable problem. Proof--look at Switzerland, look at the United States. And wherever we have real poor education and poor economics, we have ethnic problems. True or not?

Q: Yes.

SALGO: So then now project it in the rest of the world and that's your answer. So your answer is: Take care, first of all, the economies. Because education, unfortunately, comes with the economy. Although it would be better if education would come first, because it would bring more economic improvement. And that's the only solution. And that's frankly what I was telling them then in Hungary, and I'm telling to anybody who is willing to listen to me now.

Q: While you were in Hungary, did you have any major problems to deal with? I'm thinking of a pipeline, or the...

SALGO: I had a few very close calls. I had one very unfortunate situation where a Marine, playing, literally, Russian roulette, shot himself.

Q: Oh, God.

SALGO: On post, on duty, one o'clock at night. I must say that the Hungarian behaved like a real gentleman. You never read about it, nothing happened to it, so we were able to take care of it.

I had two other close calls where overzealous, and in one case maybe a little bit under alcohol, Marines were beating up KGB-type Hungarians. So I had to intervene there, and I was able to...you didn't read anything, so it was taken care.

Q: As an ambassador, did you find, particularly in the hothouse of Eastern Europe at that time, that the Marine guards were more of almost a minus than a plus? I'm saying, from my own prejudice, although I have great respect for the Marines as a unit...

SALGO: It is a wonderful, decorative thing. It is unfair, in my opinion, to the kids.

Q: Because they are kids. We're really talking about very young, unsophisticated people.

SALGO: And it is unfair to our security. I don't mind to have a few Marine guards there for the looks, and for checking the traffic, or whatever you want. But why can't we do what the French are doing, the Germans are doing, the British are doing, taking middle-aged, half-retired, security people, with their wives, to do that? Without uniform, but professional. And you would get it for nothing practically. How many hundred thousand ethnic-origin Americans we have who live on Social Security? Wouldn't they love to come there instead. Instead of Marines, or the local employees who all have to go weekly to make a report. But you see, that's the organization.

And, you know what, the damned micromanagement by the Hill of the Department. It is a vicious circle. The department gets weak, the Hill steps in. The Hill steps in, the department gets weaker. And basically no secretary is really interested in the department, because he's interested being a chief politician.

If I would be running the department, or have anything to do it, would split the whole department really in two. And really make special deputy secretary to create and run the department. Just as machinery.

Q: It's very difficult.

SALGO: I don't know, you must hear a lot from all my ex- colleagues. The department is probably studded with the most brilliant, well-educated people. Wonderful language potentials and possibilities. The guy who is now going to China was born there from missionaries. That's his fourth mission there. That's what we need.

When I was in Budapest, I had two other ambassadors who spoke excellent Hungarian. There were three others who did, but who denied it because they were from the satellite countries where it was a crime to be Hungarian, or to know Hungarian. You know who were the three? It was a Chinese ambassador, whose sixth mission was to Hungary, who was there as a student already. Spoke better Hungarian than me. And the Dutch ambassador. His mother was a widow and married a Hungarian aristocrat, and they got stuck there during the war, so he went in school there and so he spoke very good Hungarian. So we went out, the three of us, to see local shows, local theater, etc., which permitted me, again, to develop tremendously excellent relations with the Chinese.

Q: Did you have problems sort of getting out and meeting the Hungarians?

SALGO: Yes, very badly. They had orders absolutely not to...they couldn't accept an invitation without getting approval from superior. It happened twice that a visitor directly left there their invitation with a stamp on it: Approved. My people, however, were able to do it.

Q: By...?

SALGO: Typical. All the people at the lower level were much freer, and the Hungarians are basically very hospitable. In my three and a half years, I think we were invited to a private home maybe three times. I don't count one who was my schoolmate, much younger than I, and was my guest for years in Geneva, and who had (he admitted later) official permission to communicate with us as long as he reports.

Q: *So, I mean, this was not a period of relaxation or...*

SALGO: No, not yet.

Q: *Were you seeing the cracks in the system at all?*

SALGO: Oh, yes, very much so. I could never understand, and I asked Kádár why he kept Grósz there, whom the Russian Politburo member Romanov imposed on him. Particularly Romanov was the first to be kicked out by Gorbachev.

Q: *Romanov, he was an ideologue of the...*

SALGO: Romanov forced Kádár to put him in. And when Romanov was fired, Kádár should have fired immediately. And he didn't. Were then causing a lot of problems. In effect, one eliminated Kádár. Because they were typical adventurers, you know, self-promoters.

Q: *Well, how much did you feel the Soviets were calling the shots at that time?*

SALGO: When I arrived, they were calling completely. When I left, I would say that I made a pretty good balance to the Russian ambassador. By the way, the Russian ambassador was ex officio a member of their Politburo.

Q: *Good God.*

SALGO: They never admitted that, but I knew it because I watched him go in.

Q: *Well, you know, you had your military attachés and all. How much did we see? You know, we're always trying to look at the time you were there.*

SALGO: My military attachés were very good. They knew a lot.

Q: *How did you see the Hungarian contribution to the Warsaw Pact?*

SALGO: As a negative.

Q: *I mean...*

SALGO: As a negative.

Q: *Well, I'm sure, I'm sure.*

SALGO: Yes, they knew that. And the Russians knew.

Q: *So how about the borders around? We're talking about the ethnic problems. I mean, how did they get along with Hungary? We're talking about particularly Czechoslovakia, Romania, and Yugoslavia.*

SALGO: Hungary with Austria got along fine, irrespective that there are also ethnic problems there. But that was never a problem. Czechoslovakia was fine until the Czechs got out from the Russian control, then the Slovaks started kicking their heels.

Q: *This wasn't during your time, though?*

SALGO: No, that all came after.

Q: *Yes, that was '89.*

SALGO: Yes. And Romania was bad already at my time. That was already bad then.

Q: *But you were unable to, because the relations were bad and so it would behoove the American representative...*

SALGO: Yugoslavia was very good at my time.

Q: *Even with the Hungarian group in the Voivodina...*

SALGO: They had special rights, everything was nice. No, and of course with the Russians there was a...

Q: *There was a small border with the Ukraine, I guess. But there wasn't much contact, you said, between your embassy and our embassy in Romania, which is sort of astounding.*

SALGO: Oh, yes, on the working level. And I had very good contact with all the other embassies. For instance, with Ambassador Luers, who is now head of Metropolitan.

Q: *Metropolitan Museum of Art.*

SALGO: We had many times exchanges, so I did with all. The only guy I could never really even meet was this guy in Romania.

Q: *When you left Hungary, how did you feel? Was our policy, and I'm not talking about just what you were doing, but when you left, sort of the feel of the State Department and the White House...?*

SALGO: Oh, it was a focus point. It was a focus point.

Q: I mean, was there a feeling then that here was, you might say, an area which really was changing?

SALGO: Oh, yes.

Q: I mean, it was the first one to lower the watch towers and all around.

SALGO: No, it was in the cards then.

Q: So you sort of felt you'd watched some real progress at that point.

SALGO: Oh, yes.

Q: Well, I would like to talk to you at other times about other things, about your property issues and all that, but maybe we better close at this time.

DONALD B. KURSCH
Deputy Chief of Mission
Budapest (1986-1990)

Donald B. Kursch was born in New York in 1942. He graduated from Harvard University in 1964 and served in the U.S. Marine Corps from 1964 to 1965. His assignments abroad after entering the Foreign Service in 1966 included Zurich, Budapest, Moscow, Frankfurt, Bonn and Brussels. Mr. Kursch was interviewed by Charles Stuart Kennedy in 2003.

KURSCH: I went to Budapest with Mark Palmer. I went as the DCM in 1986. He and I had met through my job on the Soviet desk. He was the Deputy Assistant Secretary for the Soviet Union and Eastern Europe and was my boss'' boss and my reviewing officer. He was named Ambassador to Hungary, and when he found out I'd served in Hungary before, he offered me the DCM job, and gladly I took it.

Q: So, from '86 to when?

KURSCH: To 1990. I was there for four years. In fact, he left before I did. That was a complicated affair, but I ended up being charge for the last half year there.

Q: '86. What was the situation first in Hungary, and then American relations with Hungary? First, politically...

KURSCH: Well, Hungary, at the time, was the country within the Warsaw Pact that was furthest along toward reaching out to the West, and towards tolerating economic experimentation, particularly, allowing small privately-owned enterprises to operate. You could feel and smell the changes in the air.. I think they were also the most liberal on travel. Poland, of course, had some

special qualities about it, but I think that Hungary was probably the most Western oriented country in the region at that time. Our relationships with Hungary had been relatively bad during my earlier tour because of the lingering aftermath of the 1956 Revolution and the subsequent presence of Cardinal Mindszenty the Embassy for 15 years.., When we went back to Budapest in 1986 there was a fundamental change and an opportunity to engage the government and the society as a whole.. Mark, who had been a civil rights activist in his youth, had been a freedom rider, and this kind of activist. I think he'd been the chairman of SNCC (the Student Non-Violent Coordinating Committee) at Yale when he was a student there, and was one of these people who was proud of how many times he'd been thrown in jail in the South. He was a perfect person to take on the Communists. He had done that in his previous job. The Reagan people liked him very much. Shultz liked him very much because he was an advocate for freedom and democracy and was quite outspoken and very articulate. He wanted to take that on and encourage the Hungarians to rise to their potential.

Q: Now, who was the head of the government in Hungary at the time?

KURSCH: Well, Janos Kadar was still the head of the Communist Party when I returned. I'm trying think now of when the changes took place, because I know that Kadar passed away while we were there. But a transition was taking place. There was a man named Karoly Grosz who succeeded Kadar as the party first secretary, and he was the person we dealt with in party headquarters. Also a man named Matyas Szuros who was the party secretary for foreign relations. They were pretty traditional characters, but they saw that things were changing, and they were trying their best to catch up. And of course, Gorbachev was in power in Moscow, too. So while in earlier years, the Soviet Union was a big brake on the countries of Eastern Europe, now, with Gorbachev being in charge, these guys, even many of the old style people, wanted to catch up, with the notable exception of East Germany. So there was a very different environment. It was possible to just have a lot of contacts, get out, meet people, do things, show the flag, make speeches. Of course, our business people were becoming more interested. We did have Most Favored Nation treatment with Hungary. There were trading opportunities there that hadn't existed before. We were actively engaged with the new political forces.

Q: What was your impression of the Soviet forces there at the time, when you first arrived?

KURSCH: In 1986 when I came back the Soviets were still there. They had their bases outside of Budapest and around the country. They were clearly identifiable. I remember they had a large base on the road to Lake Balaton, that you could more or less drive right through on a public road. But they didn't intermingle much with the population. I think what was different though, when we went back, was our relationship with Soviet diplomats. I wouldn't say it was friendly, but it certainly much more frequent. I remember that my wife did a fashion show for the benefit of the American school. This Soviet ambassador came to that as our guest.

The fact that we could put on this fashion show was a demonstration of the enormous changes that had taken place. We had a previous American ambassador who offered us a challenge that he would give us a dollar for every dollar we raised. So my wife took this on with the hope of promoting some young fashion designers she had gotten to know.. She got the hotel space for the show and the catering donated. And then we proceeded to sell tickets. She raised \$5,000-\$6000;

and even got written up in the *New York Times*. It was the kind of thing you could do in 1987. As I said, the Soviet ambassador even came. So there was a real fundamental change. Friends of mine didn't have to hide the fact that they were coming to dinner at my house any more. People weren't afraid. That was the biggest difference.

Q: Were there any particular interests that you were... Let's sort of divide it up before, probably early '89, prior to that.

KURSCH: Well, I'm trying to think of exactly. My job as the DCM was to manage the rest of the embassy, and to free up the ambassador, and to substitute for him when he couldn't do things. So there was a broad array of things you did, from handling personnel problems, to reporting, public affairs work and dealing with the physical security of the Embassy. We had inherited a somewhat difficult situation because our previous ambassador was a political appointee who liked to divide and rule, and I was getting anonymous letters denouncing other people in the embassy, things like that when I got to the post. So I had to deal with that. We had numerous property questions. We also had a lot of USG property in Hungary. One of the things that we had to do was to figure out how we could best use this.

Q: This is tape three, side one, with Don Kursch. You were talking about you had a security problem because of Sergeant Lonetree in Moscow. Could you briefly describe what the situation... why everyone was concerned.

KURSCH: Well, there was this sense that we shouldn't have foreign service nationals working in our embassy. It was kind of interesting at the time. We always had foreign service nationals in Hungary, in unclassified parts of the embassy. And, here we were in the late 1980s just as things were opening up and there was enormous political pressure for us to get rid of all our FSNs. We initially said, "Is this serious?" But, indeed, it was quite serious. The Secretary of State, himself, couldn't understand why we had non-Americans, or locals, from these countries in our embassies. So, we decided what we needed to do was to come up with a pro-active plan that would take care of some of these security concerns but enable us to operate. Part of this involved building a new American-only secure chancery, and have all the classified functions of the embassy take place in a building, where you'd have no foreign service national presence. At the same time the public functions of the Embassy such as USIA, the commercial service and the consular be carried out in a separate unclassified facility where FSNs would be employed.

So we put this plan together and we sold it. People liked it. I remember the people from the President's Foreign Intelligence Advisory Board (PFIAB) coming out and being quite tough, but leaving saying, "Yeah, this plan makes sense" So, my job was to negotiate the terms of construction for this new secure embassy, and buy the property. We subsequently did buy the property and the Hungarians signed the terms of construction agreement, which gave us almost everything we asked for, including total control of the building materials and bringing it in and out of the country. They decided they were going to make us happy. Of course, we never built this new embassy and are still in the old place. But, at the time, our efforts enabled us to continue to operate in a rational way and avoid precipitous action, so they were very worthwhile.

Q: Well, you were in Hungary, which is one of the focal points during, during 1989, in Eastern Europe. By Hungary opening up its borders, how did you come across this, and sort of developments in there?

KURSCH: Hungary was a pretty open country in terms of travel, by itself. The major restriction for Hungarians trying to travel to the West was money. They didn't make much money, and the West was expensive. But, of course, for East Germans, Hungary was the West. They came down to Hungary to get a taste of a more tolerant society. And the way I saw things were changing is I remember being invited to lunch with Congressman Tom Lantos at Lake Balaton. It must have been towards the end of the summer in September 1989, a little earlier than it is right now. When we got down to Lake Balaton, which is about 80 miles out of Budapest, we saw all these cars with East German plates parked in shopping areas, people just driving around, not looking like they were going home. It was an interesting phenomenon. I was just struck by the large numbers of these cars. And indeed, they weren't going home. Then these East Germans started taking asylum outside a church in Budapest which was close to the ambassador's residence, and the German government was placing pressure on the Hungarian government to open the border and let them leave. The sympathy in the Hungarian public was overwhelmingly on the side of the East Germans, to let them go to the West..

So, to my mind, there was no question that the Horn government, Gyula Horn was then the Prime Minister, would let them go. This government was fighting to retain legitimacy themselves, and ultimately did it quite successfully. Horn was a tough guy too; he came from a tough part of the party, but he managed the transition quite well. So, in any event, when the decision was made, I was not particularly surprised that the Hungarians decided to open the border. But the Germans were pleasantly surprised, and Helmut Kohl treated Horn as a great hero and friend of the Federal Republic. Indeed, the opening of the border was one of those moments, perhaps not quite as dramatic as the breaching of the Wall, but it was one of the key moments of change. Then the East Germans shut off travel to Hungary, which became a forbidden country for East Germans.

Q: What were you getting from the Hungarians who were [_____] in the Soviet Union about the whole Gorbachev thing? Were they with it, or was there concern, or did they understand what was going on?

KURSCH: Hungary's main desire was to become part of the European mainstream. The Hungarians, of course, really don't have much of an affinity for Russia. They're not Slavic people and they've had a bad history with the Russians. The Russians put down their revolt of 1848. I think that Gorbachev's rise brought hope that there would be many more possibilities, and the Hungarians pressed those to the limit. I guess there was always some residual fear that things could conceivably go in the opposite direction. But, then when the Soviets started pulling out of Hungary, and those were the great moments when they pulled out their troops, when they shut down their air bases...

Q: When did they do that?

KURSCH: I'd have to say this is '89 and '90 when that was going on, because I can remember them closing up certain bases, I remember them pulling out troops. I don't remember exactly when all the troops left, but I think it was about the time I was leaving. Yes, those were great moments; and when that happened there was this sense that fundamental change was at hand. Then the Hungarians had their own free elections. That was exciting, when they started setting up their own political parties; when the Communists party turned itself into the Socialist Party, and you had other new parties such as the Federation of Hungarian Free Democrats and the Hungarian Democratic Forum. We were certainly very much engaged with all these new political forces, and we encouraged them. And after all of this encouragement of democracy, all of a sudden, there it was in front of us.

Q: Did we get involved by having non-governmental agencies coming in to show them how to run elections and that sort of thing?

KURSCH: We had programs with the Democratic and Republican Parties' Institutes, and the National Endowment for Democracy. There was also a lot of NGO activity. ... The AFL-CIO was also very active. I remember that their president, Lane Kirkland, came to Budapest and that I had a reception for him. There were also numerous congressional visits. I had four CODELs in one week, two arriving at the same time. We had an enormous amount of Congressional interest in Hungary at the time because it seemed to be on the tip of what was happening. Things happened quickly. I can remember one man who had been one of the few professors at Karl Marx who had not been a Communist all who suddenly became the foreign minister, I mean this was quite something. It all came out very well. Mark Palmer, our Ambassador, was a great optimist. He really did—and still does—believe in if you give people freedom, they'll do the right thing. He made Hungarians believe in themselves and became a great inspiration for them. Hungary has had a very tragic history. They have the worst won-lost record in war of any European Country; I think they were 0 and 7 going back to the 15th Century. Thus they were always on the losing side, unlike the Romanians, who seem to know when to change sides. Hungary even had a pro-fascist coup in 1944, so you know they have a poor sense of timing.

Q: [laughter]

KURSCH: In many respects it's amazing that they still exist as a country. Mark Palmer inspired the Hungarians to have more confidence in themselves. One thing he did that was that I think was a pretty clever idea, We came up with the idea of bringing the Peace Corps into Eastern Europe. I recall that this came out of a brainstorming meeting, and I don't know exactly whether I said it or he said it, whatever, but we agreed to try and bring the Peace Corps to Hungary. He wrote to Paul Coverdale (later a US Senator from Georgia), who was the head of the Peace Corps, from this contact we developed the first agreement to bring the Peace Corps into Eastern Europe. I remember going out to welcome the initial group of volunteers. This made me feel really good.

Q: How did the events in Czechoslovakia and East Germany ... were the Hungarians sort of hanging on to the TV watching this? Was there any feeling of apprehension or joy?

KURSCH: Well, Czechoslovakia held on as a hard line country for a pretty long time. I remember going over there in 1988 at Christmas time to visit the DCM and seeing how

unfavorably it compared to Hungary, although even there change was going on underneath. The big event that I do remember was the breaching of the Berlin Wall. That was the key event. My immediate sense was, "Is this really happening?" And then you had realized that the era of Communism was over. The Hungarians felt quite vindicated in everything they were doing, but by that time, they were well on the road to a multi-party system. The Communists were actually trying to catch up, which they have done rather successfully. All these years later their successors are power. The head of the Socialist Party in Hungary today is a man named Laszlo Kovacs. In my time he was the area director in the MFA who handled the US and had just returned from a tour at party headquarters where he had been working on foreign affairs. When the Communists lost power he left the foreign ministry; got into politics, and rose to become the head of the party and the leader of the party in the Hungarian Parliament, and is now the foreign minister. Gyula Horn made a similar transformation. So a many of these guys are the same people who we knew in the last days of Communism who later re-invented themselves as democratic socialists, and have performed pretty well.

Q: How did the events of the fall of Mr. and Mrs. Ceausescu ...

KURSCH: Oh, yes...

Q: That was moving into December, I guess.

KURSCH: Yes, about Christmas time. Well, of course, the Hungarians and the Romanians don't have a great deal of affection for each other. You have a large Hungarian population who still lives in Romania. I traveled over to Transylvania in the fall of 1988 and it was pretty bad. In fact, I had a Hungarian driver who came from Transylvania and was always after me, "Could we go over there?" He had relatives that he wanted to visit. So I took a five or six day trip driving through Transylvania, through these Hungarian areas in the last days of the *Ceausescu regime*. *It was very, very depressing. Poor, highly oppressive, almost a stereotype of what you recalled from your images of Stalinist times of the 1950s.*

Not surprisingly, the fall of the Ceausescu was greeted with great enthusiasm. The Romanians were suddenly popular. The Romanians copied what the Hungarians did during the Hungarian revolution, cutting the Communist symbols out of the middle of the flags. This was a great moment.

Q: Did the nationality problem intrude on our policy there? You've got Hungarians in Yugoslavia... that whole map there is overlapping in ethnicity.

KURSCH: Did it intrude on our policies? Certainly I think there was some effect. With the Romanians, I know that people like Mr. Lantos were very interested in the Hungarian minority in Transylvania. He pressed the State Department to set up a consulate in Cluj, Romania at about the time when I was finishing my tour. The idea was to have an American presence and to report on the minority situation there. The Hungarians, for their part, were very good with their internal minorities, because they had very few. Their biggest minority, and their most problematic minority, are the Roma population (Gypsies) which is a significant minority of between 5-10%. It's a problem that most of the countries of the region have. But otherwise they would go over

backwards to take care of their small Slovak, German, Serb and Romanian minorities by encouraging the use of these languages and promoting cultural events. The Hungarians would try to get their neighboring countries to offer comparable treatment to their respective Hungarian minorities, with limited success.. Other than the Roma,, I don't recall that Hungary's internal minorities were a particular problem, however the treatment of Hungarian minorities in these countries was, and continues to be, a very sensitive issue.

One problem we did have while I was the use of Hungary as a transit point for Soviet Jews emigrating to Israel. At one point, the Hungarians were threatened by terrorist organizations if they continued to allow this to happen and the president of MALEV, the national airline, announced that the airline would suspend the transit of emigrants through Hungary. I quickly received a call from an interested congressman , in the middle of a dinner I was hosting for someone, saying, "Kursch, what the F*** is going on out there?" And I said, "Well, let me get on to this." I remember going to see the acting foreign minister the next day.. I walked in to the foreign ministry at 5 o'clock on Saturday afternoon, and the was the security guard and the acting minister seemed to be the only two people in the building. We walked up to his office, he went and gave me a glass of apple juice, and sat down. I explained the problem about the flights and this congressman, who they knew very well.. He said, "Yes, I'll look into that." The next day the director of the airline was replaced and the transit flights resumed. Some of the toughest looking Israeli security agents suddenly appeared at Budapest airport and gave professional advice and support to their Hungarian counterparts. So that was one instance case of a quick and decisive Hungarian response.

Q: What about the alumni of 1956? Were they, had they been, I won't say reabsorbed, but were they free to come and go early on or were they around or not?

KURSCH: By the time we came in 1986 think people were pretty free to come and go. There may be a couple of people who were on a list for violent actions during the revolution including the execution of secret policemen.. These people would have probably been denied entry had they tried to come in. However, I really don't know how many of these persons were still blacklisted. This question was not the problem it had been during my first assignment to Hungary in the early 1970s.

Q: Where was the crown at St. Stephen? After all, you know, for years this was a big deal. What happened to it?

KURSCH: That had been returned in about 1978. And the way I remember that is when I was on the promotion board in 1979 there were several officers who were given credit by their bosses for as having played the lead role in the return of the crown to Hungary.

Q: [laughter] Yeah. When I was on the promotion panel, I think I had maybe 30 or 40 who had brought peace to the Middle East.

KURSCH: [laughter]

Q: But, what happened? I mean was it around?

KURSCH: We returned it, not to the Hungarian government, but to the Hungarian people. It was returned and a special place was set up to display it in the national museum. So that's where it was. When the crown was actually returned Mr. Kadar, the Party leader, diplomatically stayed away, and may have even been on an official foreign trip. This event occurred during the Carter administration between my first and second tours in Budapest.

Q: Yeah.

KURSCH: Now the crown sits in the middle of the Parliament, in the rotunda at the Parliament.

Q: Now, we're getting up to the time when you left there in 1990. Was there anything else at that point that we haven't talked about in Hungary?

KURSCH: Well, one of the things I was very excited to be involved in was working with some of the new people who were coming in such as Arpad Goncz who was President of Hungary from 1990-2000, and who became a friend of mine. He was a dissident who I met at a street demonstration and became president. At the Embassy we were very involved in getting American companies to invest in a new, democratic Hungary. I was involved with the efforts of General Electric to buy out the Tungstam light bulb factory. General Motors was another big investor. So we were engaged with American business very heavily and encouraging, talking up Hungary, and encouraging the Hungarian government to be accommodating and to promote an American business presence. I think we were very successful in that regard.

ROBIE M.H. "MARK" PALMER
Ambassador
Hungary (1986-1990)

Ambassador Palmer was born into a Navy family in Michigan. He was raised both in the US and abroad. He was educated at Yale and Kiev University. He became a civil rights activist and entered the Foreign Service in 1964. He served in New Delhi, Moscow, and Belgrade and held an ambassadorship in Hungary. He was interviewed by Charles Stuart Kennedy in 1997.

Q: You served in Hungary from when to when?

PALMER: From '86 to '90, early '90.

Q: We've already talked about the situation there. What were you packing in your ambassadorial attaché case as far as an agenda? Everybody has one. What did you want to accomplish?

PALMER: Well, I've had this sort of civil rights thing in me since I was in SNCC and CORE at Yale. I thought, "Well, finally, now I'm running my own show overseas." In Moscow, I'd been

in the political section and done the dissidents, you know, etc. In Yugoslavia, I'd been particularly been interested in the internal political stuff. Anyway, so I thought, "This is really terrific. Now I can make the whole embassy focus on this stuff."

Fortunately, I had people in the embassy who were sympathetic to that also. So, when I arrived, the first thing that I recall at least, was to ask my political officer to gather the number one dissidents in the country for dinner in the Gellert Hotel dining room, which was a very public place and sit down with them and say to them, "I'm here and I'm yours." And that's what I did, in the presence of course of monitors, of their watchdogs and mine. So that was one part of what I wanted to do.

Another part of what I wanted to do, which is what every good ambassador wants to do, which is to build out the bilateral relationship in all of its dimensions. And I certainly started out trying to think creatively about what could be done. I had early on gotten to know George Soros, here in America. We worked very closely together to do things I wanted.

It occurred to me fairly early that it would be good to have a business school there, an MBA kind of school which didn't exist anywhere in the communist world. I went to George and asked for the money.

After much fighting - because he had never given more than about 30 or 40 thousand dollars to any individual thing up to that point - I finally bludgeoned out of George 10 to one matching. He agreed that if I could raise four million dollars, he would put up \$400,000 to build a business school.

And I did. I raised the rest of the money, no U.S. government money at all. I didn't go there with that, but very early after getting there, I had that idea and did make it happen relatively early on.

Q: Where did Soros' money come from?

PALMER: He's a trader/ investor, both trades in commodities and currencies, stocks and bonds, he's a hedge fund manager. It's also his own money. He started with virtually nothing and built up what has been the most successful single investment vehicle in modern financial history along with Warren Buffett, I guess, but George is broader than what Buffet does.

Q: How does one raise non-government money as a government official?

PALMER: Go around, put your hand out, beg with everybody. Completely unlikely sources and obvious sources. Foundations, other ambassadors, bankers. I mean, anybody, I hit up everybody I could find.

Q: With the business school, did the Hungarian government go along with it?

PALMER: Yes, and I don't recall any skepticism, either. They didn't go out of their way to help it happen. I'm sure there was a little bit of nervousness probably by somebody, but there was never any criticism, never any praise either but never any criticism.

Q: From the beginning, was it going to be a school that was based on the Western system? I would think it would have to be.

PALMER: Yes, absolutely. We partnered with Pittsburgh University, with their business school. We brought in American professors from Pitt and from other American business schools to team teach with Hungarians. The idea was to make it a regional business school so we, from the beginning, had students coming from a variety of countries, Bulgaria, the Czech Republic, etc.

So let me think what else were my things that I wanted to do in the beginning. A broad bilateral agenda I wanted very much to do. I guess I was not particularly interested in the larger questions of Hungary in the world. I mean Hungary and Western Europe, Hungary and the Soviets. We did spend some time on that. I got to know the Soviet ambassador well. We even ultimately ended up doing some things together.

I tried to get close to the leadership. I got to know Kadar fairly well and had access to him whenever I needed it. I got to know all the hierarchy within the Communist Party and played tennis with them very regularly.

So I tried to play both sides. I think when the crunch started to come in '88 and '89, that was important that I had in depth relations with everybody. I think and hope that they all trusted me because I was very up front about what I thought Hungary's future was.

Q: You said that civil rights was a major concern. On the ground, what did you find was the situation there and were you able to do anything?

PALMER: Well, I remember at this dinner at the Gellert, I asked Janos Kis, who was the kind of godfather of *Samizdat*, and...

Q: Samizdat means "self publish." It's the underground paper.

PALMER: Right...of the dissident community such as it was in Hungary. And it wasn't very robust. I asked Janos what he wanted, what I could do to help? He said they'd been having their passports taken away, that they couldn't travel. So if I could manage to get their passports back, that would be a good thing.

So I said, "That's fine and I will certainly work hard on that, but surely we can be more ambitious than that. Why don't we start thinking about how to get some trade unions set up that are independent of political parties eventually, some independent media? We should be thinking a whole range of things here beyond just getting your passports back."

Janos was sort of nonplused by this. He didn't really think that was something that was going to happen very quickly. I don't think he knew how to come to grips with what I was saying. And of course, I didn't either. I mean I was willing to say that, but then to actually get about doing it wasn't so clear what you could do. So I guess what I'm saying is that the movement at that point

was pretty minimal...there were some very, very good people. And they had been trying. But there wasn't much in the way of organization.

The most interesting thing that started to come about then were the environmentalists. There was this growing controversy about the dam on the Danube River with the Slovaks. So they had a cause that was sort of a legitimate national cause, that the Commies had a hard time putting down.

They were the first ones who actually demonstrated in the streets so I did spend some time with them. Ultimately, I actually helped to create a regional environmental center which the U.S. funded most of in the beginning which provided some resources for them for that movement.

Q: I would have thought that your working with the dissidents would have caused a certain coolness in the relations with the Hungarian authorities.

PALMER: From time to time, it did and they complained. Gyula Horn, who was then foreign minister and subsequently has been elected a leader of his country in the democratic era. Anyway, Gyula complained to Jim Baker personally about me at one point and I was recalled to Washington and reprimanded. So there were times when this surfaced and it wasn't always easy to deal with.

Q: Well what happened? So you're called back to Washington and reprimanded. I mean what did this mean?

PALMER: Well, you know, I took it very seriously. Maybe I took it even more seriously than it was meant. I don't know. And I did subsequently leave the Foreign Service. Now, how much these all played together, it's not always easy to know.

But I think Jim Baker didn't like me. I think saying he had it in for me is too strong, because I don't think he thought much about me period, one way or the other. But I think he had a basic negative view of me and this played into it.

I think the negative view went back to an earlier stage in '81 when I did the debt restructuring for Yugoslavia and for Poland. I chaired the interagency process on that. I did debt restructuring and he thought Treasury should do that. He was then Treasury Secretary. So there was a sort of bad blood from that time.

But you know, I think Foreign Service officers, when they get into certain situations - and this happened most recently with a desk officer for Bosnia - that there are times when, if you feel strongly about something, you have to stand up for it. And it might be career ending.

Q: Bush came in '89, so Baker was secretary of state. It was in '89 that you were called back?

PALMER: Yes, in March of '89.

Q: Yes, this was before the whole place imploded or exploded or whatever the whole of Eastern Europe. Was it that we weren't sort of supposed to be sort of stirring up the natives, is that it?

PALMER: Right. That was the concern. Horn said that I was making it more difficult for them to deal with the Soviets. He said that the Soviets were focusing on me and what we were doing. He said that the Soviets were saying that we - the U.S. - were destabilizing things and that they - the Hungarians - weren't standing up and stopping it. Rude Pravo had an editorial, the main communist newspaper, calling for my being thrown out and the East Germans had also attacked me. During a visit to Washington in 1998, Hungary's President Gonz, a former dissident, commented to Vice President Gore in my presence that I had been "The best Governor that Hungary ever had."

Q: Well, this is quite a bit of a focus on one lowly ambassador in Hungary, in a way. I mean to have the Czechs and the East Germans come in. What were you doing that was enough to raise a stink?

PALMER: Well, not because I was doing it alone. Obviously, there were much larger forces at work. I was part of this process of trying to help the democratic forces in Hungary get organized and make demands.

This is including the fact that I marched in the street in March of '89. I went out and walked with the opposition for four hours through the streets of Budapest. I was filmed by ABC and others doing this and was on Hungarian national television.

But I think that if you looked at it through the eyes of the East Germans or the Czechs or the communists in Moscow, here was an ambassador who was sort of not acting in a traditional fashion for an ambassador and was getting away with it. They were all worried about their own internal situation - particularly the Czechs and the East Germans - and the prospect for them of getting kicked out of power.

They all saw themselves as one, you know, all the East German leaders, East Europeans saw themselves as part of the same thing - and that if any one of them got thrown out it could start a domino effect. So they talked a fair amount among themselves, the leaders of these countries, the security services.

They didn't like change agents, let alone dissidents or, in my case, an embassy. The French press, called me the "proconsul of Hungary" during this period, that I was like a proconsul, that I was dictating what was happening.

And it is true that I had, we had considerable influence, but we had it because of these larger things that were going on. So, anyway, I look back on this period with great pleasure. I know it wasn't the normal way people do things in diplomacy, but Harry Barnes had done some things like this in Chile. And I think the Foreign Service in its finest moments does do these things.

Q: Were you sort of holding seminars with the opposition and the dissidents telling them what they should be doing?

PALMER: Right, including in my living room, yes. We brought people in to train them. I brought people in from the AFL-C.I.O., from the National Democratic Party Institute, the Republicans, etc. to train them in trade unions and party formation. You know, how do you do all of these political things? How do you organize trade unions? We became increasingly and extensively involved in setting up a democracy.

Q: Did you have the feeling that, looking at it maybe at the time, that the Bush administration was in a way less revolutionary than under Ronald Reagan?

PALMER: Yes, absolutely. Bush had much less vision, much less vision. It was very discouraging for me. I had a lot of respect for George Bush, but this is not his strength. Ronald Reagan was a much greater president in that regard.

Q: It seems that Reagan gave a thrust, a vision.

PALMER: Right, and that's a very important thing to do. Many people don't understand the importance of a single or a set of ideas in foreign policy. They are really, really critical. We are the leaders of the world. We have a set of values which are inherent in the way we are. And they are good and right values. They are the future of the world and we should strongly voice them and strongly stand up for them and operationalize them.

I don't think Bush was comfortable with that. Baker was definitely not comfortable with that. He's too conventional and it's sad when that happens. There's no reason for that. This is not our strength.

Q: What about the events of later in '89, coming from Czechoslovakia and East Germany? In fact, Hungary was sort of ahead of everyone, wasn't it?

PALMER: As I said earlier, if I had to rank order peoples - not nations - but peoples who deserve credit for their process of change, I would put the Poles first, the Hungarians second. And the Russians are certainly in there, too; then the East Germans. I'd put the Czechs down on the list in terms of change agent.

But, certainly the Hungarians were important. They really did get going in that period in 1989 and in some things earlier. But particularly in '89, it really got rolling. And by the time President Bush came to Poland and to Hungary in the summer of '89 - July, if I remember correctly - things were really rolling then.

I was very, very disappointed with the attitude he and Baker had towards what was going on in Eastern Europe, because they were nervous about it. They didn't want to encourage it. I think it would be unfair to say that they actively discouraged it, but they did caution the opposition in Hungary - in my presence - and even, as I recall, the leadership in Hungary about not going too far too fast.

I don't want to demonize anybody. Bush and Baker were not saying, "Let's go backwards." They weren't saying that we shouldn't keep going forward. But they were very, very cautious.

Q: Did any of the dissidents and opposition or even the Hungarian apparatchik, the leadership, make comments? You know, "You, Mr. Ambassador, seem to be going this way. And your president seems to be not quite on the same course."

PALMER: No, I think we managed fairly successfully. I, of course, always acted as if we had complete clearance from Washington. And if they sensed something, which they may well have, they never brought it to my attention. If they had, I would of course have firmly said no, that it was wrong.

I felt myself that I knew what the American people would want me to do, that I knew what Ronald Reagan wanted me to do when he sent me there. And George Bush in his finest moments also wanted that. Baker, I always felt, was more cautious.

Q: Did you see things changing, I mean as '89 was sort of moving along in Hungary?

PALMER: Yes.

Q: Was this coming from within the leadership?

PALMER: No, it was mostly coming from outside of the leadership. It was coming from these dissidents, from Fidesz, which is the youth group. Victor Orban has now been elected prime minister. He was then one of the leaders of FIDESZ, this youth group.

He was here in Washington two weeks ago. He said very nice things about what I did during this period to the whole meeting. At Freedom House there was a luncheon for him, that I co-hosted. He went through this period a little bit and said how important the embassy's role had been in encouraging them.

So FIDESZ was very important as a change agent. And there were others. This man, Janos Kis that I mentioned, a somewhat older philosopher and teacher, these types. The environmentalists were very important. I never felt then and I still don't feel that the Communist Party types, the system, was really a change agent. I think they were reacting. They were playing catch up to what was going on in the streets and at the dinner table.

Q: Well, didn't they at one point open up the border?

PALMER: Yes, but, again, under pressure. One of the border opening questions was whether they were going to let East Germans who were there go on out to Austria or force them back to East Germany. And they dithered about that for weeks. And went to East Berlin to talk with the East Germans who were, of course, demanding that these people be returned. Horn told the East German leaders that they and the Czechs should close their borders--- hardly the position of someone favoring progress and freedom.

Q: Yes.

PALMER: They went to Bonn to talk with the West Germans about what to do. They talked to me. I told them they could forget about trade and investment from the U.S. if they sent the East Germans back. There was a big “kafuful,” you know. I think they really wished it would just go away. They said it wasn’t their problem and in a sense it wasn’t. In another sense, it was.

What’s sort of bothered me since then is that Gyula Horn - who was the foreign minister then - has become a real hero in West Germany. In Germany, he’s seen as the person who opened the border and let all of these East Germans go. Well, I think he would fully deserve the credit for that if his immediate instinct had been when the issue arose, “Yes, of course, we ought to let these people go!”

That wasn’t his immediate instinct. He had to be bludgeoned. Now the East Germans were bludgeoning him, too. So he was getting pressures from various directions. I guess one can understand that this wasn’t something where you could sort of just say, “Okay, screw these East Germans, even though we have all these ties with them; and we’ve been working with them for years; and even though they’re our fellow Commies; and we’re in the same boat.” You know, he and the others, mainly he as Foreign minister and the others, had to pause and reflect about this. Okay.

But that they then should get this immense hero position in West Germany - Chancellor Kohl treating Gyula Horn as some kind of godsend, like Gorbachev has been treated by many people - has always struck me as disproportionate to what actually happened. And the people who really made things happen, people like Janos Kis, had been forgotten by the German Government and others.

Q: Yes.

PALMER: Westerners never paid any attention to them. When I introduced Jim Baker and the president - George Bush - to Janos Kis in my living room, it was like, “Who is this strange guy with a beard who looks like Woody Allen?” you know.

Q: Yes.

PALMER: But in fact, it was Woody Allen who made this happen.

Q: Well, what about Woody Allen being a movie comedian, sort of a commentator but not a serious figure?

PALMER: Right.

Q: What about the youth movement?

PALMER: It was just terrific! FIDESZ, this youth group... Fialat is the Hungarian word for youth. And that’s what the [fi] in FIDESZ is. Anyway, they were really wonderful. They were,

far and away - even more than the Janos Kis,' the older generation of dissidents - the young Hungarians, (those who were 18 and 19, 20) and they had the clearest perception of Hungary's future, which was to be part of Europe:

No ifs, ands and buts. No third way, no bullshit. Just take your economy and your political system and become West European. Become normal and join the world and get the hell out of the Warsaw Pact and Commie Con and all this bullshit. Just be normal.

That is the great advantage of youth in political change situations. They can have a black and white and correct vision. And they had that. And not only did they have correct vision but they were willing to act on it. To go into the streets, to demonstrate in front of the Soviet embassy, which took real courage. Because there were still troops there, Russian troops. And, you know, people disappeared. Nobody knew. Anyway, they demonstrated in front of the Soviet embassy. They did a lot of things.

When Bush came that summer, I arranged it so that Fidesz, its leaders - that he had a meeting with Fidesz alone. I arranged they went around with him, traveled with him in the city, introduced him to the university where he gave his main speech. These things were symbolically very well understood.

And of course the communists hated what I was doing. They summoned me five times before Bush arrived to complain about these things. They said I was being irresponsible and all this stuff. They said, you know, that I should not do all this junk. And, why was FIDESZ...and was going to bring about bloodshed, you know, all this kind of stuff. But you know, Bush obviously didn't understand at all why it had any meaning. But in the Hungarian context it had a lot of meaning because FIDESZ stood out clearly as the voice of no compromise.

Q: How did you respond to the Hungarians, because I think they would be calling the shots on a visit?

PALMER: I'd just stall them. They wanted him, for example, to lay a wreath at the Heroes Monument, which was a kind of communist monument. Every leader who'd ever been there had always done that. And I just said, "No. You want a presidential visit? There are certain things we're not going to do."

So somebody else laid a wreath there while he was there. I've forgotten who did that. Baker or somebody did but I was not going to have the president do it. And I was going to insist on certain things and they badly wanted it. So I knew I had a lot of leverage.

It was a great visit in many ways. The symbolism was great. And no American president had ever been to Hungary, ever, at any time in the history of the nation. So it was special that way, too. And Bush was in all public ways wonderful.

NADIA TONGOUR

**Hungarian Desk Officer
Washington, DC (1987-1988)**

Nadia Tongour was born in Turkey and raised in South Carolina. She was educated at William and Mary and Stanford Universities and taught at several colleges before joining the Foreign Service in 1980. Primarily a Political Officer, her Washington assignments were in the fields of Soviet and Soviet Bloc affairs as well as Democracy, Human Rights and Labor. Her foreign assignments include Brazil, Barbados and St. George's Grenada, where she was Principal Officer. Ms. Tongour was interviewed by Charles Stuart Kennedy in 2007.

TONGOUR: After that I started a regular assignment in one of my favorite jobs of my career. I was the Desk Officer for Hungary and the Baltic States. This was an odd combination, but it happened because no one was sure where to assign the Baltic Republics in our bureaucratic structure. This was after all still the Soviet era, and as a matter of principle or policy, we would not officially recognize the Soviet occupation of Estonia, Latvia and Lithuania.

Q: That has been going on since '45.

TONGOUR: That is right. We had a rather unusual situation. On the one hand, we accepted the fact that people had to obtain visas from the Soviet Embassy to travel to this region. On the other, we nominally at least recognized the three chargés based in their missions here. Actually, only two of them were in Washington; the Estonian representative operated out of New York. At this point, these gentlemen were elderly, with the Estonia Chargé well into his 80s. He had left Estonia in the inter-war period (between World War I and II) and had never been back. In essence, we did not know where to place them in our office structure. Who would be the responsible desk officer? Heretofore, Hungary had been a fairly quiet "account" for many years. As much out of tradition as anything else, the officer handling Hungarian affairs wound up being the desk officer for the three Baltic Republics as well.

Q: Well, you were doing this from '87 to when?

TONGOUR: It should have been a full two year tour but in those days the Department was very strict about the so-called "five year rule". The Personnel Office was particularly vigilant in thwarting the European Bureau's frequent efforts to get around the rules.

Q: Can you explain what the five year rule?

TONGOUR: The five year rule concerned the length of time one could remain in Washington before having to serve overseas. Unless one had an assignment deemed truly vital to the national interest, one was obliged to go abroad after five years. In many instances, individuals obtained waivers to the rule, but the European Bureau (EUR) had had a lengthy track record of trying to get around this rule; consequently, when I obtained this assignment, the personnel system mandated that it would be only a one year tour rather than the normal two. We hope we could change this in the course of the year, but our efforts failed. Still, it was a wonderful assignment for several reasons. One was the excitement of working on an account that was quite active.

Starting roughly in that period, there was a great deal of interest in the Baltic Republics. There was a lively young Baltic American community as well as an emerging activism among the young in the Baltics who were pressuring the State Department to act, to do more than simply issue statements once a year on Captive Nations Day, something I would draft as part of the job. The Hungary portfolio was also fascinating because it was a time when things were starting to loosen or open up in the Soviet Union but even more noticeably in Eastern Europe. The Hungarians were discreet but they were moving; there was great accessibility for our people in Budapest as well as in terms of our contacts with their diplomats here in Washington. I had, for example, an excellent relationship with the DCM at the Hungarian Embassy. The reason this was one of my best jobs is that the Department sometimes provides great opportunities for mid-level officers if they happen to work on a country that is interesting but not on the first tier of interest because in such positions they can actually contribute a great deal to policy formulation. People maybe focusing on other issues while your memos get signed and move up the chain of command. And you may well be creating policy. I say this slightly tongue in cheek but it was a vibrant time and rewarding experience. We also had a very active ambassador there, Mark Palmer.

Q: Yes, I have interviewed Mark.

TONGOUR: Mark was excellent in many, many respects, and in particular, he was very good at bringing people together. I'm sure he still is, from what I understand.. In Hungary; he entertained a great deal and would invite different types of people to his residence, effectively mixing them with varied groups of Embassy personnel. There was a lot of outreach and a big push on expanding student visitor and exchange program, developing a graduate management program -- essentially a business school in Budapest -- and other people-to-people activities. Moreover, a prominent Washington socialite named Esther Coopersmith was a friend of Ambassador Palmer's, and she would on occasion bring together all kinds of folks who were interested in Hungary. This was also the period in which we returned the Crown of St. Stephen, an important symbol in Hungarian history, which the Americans had kept since the end of World War II. This prompted considerable good feeling in Budapest, as did our hosting the Hungarian Premier towards the end of my tour.

Q: Well, what was the government, from our perspective, what was the situation in Hungary in the government there at that time?

TONGOUR: What was most notable was the fact that the Hungarians had been moving actively to liberalize their economy, not unlike what we've seen happen in China. Officially they were not changing much on the political side, officially, but they were, in fact, liberalizing after a fashion and providing opportunities for private enterprise. Hungarian officials wanted to join OPIC (Overseas Private Investment Corporation) and made it clear they wanted more trade with the West as well as greater economic interaction in general. At the same time they were permitting greater independence in the area of local elections. The Premier's visit to Washington was really a "big deal" for the Hungarians, since this was the first such official visit. I wound up working on that visit just before I left the position in the summer of 1988.

Moreover, I should point out that our Hungarian contacts were openly voicing expressions of Hungarian nationalism. Not that they had not been nationalistic before, but now it was something more openly discussed. For example, the Hungarian DCM, who later became Hungarian Ambassador in several countries, actively reached out to the Department and openly discussed Hungarian national aspirations -- as distinct from its membership in the Warsaw Pact. I recall an instance in which he somewhat wistfully compared Finland and Hungary, with their similar linguistic roots and more or less equal economic level before World War II, and noting how far Finland had progressed since then. He even joked about one day re-creating recreating a Danubian Federation in which Hungary and Austria could be reunited. He clearly did not suffer as a result of his reaching out to the Department or for making these types of comments.

Q: Of course, we are talking about when you are on the cusp of...

TONGOUR: ...Yes there was definitely an awareness of the possibility of change.

Q: Was this a pressure group particularly?

TONGOUR: Not compared to the Baltic Americas on the Baltic front. There was enthusiasm for the old homeland, but not real pressure, other than in the sense of how can we do more to further economic ties and business relations.

Q: What about leader grants and students? Were they coming through?

TONGOUR: I don't recall the numbers exactly but we seem to have had something on the order of 300 or so, which was a dramatic increase from zero. These USIS -sponsored grants definitely were important. During trips to the region, when I visited Budapest, I also traveled to Romania because I was the back-up officer for that country, and the contrast between the two was amazing -- making the positive developments in Hungary seem all the more impressive. Change was clearly visible in Hungary during that period. This was less true for Romania.

Q: Well, this was at the height of Ceausescu.

TONGOUR: It was appalling on several levels, especially the fear factor. I took the train from Budapest to Bucharest and many colleagues told me I was crazy to do this because the secret people would be watching me all the time. Nevertheless, I took the train and there was a gentleman in my compartment who seemed terrified because he was transporting a three-volume, recently published Hungarian history of Transylvania, which was essentially contraband. He was an ethnic Hungarian who lived in Transylvania and had been in Hungary to perform in a concert. When we got to the border and the customs or border police really ransacked various compartments. They inspected our compartment and were obviously not happy that I had a diplomatic passport and they could not, therefore, examine my bags. They did go through the other passengers belongings but did not succeed in finding the books, which I found interesting. My "companion" was clearly relieved after that and became quite expansive, drinking heavily and telling stories. But, yes, the atmosphere in Bucharest was grim and the Romanian secret police presence was all pervasive.

Q: By this time what were sort of the policing, secret policing situation in Hungary?

TONGOUR: Unclear, but certainly not as obvious. I am sure the secret police still existed --- they didn't just disappear over night -- but they were less visible. The Hungarians pride themselves or rather consider themselves the smartest people in Europe. They joke that if you can learn their language, that in itself is a mark of a high IQ. They were certainly more discreet and did not make their surveillance of visitors obvious.

Q: Well, let us turn to the Baltics. In the first place, you have this peculiar situation. I mean, did these little embassies or legations, I guess they were, did they play any role at all other than just an oddity in the history books or not?

TONGOUR: In one sense they did, at least during this period. There were several factors involved, and one of these was financial, specifically the question of how to allocate or dispose of money that had belonged to these legations before the World War II. I no longer remember the details but somehow the Latvians managed to get gold out of the country and into a Swiss account. As a result, Latvian mission legation had a greater degree of wealth than the other two; however, there was some sort of stipulation that the Latvian legation would provide funds for the hard-pressed Estonians, not as a gift but as a sort of loan. At the juncture, Estonian legation was broke and needed this financial support. Yet, there were all sorts of complications stemming from the fact that the funds were in Switzerland, requiring a formal transfer from the Latvian account to Estonian hands, which someone had to sign for, raising again the question of who had the requisite . It was a highly complex situation, and my role was basically to ensure that this transfer was handled properly. And, of course, there was the unfortunate and inevitable issue of national pride and obvious discomfort for the Estonian Chargé who basically had to be support by one of his neighbors. Now, that was on one hand.

On the other, there was in this period a deportation case in which a Lithuanian (or possibly Latvian, I no longer recall) , who had been in the U.S. for many years, was to be deported for his role as a concentration camp guard during the war. The case again focused attention on what could be described as the history of anti-Semitism in the Baltic region.

Q: The Baltic Republics, along with the Poles did not have a clean record on anti-Semitism.

TONGOUR: That was true for much of Eastern and Central Europe. This episode highlighted the fact that while we were supporting these small "captive nations" on the one hand, they were not "totally pure" on the other. So this was yet another angle affecting our policy. .

There also happened to be several people working at the National Security Council (NSC) who were Baltic-Americans, not to mention a growing number of Baltic-American activists in general -- some of whom wound up in responsible government positions in the Baltic countries after the fall of the Soviet Union. There also were people, interestingly enough, who were not of Baltic extraction but who for one reason or another were sympathetic to their cause and , empathetic and became involved in helping them out. For example, I had a friend in New York, a lawyer, who helped the Estonian government draft its new constitution after independence, and promoted all sorts of exchange programs for Estonian students, initially using his own personal resources.

This was just one case but there were others helping as well..

And then, too, you had various noteworthy developments within the expat community. The Estonians retained their Chargé, who was then 88 or 89 years old, until he died. But in the case of the Lithuanians and the Latvians and especially the latter, there was a changing of the guard. The process of selection was quite interesting. Essentially, the Latvians in exile picked a younger person -- in his 50s or 60s -- not 80s -- someone from within their own ranks to be in charge.

Q: Did you have much dealings with these exile legations?

TONGOUR: Yes. They would visit. Each legation was quite small, with only one or two persons at each. Still, they hosted representational events at their residences, which doubled as their Chancery. They would also, as I mentioned, call on the State Department to seek assistance on a variety of matters and if the Soviets committed some egregious deed, they shared the information with us. Above all, they simply wanted to be reassured of our interest and good will. So they came fairly often. .

Q: In both your responsibilities, Baltic and Hungarian, were they exhibiting any signs of the new world is about to dawn?

TONGOUR: The Hungarians were definitely exhibiting signs that a new world was dawning. They were ready, psychologically. Then, too, during my various visits to Budapest, I met a number of impressive young staff in their Foreign Ministry and other government offices, who are now the generation in charge. Hungary already had an emerging crop of young leaders who were well educated and who generally spoke English beautifully. They were primed for change, and they were not eastward looking.

Q: Was George Soros at all a factor? He was Hungarian, was he not?

TONGOUR: Yes, indeed.

Q: You might explain who he is and he has been, particularly since the break up of the Soviet Union a major player but how about during this time?

TONGOUR: A multi-millionaire, financier, Soros established his own foundation to provide assistance to Eastern Europe (starting with Hungary) and later the former Soviet Union in the spheres of educational, and economic and democracy promotion, to name but a few. But this was just the beginning. An interesting example comes to mind. Indiana University had scheduled a conference on Hungary in October 1987, the date that would come to be known as "Black Thursday" due to the stock market crash of that day. The actual theme of the conference dealt with the economic and political development of Hungary.

Q: And the University of Indiana, of course, has probably the preeminent Eastern European capacity programs and all.

TONGOUR: Yes. They sponsored the event and had invited George Soros to be the keynote

speaker. A memorable incident occurred when the conference organizer, who was sorely lacking in tact, began his introduction of Soros by saying that he was both happy and surprised to see him in view of the fact that Soros' stock portfolio had just lost millions in value. He kept talking about how Soros' stocks had plummeted, suffering a \$30 to \$40 million loss. After the host had once again reiterated how awful it must have been to lose so much money, Soros replied that in the first instance Hungary was so important to him that he would have come even if he had lost it. Secondly, he said, while it was never fun to lose that kind of money, having it to lose was not bad. Then, turning to topic of Hungary, he emphasized the need to help and to focus on the future of Hungary. As you know, eventually, Soros would turn his attention to all of Eastern Europe and the former Soviet Union, but at that time he was already focusing on various types of assistance and programs for Hungary. In fact, he was very interested in the idea of promoting a business school then in the planning stage, known informally as the Hungarian Management School in Budapest. So yes, he was quite engaged. .

Q: How did you fit into the Eastern European? Were you part of the Soviet bureau? Not Soviet bureau or the Soviet whatever it was.

TONGOUR: Team. Yes. You have to understand, at that time the Soviet Desk (SOV) and the East European desks worked very closely together, and they both reported to the same Deputy Assistant Secretary, who at the time happened to be Tom Simons, my former Office Director in SOV, who had a strong interest in the entire region, having served in Moscow, Bucharest, where he had been DCM, and later Ambassador to Poland. So he saw it all as part of a larger domain and one was not "disenfranchised" for working on one set of issues or region versus another other.

Q: Were you getting- We had this thing where the ambassador could not go to the Baltic States, under our rules, but we had officers, I think, I guess out of Leningrad went there. What were you getting from them?

TONGOUR: Quite honestly, I have to say that my assignment on the Desk was too short to get a whole lot. I suspect they were too busy covering the Consular District as a whole to get to the Baltic Republics very often. Probably, Washington was more focused on the situation in the Baltic region than the officers were at post. Then again that made sense inasmuch as we had all these activist Baltic-Americans as well as the NSC stirring up the pot.

Q: We use the term Baltic America or Baltic States, did you get any feel for, at that time, was there animosity between the various groups or were they pretty much singing off the same hymn book?

TONGOUR: Whatever they may have felt privately, they were singing off the same hymnal for our purposes -- except, perhaps for the issue of money. There may have been some slight tension over who was funding whom or a bit of sibling rivalry over which mission might be getting more attention from us. Basically, they all saw themselves as captive nations, both desirous of our continuing support and grateful for whatever help we could provide.

Q: I assume nobody was sitting around in Eastern Europe thinking about well, as soon as these

nations become un-captive what are we going to do.

TONGOUR: Not to be overly cynical, we were all quite aware of the reality that anyone wishing to travel to Riga had to obtain a Soviet visa. So we weren't focusing on this possibility notwithstanding our own rhetoric, and notwithstanding our hopes for the future; in fact, when that day actually came we were "underwhelmingly" unprepared. I mean, we did not really have a game plan for what to do the day after, when these nations were no longer "captive".

Q: Well this is- when one looks at this thing, one cannot help but asking, okay, we have the CIA and we put the State Department and all, I mean, focus like a laser beam on this area and yet the most cataclysmic event, which was the break up of the Soviet Union, happened and nobody was- not only that, calling it but, you know, raising it as a possibility. I mean it is not very impressive, I think.

Well, okay. Nineteen eighty-eight, I guess.

TONGOUR: That is right.

Q: And the five year rule is looming?

TONGOUR: It was looming, and we failed abysmally in our attempts to secure a waiver of the rule. And in the course of bidding on assignments, I chose a fork in the road that would have a major impact on the rest of my career in the Foreign Service. Basically, I remember thinking that after years of hard work and the frustration of not being able to have a full tour on the Hungary/Baltic Desk, I opted to bid on what I then termed a "lifestyle tour", namely an assignment in the Caribbean, which I thought would be a nice change. I recall talking to Roz Ridgway about whether this would hurt my career, and seemed to think it wouldn't as long as I didn't overdo it and that gaining exposure to a new region could be positive. In any case, I did apply for a few jobs in what I considered "serious places" while at the same time bidding on the assignment of senior political officer in a regional post, one covering many different islands from Barbados. In the end, I went to Bridgetown. Embassy Bridgetown was unusual not only because the Political Section covered seven different countries, but also because different agencies represented at Post covered a range of different countries. For example, the Defense Attaché assigned to Barbados was responsible for a region from Jamaica to Trinidad, whereas USIS had a somewhat different area of responsibility. In any event, I arrived in Barbados in the summer of 1988 and made some interesting discoveries. .

ROBERT E. MCCARTHY
Public Affairs Officer, USIS
Budapest (1988-1992)

Mr. McCarthy was born in Toronto, Canada in 1942 and was raised in New York City. He graduated from Fordham University and entered the Foreign Service in 1973. McCarthy served in the former Yugoslavia, Moscow, Leningrad and

Budapest. He also held positions in Washington, DC. McCarthy was interviewed by Charles Stuart Kennedy in 2003.

Q: What was your job when you went out?

McCARTHY: Public Affairs Officer (PAO).

Q: Could you sort of describe the structure of the embassy when you went out, and who was doing what?

McCARTHY: Right. When I went out there in 1988, there was an ambassador, Ambassador Mark Palmer; a Deputy Chief of Mission, Don Kursch; then you had a political section that had two people; an economics section that had two people; science attaché; a defense attaché with maybe three or four slots; a modest admin section. Our USIA public diplomacy section was a PAO, a deputy and maybe six or seven Foreign Service National employees. And we were only in Budapest. We weren't anywhere else. We were all inside the embassy building on Szabadsag ter, a nice mansion of a building. In other words, not ready for what was going to happen.

Q: When you arrived, what was the Hungarian government like, and what was the status of our relations with them?

McCARTHY: Our relations were good. There were no major irritants. The USG had returned the crown of St. Stephen some years earlier. Again, this was the Gorbachev era. We didn't know how far reform was going to go, but Janos Kadar had just been replaced, and he was associated with inviting the Soviet troops to crush the 1956 uprising. There was a Communist reformer within the government, Imre Pozsgay, who was considered sort of the great hope. The ambassador had a lot of contact with him, as well as with other elements of the government. It was a good relationship.

Q: Having gone through the Prague spring and even before that the putting down in Budapest of the Hungarian revolution, there had been these springing up things. A hundred flowers bloom and they get their heads chopped off.

McCARTHY: Yes.

Q: Was there concern on our side that this might be in the offing, and by Hungarian contacts, too?

McCARTHY: Yes, that's an important question. After the 1956 uprising and suppression, there was a period where not much happened. But then around the late 1960s, 1968 or so, the New Economic Mechanism was launched. Economic reform was permitted in Hungary, permitted by the Soviets, I mean, as long as none of the holy of holies was challenged - the role of the Party, Warsaw Pact. People who had been involved in '56 below the leadership level were able to conduct research. They were in institutes. They weren't stoking furnaces someplace, as they did in Czechoslovakia. I don't mean to minimize retribution after '56. People were imprisoned, Imre Nagy was executed, etc. But still many Hungarians could continue with their research, as long as

they didn't teach, and that was a difference with Czechoslovakia, I think. And there was this, I believe, self-restraint, this recognition that you can do things as long as you don't cause a lot of publicity. Hungary is not really on anybody's front page. We will just go along, making our economic system a little more like a functioning commercial system. And, very important for your question, Ambassador Palmer took it upon himself to be in touch constantly with the opposition. So you had young, highly educated Hungarians who wanted a new way of doing things, and he would have them over to the residence, he would even be out in the streets sometimes when they were marching. Partly that was, it seems to me, to show support for what we believed in and partly so that you wouldn't have these flowers, as you put it, chopped off when they're just starting to put their heads up.

Q: What was the role of the public affairs officer, and what sort of things would you do, when you arrive, because obviously we're going to talk about the changing environment?

McCARTHY: When I arrived, the first thing I tried to do was figure out what was happening. What are the resources we have? What can the staff do? And what are the points that we can concentrate on? There's going to be reform, I can see that already. I wanted to avoid a scattershot approach and really make it count. What is the likely calendar of events so that our resources can come online when they really make sense in the Hungarian context and be welcomed and used. Where is the intersection of American and Hungarian interests where we can get the most bang for the buck? I would say that my predecessor had done a wonderful job putting USIS in position to play an important role.

Q: Who was that?

McCARTHY: Csaba Chikes was his name. Establishing great contacts with the media. The main television was across the street. Csaba knew everybody in the weekly news program, the daily news program. He took me around. Same thing with Hungarian radio. We spent time together before he left. That was terrific. I could lunch off that for a long period of time. So, initially, getting people, American visitors, on Hungarian television and on Hungarian radio and with interviews in the press to express support for reform was important. You know, opportunities for the Ambassador to do that were very important. Running the exchange programs was important. Bringing people in to talk to Hungarians. But those first few months were a feeling-out period.

And then I think the first thing we took on was in the legal area. There was a new Justice Minister, Minister of Justice, who was very reform-oriented. And he wanted to make changes. Among the changes he wanted to make was having a new constitution, and this was before the real changes occurred later. The contest was changes within a communist state. So, the Ambassador had him over and we worked with him and suggested a program of activities. We would take his drafting team, drafting the constitution, and send them to the United States. They would consult with experts, take a look at how a state's constitution functioned, look at the division of powers, look at what the courts did on constitutional challenges.

Through all this, it was very delicate because the Hungarians are highly educated people and you had to avoid seeming to patronize. You had to avoid seeming to say, "We will teach you how to do it," because they weren't going to stand for that. So you would legitimately frame it as a

chance to take a look at the American experience as you look at the other experiences because you are going to draw on and reject parts of what other people do. This was a chance to take a look at what we do in the U.S. We then proposed, or we talked about, a constitutional conference, sort of stimulated that idea. They did have the conference. We brought in an appellate judge and constitutional scholars to participate in that conference. At the same time, we worked with Hungarian book publishers to publish the Federalist Papers in Hungarian, to publish the American Constitution in Hungarian, works of political philosophy. These were then sold in bookstores and we also distributed them.

Looking down the road a little bit, we put in place internships and fellowships for young, promising Hungarian legal scholars and practitioners who would go to the States and study, get a master's degree, Master of Laws, and come back. So we were working with Justice Ministry on what they were doing, working to prepare the next generation, providing the American experience to them, publishing materials that would be of use to all these folks and help shape the political culture, and supporting this constitutional conference.

Later on, we followed up on some specific things. There was a professor of law there who was not in our program, Professor Fletcher from Columbia University, who spoke Hungarian, and he was doing judicial training for people. So, we went down and attended some of those sessions and added on International Visitor programs for some of the best participants in those programs. We did moot courts where people would come in and do mock trials, and with USIA support, we had American experts participate in that.

And then way down, this would be a couple of years later, we had a person in the Ministry with a phone and fax and all that, and that person would field queries. If the Ministry of Justice wanted to take a look at some aspect of American legal processes, judicial processes, that person would field the inquiry and then send it to Columbia University where there were law students and professors engaged to help with answering that queries.

So that was one of the first things we did- law. We picked three or four different areas where we thought we could make a difference, which were in line with what we're supposed to be doing anyway. We're supposed to be telling America's story to the world. So here you had the most interested constituency you could imagine on this particular aspect of what the United States is all about. Very attentive, and with great influence in their country. In addition to helping them solve astonishing complex problems, we also had a wonderful audience for talking about the United States; and, by the way, people in the United States were afforded the opportunity to hear about what was going on in Hungary from the people who were shaping the legal system.

Q: Tell me about the legal system. You know, you have the common law, and you have the Code Napoleon. And, they are not terribly compatible.

McCARTHY: Right.

Q: I would think Hungary would fall under the code, rather than the...

McCARTHY: And this is one of the things that we were constantly talking to the Hungarians about: you might want to take some of the things that we offer and not other things. But when you are talking about a judge functioning in chambers, how the judge organizes the judicial calendar, how the judge disposes of cases, and what the jury system, jury trials are all about... all that is compatible. So, you're right. Not everything is applicable. And there are other areas like that, too, where... and the Hungarians constantly made that point to us.

Q: I think the overall point is that we were, you might say, proactive. We jumped into this thing right away, rather than doing the traditional diplomatic thing and sitting back and saying, "We note that they're making changes..."

McCARTHY: Right.

Q: In other words, there's a reporting function, and the other one is to roll up your sleeves and get in there.

McCARTHY: Right. And I have to say that Ambassador Palmer sort of set the tone for that embassy as proactive. Very much so. And Charlie Thomas, when he came in later, continued that. They were both very supportive of the public diplomacy activities, as was the DCM/Chargé Don Kursch.

Another example. We knew that with changing regulations, there would be more small business development, that is, as these large, state-supported enterprises change, people would be starting their own firms, people would be looking for ways to make money when they couldn't make money the normal ways. So, working with the economic section, we focused on a small Hungarian outfit established to support small business. We helped them, sent the director to the States on the International Visitors Program. Then we heard about this wonderful woman, Katherine Marshall, who had left, speaks Hungarian, and was high up in the Small Business Administration of the United States. So we worked for about three months or so to try to get her to Hungary. We succeeded and USIA, bless its soul, bent a lot of their procedures so that she could come for a long stay, and that was extended for months. She worked with Agnes Tibor in this small business development organization to develop materials in Hungarian, run seminars, identify key people to go to the United States on programs, so that by the time this subject got up high on the Hungarian government agenda, we really had a lot in place.

Q: What about other countries? Were they involved in this? Germans, French?

McCARTHY: Yes. There was the British Know-How Fund. In fact, Katherine Marshall went around with the Prince of Wales for two days, advising him on small business development, which elevated her prestige and the prestige of our small-business operation immeasurably, and also provided good advice to the British. They were there. The European Union had the PHARE Project (Poland, Hungary Assistance and Reconstruction of the Economy, I think) to provide technical assistance. If you are looking at this in the abstract, you'd say, "The way to approach this is let's all sit around a table, all the donors, we'll decide what we want to do; we'll make what we want to do complementary; we'll achieve critical mass by combining resources; and we'll go forward with a plan." But in fact, the funding cycles are so different, and the EU has so

many constituencies to satisfy... It has its own procedures and timetables. So, actually it's better to proceed and then make things make sense on the ground by meeting with people and trying to make things mesh... But yes, there were other countries involved. I don't think anyone was off the mark as quickly as we were. Now, I have to say, we weren't there with immense resources either.

Q: How about the non-governmental organizations? You know, the legal ones, there are all sorts of...

McCARTHY: Absolutely.

Q: How did that work out?

McCARTHY: We tried to identify good, non-governmental organizations that we could work with in Hungary. And we did. There was one called, DAC, Democracy after Communism, for example, that we worked with on legal matters, just sort of coordinated on issues. The SEED organization (Support for East European Democracy) was a non-governmental organization. And there were the non-governmental organizations that were involved from the United States. For example, the National Democratic Institute, the International Republican Institute. Once we got into having elections, they were extremely good, coming in, working with the opposition parties. There were hotels, resorts, that were not used, they were off-season, on Lake Balaton. They'd bring everybody down - politicians, campaign managers - and they'd have a seminar for a week or two weeks. They did great, great things. They'd have the same expert coming back in who was very knowledgeable. And we would not try to compete with that. We would see that was happening and we would think that was great, and we would look ahead to where we could make a difference - After Parliament is elected, then what?

And so, in advance of the elections, we worked with Parliament on a parliamentary reference service, like a congressional research service, something of that nature. We got a good program going, partly because a flight was missed, a flight was diverted. The chancellor of the State University of New York and a small delegation were flying to Poland and their flight got diverted. So we met for dinner since they were in town anyway. They were talking about this legislative support program they had in Chile, run out of SUNY Albany. And it sounded great. So we explained what was going on in Hungary and that there were going to be these parliamentary elections and we'd need something like that.

And the long and the short of it is that USIA funded that individual - who'd done that Chile project - to come to Hungary and work with the parties, and work with the library that was attached to the parliament and get ready for this congressional research service. This, then, was followed up by an AID grant to SUNY. AID sent an American expert in to be resident for a year, and when our Congress, with Congressman Frost at the head, decided to have a big project to help east central European parliaments with information systems, we had something to build on and excellent contacts. So non-governmental bodies were important. There were other NGOs from outside, like the German Marshall Fund that were very active and very good. There must be others; none strike me right now. Our desire was always to include them.

Q: I can see where you would have a major problem in whatever kind of help we gave of our not appearing condescending or something like that...

McCARTHY: Right.

Q: So much of what we've done has been in places where you really didn't have the intellectual reservoir that you could draw on in a place like Hungary.

McCARTHY: Yes, it permeated everything. And it's all in your attitude. In the Justice Ministry, there was a period there, where, a deputy justice minister initially was very cold to the idea of working with us because of that. But I think when they see your good will and you recognize their attainments, and they see that what you really are doing is compensating for the types of contacts that would have happened except for Communism, which limited these types of exchanges, it makes sense to them.

Q: Were you able to draw much on the fifty-sixers who went to the United States?

McCARTHY: Yes, some of them would come back. I mentioned Katherine Marshall, and of course there was George Soros. Some of the political scientists would come back. And they had their own contacts, generally. So, it was more they would do their thing and we would talk to them about what was going on.

Q: What about the exchange program, which I guess we had for some years.

McCARTHY: Yes, that's right.

Q: Did you find that the Hungarians who had gone to the United States, been in the exchange program and come back, were they a group you could get together with. Did they prove to be a good source or not?

McCARTHY: Yes. You have excellent people in every field, pretty much, in Hungary. So you could choose very good people to go on the International Visitor program, academic exchanges, etc. The people who went on the Fulbright program were often heading up departments or in senior positions in the universities. And then we had Americans coming this way, of course. About this time, we had the Support for East European Democracy Act, the SEED Act, special legislation to support economic and political reform. So we were able to increase the number of Fulbrighters dramatically. Hungary had, at one point, and I still remember this number, 57 Fulbrighters, which was second in Europe only to Germany. We were lucky because Hungary was out in front. In '89 there was general revolution and a lot of these issues that Hungary was then facing became more common. But we had a head start in terms of calling on resources and having the leisure, in a sense, to think about what we wanted to do, map it out, explain our plan to Washington, and get those resources.

But the Fulbright program was very important. We dealt with the Fulbrighters all the time. We had brown bag lunches. USIS had moved, by the way. From this embassy we moved into a self-standing operation with the Foreign Commercial Service and into one wonderful building. We

had a multi-purpose room there where we had a standing invitation, I think it was once a month, to a brown bag lunch for Fulbrighters, 12 to 2 on Wednesday, whatever it was. And we'd try to go, and if there was something we wanted to convey, we'd convey it, and if there was something they wanted to talk about, they'd talk about. What we tried to do was get Fulbrighters involved beyond teaching in the classroom. If someone was teaching in Budapest, we'd try to get them out to do a one-week seminar in a provincial university. If somebody was an expert in public administration, we wanted to get them down to a city that was talking about improving the way they administered the city. If somebody came on a short grant and looked good, we tried to convince them to apply for a full-year Fulbright, so they'd come back and be resident over the long term. So that was an extremely important element. The first Minister of Foreign Affairs was a Fulbrighter, for example. We were always trying to work with other institutions, so they could be partners with our exchange scholars. So that gets to your NGO question, but it also gets to the Fulbright program, because we wanted to have a bilateral Fulbright Commission. Ultimately, by the my fourth year, we had a binational Fulbright Commission to run the Fulbright Program, which meant that it didn't have to be run out of the U.S. Information Service.

Q: Well, as we watched this... This is prior to the events of November-December of '89 but earlier than that... Hungary was way out ahead, wasn't it?

McCARTHY: Way out ahead. They had this reform government that went through that first year. Then they decided on parliamentary elections. Now, Poland was ahead of Hungary in the sense that they'd had their election, but... I shouldn't say but. The Poles were out ahead so far in so many ways for this postwar period, but their election guaranteed a certain number of seats to the Communists in some formula. I forget the exact details, but it was a necessary accommodation to reality at the time. But the Hungarian election was completely free, that is you had a slate of candidates and you voted. I remember going out to the polling places, which was another memorable, memorable day... (oh to say nothing of the... let me just come back to the Germans living in Hungary. That was a big deal.) But you went around to these election sites, these little villages. I drove to six or seven little villages. The poll-watchers were there, the electoral committee was there, the urn was there, and the enclosed cabins. The people were as pleased as punch, just to be able to do this. And you'd talk to people after they had voted and they'd say how wonderful it was. And some old people would say they were voting for FIDESZ, which was the youth party, "because after all, we haven't been able to do too much, maybe the young people will be able to do something."

But in addition to, talking about being way out ahead in those ways, Hungary offered chances for East-West communication too. Lake Balaton was traditionally a place where families could reunite from two sides of the Iron Curtain. West Germans could drive into Hungary very easily with their campers and go to a campsite in Lake Balaton. East Germans could drive down to a campsite, and lo and behold they happened to be parked in the same campsite, and they would talk to each other. And that's the way they would meet or keep in touch. This would be I guess '89 that the Germans came down through Czechoslovakia, and...

Q: These are the East Germans.

McCARTHY: These are East Germans, wanting to emigrate via Austria from Hungary. But the border was closed. On the Hungarian side. When you went across those borders on those days, there was barbed wire, there were watchtowers, pits for examining the underside of vehicles. It was not an easy border. Hungary was permeable, but it had real borders where the roads crossed. And then the Hungarians decided they would take down the barbed wire fence. I still have a piece of barbed wire framed from that barbed wire fence. And it was announced on the weekly news program, Gjula Horn, the Foreign Minister, announced it on the weekly news program. And those Germans, who had been camping on church grounds in Budapest and at other locations, left and went into Austria. That was a major thing, and that helped precipitate a lot of the problems that East Germany had. You could say that was another way that Hungary was ahead.

Hungary was also ahead, in a sense, just by virtue of how permeable its borders were to information and how much contact Hungarians had with the outside world. They had all these '56ers around. They would come back and visit. There was a lot of visitation. When you went to Vienna, there would be streets in Vienna where the signs would be in Hungarian. All the shopkeepers spoke Hungarian, because Hungarians used to drive out there for three hours, get stuff, and drive back. You drove across the border to Austria, and you wouldn't go a few hundred yards when you'd see these big containers, like the containers you'd put in the back of trucks and on ships, except they'd be in a field on the side of the road and there would be washing machines, and dryers, and freezers spilling out of the containers on the side of the road. Every other Hungarian car coming back to Hungary would have some big appliance strapped on the roof. Plus, Hungary is located right in the middle of Austria, Italy, Yugoslavia. Radio broadcasts and television broadcasts easily reached them. So they were very aware of what was going on in the outside world, which is another aspect of being prepared, advanced.

Q: Well, in a way, in your contact with the academic community, did you find a contrast with the Soviets? Were these much more sophisticated people in a way?

McCARTHY: I had more contact with them, so it's hard to make the comparison. I had more direct contact. It was easier. They were very sophisticated people. They were part of Western culture. There are the remains of a Roman settlement on the Danube just outside Budapest. They participated in the Enlightenment and the Reformation. In their studies, even though a course might be called Marxist Leninism or dialectical materialism or something like that, in some universities they would have read the Enlightenment philosophers. They would have read a lot of the things that people in the West would have read in those courses. The Hungarians used to say, "We're the only people who go into the revolving door behind you, but come out ahead of you." [laughter] Soviet academics were also sophisticated, and there is a great tradition of scholarship. The difference is more in the historical paths followed by the two countries.

Q: When things started getting really tense, particularly in Czechoslovakia, where East Germans were getting into the West German embassy...

McCARTHY: Right.

Q: And East Germany was getting restive. I guess this is the Fall of '89, this was a pretty tense time, wasn't it? Because it could have gone the other way. How was this being played out in Hungary?

McCARTHY: Hungary was very, very supportive. They had reports from people who had gone out to those countries. But the big thing was Gorbachev. The big thing was the Soviet attitude toward all of this. And when it became clear that... earlier Kadar had said, the traditional line is, "If you're not with us, you're against us." And Kadar reversed it, "If you are not against us, you are with us." That's basically what the Soviets said. The Soviets said they were not going to intervene to save communist regimes in eastern Europe. They let developments take place. And once that happened, that was the big reservation on everybody's mind. And soon after that there was an agreement to pull Soviet troops out of Hungary. To leave those bases.

Q: During this time, really prior to the fall of the Berlin Wall, were the Soviets doing anything? From your perspective, were they just caught up in events and watching things, or were they trying to put things back together again, in Hungary?

McCARTHY: In Hungary... my perch may not have afforded me the real bird's eye view on this, but I recall nothing that the Soviets were doing to try to stop this. The Soviets had immense problems with reform at home, of course. And sufficient problems with the United States on arms control agreements, which were a big deal. There was SDI, pressure on military buildup, so the resource question in the Soviet Union was a big one. The Soviets were trying to keep up the arms race with the United States, do reforms at home, and Gorbachev was trying to consolidate his position and think about whether what he wanted to do was consistent with an unwilling appendage... an empire on its borders. As I recall, this led to a hands-off attitude. There were all kinds of questions, about how to deal with the Soviet Union, e.g. about the Soviet Memorial and the Liberation Memorial, and what day should be celebrated as national day, and what about Revolution Day, and all kinds of practicalities while the Hungarians were going down this road. But I don't recall anything any major Soviet resistance. I remember the Soviets would be selling... Soviet troops would be selling gasoline, they'd be selling equipment...

Q: Was there at all the feeling that the Hungarians were surreptitiously arming if they have to go through another '56, or something like that?

McCARTHY: No. It wasn't at the level at all. Remember, it was reform Communism at first, with no real challenge to anything sacrosanct, and then Gorbachev approved of elections. Earlier, in 1988, there had been demonstrations in the streets - some of them in opposition to a dam between Hungary and Czechoslovakia, at Bosnagymaros on the Danube - and the police had intervened with truncheons. Times were tense then. By fall 1988, though, those demonstrations all went peacefully. The Hungarians commemorated 1956 with peaceful marches as well.

Q: You know when you talk about commemorating 1956, there used to be a time when they'd commemorate 1956 with, "this is when the glorious forces of the Soviet Union helped us repress these dirty rebels." Was this a different commemoration?

McCARTHY: Yes. It's hard to remember now, but the big issue was how you referred to the events of 1956. The communist party had always referred to it as a "counter-revolution." Then in early 1989 Imre Pozsgay, the principal reform communist, referred to it as a "national uprising." This set off a fire-storm of debate, covered by the media. Popular sentiment was in favor of calling it an uprising, and this revisionism eventually led to the rehabilitation of Imre Nagy, another major event.

Q: Oh, yes.

McCARTHY: And they had, you remember the big statue of Stalin that was toppled in '56, you know they pulled down this huge statue?

Q: Yes.

McCARTHY: On Hero's Square, which commemorates the founding of the Hungarian state around the year 1,000, when Hungarian tribes came in from...

Q: This where they have the guys on horseback ...

McCARTHY: Yes, exactly.

Q: Mustaches and beards... and look like a pretty wild group.

McCARTHY: Yes, exactly. Magyars, they were horsemen. Absolutely. That's exactly the place. That's where they had the ceremonial reburying of Imre Nagy. There was a coffin and coffins for others as well, as I recall, but it was mainly about Imre Nagy. The coffin was tilted up, and you could see it from all over the square. And the Hungarian tricolors, the Hungarian flags, were flapping everywhere. They had the Soviet hammer and sickle cut out, or gouged out, so you'd have a ragged, circular hole in the middle of these flags. That was the way flags had flown in 1956, and you had a line of people coming up to the square, circling the square and going by the casket and dropping in a flower. It was a coming to terms with the past. The ceremony was permitted but it was not governmental at all. It was on a major square, a square where there are many commemorative events. And this was a public reflection of what 1956 meant to Hungarians.

There was another great day, beautiful fall day, October 23rd, when the Republic was proclaimed. That was an anniversary of the 1956 uprising - so another historical reference and commemoration... A big flag hanging out the window of Parliament, and the whole square full of people, thousands and thousands, 100,000 people out there. I remember a police car coming through the crowd and I was thinking, "Oh, no, this is bad." But people just parted and the police drove through.

By the way, at the time, all these things were considered astonishing, like acknowledging the revolution, letting the Germans out, a public ceremony for Imre Nagy, who had been considered a traitor... he was executed, a new constitution, public elections. It was a door that was swinging open, bit by bit by bit by bit, and you tried to chock in some doorstops, or give it a little extra

nudge every time, but nobody, or at least I did not think, that it would swing that far open with such far reaching results.

Q: Were there a bunch of apparatchiks who were going to be left out in the cold or was this a- (End of tape)

McCARTHY: They were, but they were discredited. The party at the very top had made the decision to reform. Everybody on the outside was supporting this and nudging it forward in different ways. This tendency was getting support from many quarters. The Hungarians had a big annual film festival, Budapest film festival. A number of the films had archival footage of what had happened in some of the small Hungarian towns in 1956. The past was being uncovered for all to see. Summer of 1990, July, President Bush visited. This was a huge gesture of support. (And by the way arranging the press support for hundreds of accompanying journalists was a major challenge for us). He'd been in Poland, and he came to Hungary. There were advertisements in the major papers, and I confess to having advised against the advertisements (You know, we don't want to sell the President the way we sell washing machines), and I was completely wrong. It shows how your ideas can be stale. The advance team wanted to put these advertisements in and they were right. It was a casual picture of the President with information on when he was going to arrive to speak at Parliament. When he came in, the streets were full of people with flags, in a drenching rain yet. And it wasn't a forced turnout, it wasn't one of these totalitarian state things where you, you know, this is your street corner, make sure you be there, here is your flag, wave, okay, go back to work. People really wanted to be there. So, the forces that didn't want change were minimal and marginalized.

Q: How did you find the media there when you arrived?

McCARTHY: The media were very open and they had some very good people in the media. We'd established very good contacts with the media through my predecessor, as I said. They had two weekly current-events shows and a daily newscast that were very, very good. The people had traveled to the West; the anchor who did the panorama show spoke English, spoke Arabic, was very well educated. The news people were very well educated. They'd been all around. Their coverage was pretty fair. Three major newspapers had correspondents in the U.S. They later came back to Hungary, and I knew them pretty well. It was good. Funding could be a problem. If the Hungarians wanted to do an important story from the U.S., for example, we worked out an arrangement with USIA where the Hungarian journalists could use a studio. We would provide studio access and an uplink for their program to bring it down in Hungary. USIA facilitated that. In Budapest, whenever there was a prominent American in town, whether it was Zbigniew Brzezinski, or Ambassador Eagleburger, by then I guess Deputy Secretary Eagleburger, or Ambassador Schifter on human rights, we had little problem getting them good television coverage. Our interests and the Hungarians interests were the same in that respect. I was quite impressed. The media were not controlled... This doesn't mean everything was problem-free, of course. There was an incident and I don't remember what they left out... It was a big, big deal at the time, but for my life I can't remember what the essence of it was. But the Ambassador did an interview, and it was published in the paper, but there was a key omission that made the Ambassador seem to be against some element of reform. We called back, and they reran the interview with the right words.

Q: Were the Hungarians beginning to play sort of like the Western press in... this is before the fall of the Berlin Wall, I'm dividing things off... In Moscow. Big things were happening of course. The Gorbachev whirlwind was in the mix. Was there frequent reportage, Hungarian-wise, on what was happening?

McCARTHY: Yes, there was. There was a letter written by... boy, it's a bit dim in my mind now... by a Russian schoolteacher protesting the reforms and it got a lot of play in the Russian press; the anti-reformers were backing it. That whole incident got extensive coverage in Hungary, to cite one example.

Q: But the Hungarians were well aware of events in Moscow, weren't they?

McCARTHY: Yes, very aware of events Moscow, and very aware that events in Moscow were crucial to their future. They didn't look to Moscow for anything other than permission, really. One of the great benefits of going from Communism to non-Communism in Hungary versus going from Communism to non-Communism in the Soviet Union is that in Hungary communism was imposed from the outside by the Soviets. You know, 'They did this to us. They laid this thing on us. If it weren't for that burden on our shoulders, we would be Austria.'" Hungarians tended to look down on Russia, even, I would say grossly underestimate the attainments of Russian culture.

Q: What about language? By the time you were there, were the students learning Russian more than English? How were things going then?

McCARTHY: It's interesting. Typical Hungarian sort of thing. Hungary had a lot of Russian teachers. They had a commitment to teach a lot of Russian. The way it tended to play out was that rural school districts had Russian teachers, but if you were in an area with a lot of well-placed parents, upper-middle class parents, you tended to have English teachers. And the English-teaching community was extremely open to us. One of the big problems they had was, "What do we do with all these Russian teachers, once students could choose what language to study. Nobody WANTS to learn Russian. People are taking Russian because it's the only language we give in some of these outlying districts," where there was no choice. So Hungary initiated a conversion program to prepare Russian teachers how to be English teachers. And, the English teachers at the same time, wanted to upgrade their skills and bring in new materials, etc. Our Regional English Language Officer (the RELO), a member of the USIS staff, was extremely dynamic, Greg Orr, and we would do things like: we would have a three-week seminar for key secondary school teachers down on Lake Balaton every year; key people from the university attended. We'd bring in experts from the United States and we'd put on an intensive three-week program, including American culture and things and information about the U.S. This was a time when we had "Family Album USA," which was a sort of a soap opera about an American family, the Stewart family, family-oriented entertainment, with language teaching, on Hungarian television. So, you'd follow this family through its day and the children and the wife and the shopping and the conflicts within the family. At the end, there would be a recap of some of the expressions. She said, "Get lost." What does this mean? Here is what it means. They'd go through idioms. It was very good. I mean, I used to watch it even. It was sort of fun.

So, yes, they did teach Russian; no, it was not wanted; they had to figure out how to deal with it politically. They were very open to us; this was great entree into the educational system. And, when the Peace Corps came in ... another “we’re not patronizing” challenge, which took a long time. You know, the Hungarians would say ‘We are not a backwater that needs to have volunteers come in and teach us how to have clean water.’ So, the Peace Corps was there to teach English, to offer English-speakers, to help the school system. Our RELO went all around Hungary - We offered him up for six weeks - with the Peace Corps representative, while they figured out where these volunteers were going to go. Then those Peace Corps volunteers... what wonderful resources for us. They would use our materials and get materials into the classrooms. We also had English Language Fellows, USIA-sponsored educators with advanced degrees in English as a Second Language. The English Language Fellows were in the pedagogical institutes where the teachers were being prepared, whereas the great majority of Peace Corps volunteers were teaching in local classrooms. So there was a sort of a layered system. We would try to help with the Russian - to-English transformation program. Some of the Peace Corps volunteers were in that. I don’t know that that really worked out exceptionally well... The Hungarians also had special high schools where... they always had schools where the courses were taught in English. They initiated what they called, “the zero year high school.” They had a competitive test, and if you got in, you spent the first year on intensive English language study and then you took all your subjects in English. Under the Fulbright teacher exchange program we brought English teachers to go into those ultra-elite high schools and work on those programs.

And there were other special foreign-language schools in some of Hungarian cities. In some cases we arranged partnerships with American schools, and in other cases arranged to have American teachers placed in those schools. So in a variety of ways, they were very open to English, the American version of English, although there was some lingering prejudice against American English versus British English. The British council was there; in some countries it can be a competitive relationship; there, it was very harmonious, largely because of our Regional English Language Officer his excellent FSN assistant, who stressed cooperation.

Q: What about German? This is middle Europe and the theory has been Germany would sort of take... what was happening there?

McCARTHY: That’s right. People of a certain age would often speak German. You could speak German with them. They were involved in business activities, and particularly close to the border there was a lot of joint business activity. As time went by, Germans became quite involved economically there. There were some people who wanted to learn German, but, you know, for a country like Hungary with a language that nobody else was going to speak, your key to the outside world was really English. That’s really where your future was, and that was why they recognized it. Plus there was all the pop culture appeal.

Q: Well, I think this is a good place to stop. I put at the end here, that Bob, we’ve covered a lot of your activities, but we want to now talk about the very tense time during, in East Germany and Czechoslovakia, in the Fall of ’89, and how that was followed, and then what happened thereafter.

McCARTHY: Okay. Great.

Q: Today is the 2nd of April, 2003. Bob, just to reprise, what was your job that we were talking about?

McCARTHY: Public affairs officer in Hungary from 1988 to 1992.

Q: Okay, so we've come up to Fall of '89.

McCARTHY: Right.

Q: Was the Fall of '89, as it came from summer of '89, did you look upon this and say, 'Oh, we're coming to a momentous time', or how did you feel?

McCARTHY: I thought about this after our last conversation... My memory is of being impressed by what was happening in Czechoslovakia and Germany, knowing how important it was, but of being preoccupied with Hungary and sensing that Hungary was preoccupied with Hungary. I think there are a couple of reasons for that. One of the main reasons is that in Czechoslovakia and in the DDR at that time, there were bottom-up movements that forced political change at the top reluctantly. Big demonstrations that were repressed, got out of control, enlarged, and ultimately led to the overthrow of the regimes. Nothing gradual about it.

Whereas in Hungary, there was a relatively reformist Communist party at the top, and it was pushed from below by popular elements. And that party had done a lot. Those large demonstrations that we talked about last time, against the dam, the Bosnagymaros Dam, they permitted that. Even in September/October 1988, there was a huge demonstration that was not suppressed and the government suspended work on the project, even though it was joint Czechoslovakia-Hungary project designed to supply power to Austria.

Another example was permitting Hungary to recover its past. We talked about the Imre Nagy rehabilitation, but also, prior to 1989, on March 15th which was the memorial of the 1848 repression of the Hungarian revolt by Russian troops, there had been unofficial demonstrations. A stand-in for '56, really, and they were repressed. In 1989, in March, however, that march was permitted and officially sanctioned. You had 30,000 people participating in the official commemoration - almost like the Stations of the Cross, going around Hungary, stopping at landmarks. The opposition still did their own 100,000-person commemoration because they didn't want to be co-opted. Don't hold me to the figures. The point is that the attitude of the regime toward expressions of popular sentiments was different in Hungary. So that I think is one of the reasons that those events in Czechoslovakia and Germany, although important, didn't seem to be pushing Hungary along. Hungary had its own dynamic.

In fall 1989 we had the October Leipzig demonstrations and in November the demonstrations in Czechoslovakia. In Hungary we were coming to the end of roundtable negotiations that had lasted six months or so between the opposition, and the Communist party, and quasi-front

organizations. They were concluding with a lot of changes recommended for the constitution, and a lot of changes regarding legality and governance and a host of other important changes. In September, as we discussed last time, Hungary cut the wire on the Austrian border. That was another example of Hungary sort of going its way, although it meant breaking a long-standing agreement with East Germany.

Q: Oh, yes.

McCARTHY: East Germany had built a wall to keep people in, but the deal was don't let people out someplace else. But Hungary decided that its political imperatives required it to do that. So, coming up to that fall period, there were events in Hungary that were completely absorbing. On October 23rd, as we mentioned last time, the Hungarian Republic, not the democratic republic, the Hungarian Republic was established, 100,000 people out in front of Parliament. That's the time when the Leipzig demonstrations were very big.

Q: Did they do anything to the flag?

McCARTHY: Yes, changed the flag.

Q: Get rid of that...

McCARTHY: Yes, completely different. And there were endless discussions. Another example of something that absorbed the country. There were endless discussions about what should be in the flag. The crown of Saint Stephen with the tilted cross? Some representation of Transylvania, the green part, etc.? And, another preoccupation of Hungary, through that whole period, was the status of Hungarians living in Romania as a minority... one and three-quarter million or so... big demonstrations about that, too. The news that was coming out of Romania was magnified in Hungary all the time, Ceausescu was then trying to eradicate villages and establish large, industrial, agricultural cooperatives, and the feeling was that he was trying to eradicate Hungarian village life. So, any time there was an atrocity, or a priest was prevented from practicing, or a Hungarian language publication was suppressed, that was big news in Hungary. There was a large movement that kept that in the forefront, the Hungarian Democratic Forum, and they took part in the election later. Hungary was so intent on sort of...

Q: This must have given Hungarians talking to you an awful lot of pride... I mean, saying, "Look, we're doing away with this thing, and we're doing away in our way." For example, were you hearing any jokes about Hungarians versus Czechs, versus Germans, Romanians, and that? Because, often, that's the way these things are expressed.

McCARTHY: Right. No jokes spring to mind.

Q: Oh.

McCARTHY: But, yes, people were extremely proud, and their point of reference wasn't Czechoslovakia or Poland. Their point of reference was Austria, their former partner in the Austro-Hungarian Empire. What they felt was, "If we hadn't been forced to wear this straight

jacket, we would be where Austria is. That's our rightful place." Going back to what USIA was doing at that time, if I can put in a plug here, as its constitution was coming to fruition around October of 1989, we had already been working with the justice ministry since the Fall of 1988 on this. The drafters of the constitution had gone to the United States on the International Visitors Program. We had suggested some sort of conference and the Hungarians ran with that and made it an international constitutional conference involving a dozen different countries, including the United States and many of the Western European countries, presenting papers on the constitution. Frankly, I think the Hungarian interest was more in building up international solidarity for what they were doing, and drawing attention to what they were doing to stimulate it, than it was in learning. But, all through this process, there was enormous pride. One of the things from the standpoint of a U.S. government official, particularly in USIA, that you have to bear in mind all the time, was to avoid even a hint that you were patronizing or teaching. Everything was presented in terms of a joint effort, as it was, because people in the United States were extremely interested in learning about developments in Hungary. Hungary was on the crest of the wave there, until October or so, and events were changing so quickly that even specialists couldn't keep track. So in the context of all those joint things that we did together, there was enormous pride.

Q: How did you find your home office responded, because you must have had lots of requests for things. Because here is something opening up that we've been planning for throughout the... for the last forty years or so, but when the time came, were you able to get stuff out...

McCARTHY: The home office was great. They redirected money internally. And then we had the Support for East European Democracy Act, 1990 I think, and we had funds for that. For example, in 1991 or so, we had 57 Fulbrighters. Hungary is a country of ten million people, so that's an enormous input of resources for us, and, as I mentioned, those Fulbrighters, although they were teaching, were also encouraged to get involved in practical work as well, in their areas of expertise.

When we got to the elections, USIA came in very big again. They established two special chairs, one in economics/small business development, and one in political science and history. We had several Fulbrighters involved in important undertakings, like developing a civics curriculum for Hungary (a Hungarian Fulbright professor and an American Fulbright professor worked on that jointly. In fact the American expert Professor Joe Julian of Syracuse University, subsequently devoted a number of years to promoting civics education in that part of the world).

Another area where USIA provided exceptional support was in our effort to improve local governance. As the political system changed in Hungary, more power devolved to the regions and the cities outside Budapest. An American professor with extensive hands-on experience, Terry Buss, spearheaded our local government program. The model was roughly this: (a) visit a city, listen carefully, present an overview of what might be done, respond to specific concerns, and figure out the next important item on that city's agenda (b) provide relevant material to the city, develop a seminar/workshop in response to the most pressing agenda item for that city, and return to engage local leadership on that issue, including specialized expertise as needed. In essence this became an extended dialogue over several years. The basic framework was set at the beginning of the project, but one phase built on the preceding one, depending upon local needs.

This outreach involved academic institutions, local government, and business representatives. It was highly collaborative and participatory. Keeping a project like that on track required a great deal of attention and flexibility from USIA, and our Washington colleagues really came through for us.

So, in a word, USIA was very good. Our system was to have an annual country plan for each country, and every year I found I had to rewrite the country plan. Normally, when you redo the country plan, it's an edit... it doesn't change that much.

Q: As you move into late Fall, and things are really popping in Czechoslovakia first with the refugees, the people going to seek asylum at the Western German embassy, and then things started happening. In a way, that pressure wasn't there in Hungary, was it?

McCARTHY: That pressure was not there because free travel was already permitted for Hungarians, traveled back and forth. On one of those big days - think it was maybe the March 15th demonstration in 1989 - was also one of the biggest days for shopping in Vienna that anybody can remember. Half of Hungary celebrated, and half of Hungary went out to Mariahilferstrasse in Vienna, where all the storekeepers spoke Hungarian, and loaded up on goods.

But you had things that were going on that generated a lot of pressure. In October of that year, one of the big, big things was that the original plan coming out of the roundtable discussions was to have a presidential election immediately and a parliamentary election later. Two of the political parties rejected that. The assumption was that Imre Pozsgay, who was the lead, liberal Communist, would win the presidential election. In a way that victory would have legitimized the role of communism. But the SzDSz, the League of Free Democrats, decided that they would push to have the election for president postponed. They had a referendum campaign, and it was known as the "Four Egens" the "four yes's." The big "yes" was on postponing the presidential vote, and the people decided Yes, to postpone the vote. Once that happened, the parties had enough time to organize and to mount a real campaign, and we were able to provide election support.

So, that was another thing that was happening in that fall period. It wasn't that Hungary was just sort of coasting along on this gradual uphill trajectory, as everything else was exploding. There were moments that, in Hungarian terms, were extremely critical where developments could have gone either way.

Q: You say that you were giving out election support. This is kind of subversive, isn't it?

McCARTHY: Well, yes, in some ways. It was primarily the National Endowment for Democracy: the National Democratic Institute (NDI), and the International Republican Institute. Each sent in people, and they also involved Europeans from party institutes. They did seminars. This was not USIA funded. They did seminars for people working on the campaign, but they did not back any one particular party.

What USIA did, as I recall, was send some of the party campaign managers to the United States on the International Visitors Program. Our preference was to do what other people were not doing. One of the big challenges in a place like Hungary, where suddenly it becomes hot and everybody wants to help, was, number one, pick an area that you are really good at and have a unique advantage and focus on that. Don't duplicate what everybody else was going to do. And, number two, get out of Budapest, because the people that fly in short-term are going to be limited to the capital pretty much. We worked with some groups in the capital, of course, but we focused on important regional centers outside Budapest, as I mentioned earlier, we worked on the parliamentary research capability more than on the election, while others worked in country on the election itself. We sent some of the staff from the Library of Parliament to the United States to look at what the Library of Congress did.

As its role expanded, Parliament was to use the former communist Central Committee building for itself. That was development that made Hungarians proud I remember walking through that huge, well not huge but large by Budapest standards, block building, within walking distance of Parliament. That's where we used to go for meetings with Central Committee staff. It was all very formal, designed to be intimidating. Then, less than two years later you walk through this building and it's absolutely deserted and you could actually hear your footsteps echoing through the halls as you walked, with, I think, people from Congress. You go to the old office that Kadar used to have in the olden days. You see this special elevator he had, just off his office that went down to the basement. On those occasions, people were very proud. These things just symbolized change so dramatically. Or, the first session of the newly elected Parliament, when it was seated.

That was another instance of, to return to your earlier point, people, bursting with pride with what they did. But in terms of was it subversive to offer election assistance, I think we were squarely behind reform and we wanted to do anything possible to make that election campaign work. The Hungarian government was behind the election too after all. There was nothing we did that favored one political party over the other. This was advice given to all the managers of all the parties, in a technical sense. The communists, never showed any desire to participate, so that question never came up.

Q: Were you all watching the Communist cadre, I mean the hardcore... hardcore might be the wrong term... the old apparatchiks digging in and seeing that their days are numbered, and what they were doing?

McCARTHY: Yes, not only we, but the Hungarian communists party - they called themselves the Hungarian Socialist Worker's Party - watched that happen. The party actually reconstituted itself, renamed itself as the Hungarian Socialist Party. A small splinter group of those "hardcore" you mention broke off and formed their own Communist party. They participated in the elections and whatnot, but they did very poorly. The thing that you worried about with the party was, one, were they really going to reform and were they going to permit all the popular motion from below, were they going to accommodate it or at some point was it going to seem too threatening and were they going to try to stop it at some point; and two, what were the levers available to them if they wanted to. Under communism there was a worker's militia, "the Munkasorseg." They were formed after '56 and were subordinate to the communist party, potentially a clear

threat. Another lever of control was communist cells at the workplace. That was a way to control things, like getting out the vote and who you'd vote for, and to relate awards at work to political support. The cells and the militia were dispensed with, as part of the "four yes's" referendum, and that really reduced options for the hard core. The bulk of the party, which had declared itself the Hungarian Socialist Party, were initially confident about the election. So, the struggle against reform was not in the foreground the way it was in Russia. You didn't know how far resistance to reform would go, but there were so many factors working against resistance, that at a certain point, it didn't seem that threatening. Unlike in Russia, a lot of reform was identical to nationalism.

Q: Well, now what about... I don't know what you call it... but the secret police and all? I assume Hungary had had a pretty solid core of these people...

McCARTHY: It did. It had a solid core of those people. That's another milestone in recapturing the past, dealing with the past, and presenting the past. The secret police headquarters at Andrashi ut No. 60 I think, was opened up. First of all, a memorial plaque was put on it, saying what it was, and commemorating people lost. Then the building was later opened up to the public (after I had left), acknowledging the role of the secret police. Just what happened to individuals who'd been working for the secret police I don't know. There wasn't the same frustration that you had in Czechoslovakia, where they'd publish lists. There was the search for the "red brick in the wall" - members of purportedly democratic institutions who were still "red." But there was surprisingly little retribution.

Q: How did this play out, then?

McCARTHY: It played out that the party reconstituted itself, it participated in the elections, the other parties participated in the elections...

Q: Elections were when?

McCARTHY: Elections were in the spring of 1990. And these were the first absolutely free elections in East-Central Europe. The Poles had an election that was almost free, and non-communists won any seat they were eligible to capture, so it was clear the handwriting was on the wall. But in these elections it was actually 100 percent. The Hungarian Democratic Forum won. The Alliance of Free Democrats and FIDESZ did well, and the Hungarian Democratic forum formed a government. The success of these parties demonstrated the importance of earlier permissiveness under communism: you could have groups outside of party control and you could have social organizations, citizens could collect signatures on street corners protesting Hungarian environmental policies. These same groups later became political parties and ran in the election. The Hungarian Democratic Forum, for example, had started as one of those groups. You were asking before, earlier, about samizdat, and things like that. The Alliance of Free Democrats was composed largely of urban resisters of Communism, who had written for samizdat publications earlier. Later these works were available openly.

The free availability of what had been samizdat was tracked as an indicator of freedom, of democracy. Publications that had previously been samizdat were sold in sidewalk stalls.

Transcripts of radio broadcasts from 1956 were sold on the street corners. The study of the 1956 revolution that was conducted was printed and sold on the street corners. Translated works that weren't available previously were sold. Maps of a large Hungary, including Transylvania and parts of Slovakia, were sold on the street.

Q: How about pictures of people like Nagy and those absolutes, were they appearing?

McCARTHY: No hero worship, but figures, particularly Nagy on that June 16, I think it was, commemoration. His re-interment really, well, he was interred after the ceremony. Pictures of Nagy were everywhere that day. I still have one, a small flag with a picture Nagy. They came in all sizes and shapes. But there wasn't a cult of personality around anybody.

Q: Were you getting an overflow from Czechoslovakia and East Germany when the Hungarians opened the border?

McCARTHY: Yes, but once the wire was officially cut, then it was really clear. But earlier, you already had groups coming into Hungary, camping, and then moving toward the border and going across the border. The Germans would try initially, as you said, you know, they're in the embassies... every person of German extraction was automatically given German citizenship then. So they'd try to get a document and go across. But then after a while they were just going across.

Q: How were the Austrians? Was there beginning to be a backlash about Austria getting the brunt of this?

McCARTHY: You'd think there would be, although I don't remember that. The Germans went on through to Germany, so I don't think they were considered a burden to the Austrian state. You know, they wanted to go to where they were going to be given citizenship - the Bundesrepublik - so that was where they went.

Q: So that was the waypoint.

McCARTHY: Yes, the waypoint. It might have been. I don't remember

Q: You didn't end up with sort of an Austrian-Hungarian...

McCARTHY: Standoff.

Q: Standoff... Just the Austrians not being looked upon very favorably as the Hungarians...

McCARTHY: As I recall, any standoff did not last long, if there was one. But frankly I don't remember.

Q: How about the intellectual class? I assume there was one. Were they a particular point of focus of your work?

McCARTHY: Yes, not just individual intellectuals but the university community, book publishers, who reached intellectuals. We had a very active book publication program. Rather than try to print up books, ship them in, and distribute them, we tried to find win-win propositions with Hungarian publishers. And there were some very, very good Hungarian publishers. The arrangement would be something like this. "We will get the copyright for you. We will pay you a modest sum, say \$4,000 or something, to offset the cost of translation, etc. You can then print this book in up to 100,000 copies, whatever it happened to be... that would be very large, it wouldn't be that big... but up to some amount of copies. We will take back 400, which we would then use as presentation items or in seminars, etc., and the rest of the copies you sell and distribute to libraries."

And that would be aimed really indirectly at the educated class.

Q: What kind of books were these?

McCARTHY: These would be everything from books on economics, Samuelson for example, to important works on American history related to what was going on, like the *Federalist Papers*, the *Constitution*; de Tocqueville's *Democracy in America*, to practical guides that related to the new challenges that people in that country were going to have to meet, like starting a new business, preparing a business plan, novels; science, Carl Sagan. What we wanted to do was present a rich overview of the United States and also try to include works that were particularly relevant to Hungary at that time. We were making up for lost time, in a sense. Of course, there had to be a market.

Q: The Soviets... were they just sort of standing back and shaking their heads? Or were...

McCARTHY: Well, Gorbachev had let everybody know that the Soviet Union wasn't going to intervene to save any of these regimes. The Soviet Union agreed to withdraw all its troops from Hungary by summer 1991, which they did. They did not like some of the disparagement of legitimate Soviet achievements, like the war memorial to the liberation of Hungary. So there were some neuralgic points, and when the Soviets left their bases, there was a lot of controversy over the environmental impact - what they had taken with them, things that were in the soil, and whatnot. I walked through some of those barracks, and nothing was left. But none of that played any role in trying to slow down processes in Hungary, as I recall.

Q: You were then until when?

McCARTHY: Until '92.

Q: Well, in this post-election period... what happened in the presidential election?

McCARTHY: In the presidential election, Arpad Gonz was elected president. He had been imprisoned earlier, and then he reinvented himself as a translator and an author. A wise, gentle, astute person who was acceptable to all sides. He was elected and re-elected. Joseph Antall was Prime Minister.

Q: But this was a defeat for the re-constituted Communist Party.

McCARTHY: It really was. And it depended largely on that referendum campaign to postpone the election date. By that time, you'd seen communism on the skids in politburos and parties in Germany and Czechoslovakia.

Q: Did you get any feel that the people in power were really running scared, or were they, maybe it was a Hungarian trait that they would go along with it... make the best of it?

McCARTHY: I don't recall any retrograde sort of resistance, any suggestion that any legal measures were going to be taken to reverse this. You had large, popular support, the reform party had participated in the elections, the world around was watching, Hungary wanted to come into the EU, did not want the Russian embrace. Everybody basically felt that the old arrangements didn't work, so what was the alternative, really. There wasn't any stomach, I think, for trying to establish anything by force. They'd just seen what happened to regimes that tried to hang on and they'd seen Ceausescu killed on Christmas day in Romania...

Q: On TV.

McCARTHY: Yes, and Gorbachev was hands-off, so even if you were a dyed-in-the-wool Communist who didn't like what was going on, you wouldn't see any options for yourself.

Q: How about with Romania? After Ceausescu left, Hungary gets reformed, but you've still got a million Hungarians living in Romania, what...?

McCARTHY: And whatnot. Exactly. That continued to be a problem, and there continued to be incidents, but Hungary didn't open up its borders and let a flow of Hungarian-Romanians in either, because there was an economic aspect to that. It's blurring in my mind but there were definitely incidents that inflamed public opinion in Hungary. There were bilateral meetings. (End of tape)

Q: You were saying there were a lot of bilateral meetings...

McCARTHY: Well, at least I can think of one big one. There were many issues to discuss, regarding Hungarian minority rights and how Hungary could be supportive without intervening in Romanian affairs. There was also concern when the Prime Minister proclaimed himself prime minister of fifteen million Hungarians, when everybody knew that only ten million resided in Hungary. The Hungarian Democratic Forum, which had a major platform plank on the Hungarian minority in Romania, was careful to say that didn't mean intervention. There were maps published, available on the streets of Budapest, that showed a larger Hungary that included the Transylvanian part of Romania as lying in Hungary. There was the government-to-government relationship on this, and there was the popular feeling about this since people had relatives and they were very close. All these were matters for bilateral discussion.

Q: Well, is there anything else that we should cover that you were doing there?

McCARTHY: Yes. This was the ideal opportunity for a USIA office to work. This is what you really pray for. You work for decades to try to introduce strands of information, freedom, communication, set up dialogs between institutions of the two countries, expose Americans to Hungary, and Hungarians to America, have some impact on the curriculum. And suddenly everything is reforming and the big challenge is to pick your targets and focus on them so you can continue to address them in different ways with different resources over time and not exhaust yourself along a thousand trails. That was one of the big advantages to having a bottom up/top down revolution, because you didn't have it reversed all the time. The Hungarians did it, obviously. But it was wonderful to help out.

In addition to what we've already discussed, I guess the only other thing that I would mention as being particularly important was setting up a network of six student advising centers in partnership with the Soros Foundation. Hungarian students were smart, well educated, and wanted to study in the United States but they needed to know what the opportunities were. A number of them got scholarships, using those educational advising centers.

Q: In '92, when you left this, having gone to probably the... sounds like in a way, a professional paradise...

McCARTHY: Right.

Q: Because very hard work, but something was happening, you'd been waiting for decades for this to happen.

McCARTHY: And as it was happening, you didn't know how far it would go. So you were really trying your best to do as much as you could in the time allotted. And everybody who was with us, everybody who worked in USIA, said, "That was a life-changing..." well, maybe not a life-changing... but "That was the experience of a lifetime."

LAWRENCE COHEN
Environment, Science and Technology Attaché
Budapest (1991-1994)

Mr. Cohen was born and raised in Pennsylvania and was educated at Dickinson College, and the Universities of Pennsylvania, Tel Aviv, Chicago and Northwestern. Entering the Foreign Service in 1980, he served variously as Economic, Political and Political/Military Officer at posts in Mexico, Honduras, India, Hungary, Nigeria and Brazil. In his assignments at the State Department in Washington Mr. Cohen dealt with Foreign Assistance and Environmental and Scientific matters. His last post was in Afghanistan, where he had two assignments with Provincial Reconstruction Teams. Mr. Cohen was interviewed by Charles Stuart Kennedy in 2007.

Q: You left Madras in early '91?

COHEN: I received a domestic assignment to the World Trade Center in Miami, a detail to a state or local government agency. I expected to work with Latin American trade issues. We packed out our household effects (HHE) in preparation for departure to the United States. Two weeks before we were slated to leave, I received a phone call from Washington. Earlier in the bid cycle, I sought an assignment as a science attaché in Budapest, Hungary. All I received was a cold shoulder, not even a “thanks but no thanks.” The assignment had been promised to someone else. Being isolated in southern India, I enjoyed little opportunity to lobby for the job.

My career development officer (CDO) asked if I was still interested in going to Budapest as science attaché. Lulu and I quickly conferred. I said sure. My orders were immediately cut to include five months of Hungarian language training. This is less than the normal year of language training but was all I could get. I did not know what happened in Washington or how the assignment came through. All our HHE was packed in anticipation for a domestic assignment. We could not repack for an onward overseas posting. It was a mess.

This was February 1991. The Gulf War was approaching its final cataclysm. The embassy in New Delhi directed travelers to fly the Pacific route rather than across the Middle East and over the Atlantic. We flew from India via Malaysia to Japan and spent a few days there with my sister Barbara, an English teacher. We continued on to the United States. Our two children, Rebecca and Andrew, were still very young; Rebecca was three years old, Andrew a year and a half. We reached Washington and I make my appearance at the Department. I received a surprise.

“Mr. Cohen, we are sorry but you have a direct transfer; you are needed in Budapest right away.” In addition, home leave had to be deferred. I was already registered for language study at FSI. My name was already on the roster. I informed the FSI registrar that I would not be taking Hungarian. We were in Washington for a couple weeks, which included a week of area studies and one week consultations. I arrived in Budapest April 4, 1991. The family remained behind. Lulu took the kids to Mexico to her parents. They came out a couple of months later but remained only six months. Lulu did not feel comfortable in Hungary. A couple of incidents with Hungarians probably jaded her. When she went back to Mexico at the end of the year, she decided to remain there and later in Washington. The stressed our marriage certainly. That was a downside to this assignment.

Q: You were there until when?

COHEN: I remained in Hungary until August 1994. I was environment, science and technology (EST) attaché. Later, I learned how the job landed on my lap. The designated officer for the position, Bernie Oppel, had served in the Oceans, Environment, and Scientific Affairs Bureau (OES). I never met Bernie, but I got an earful about his corridor reputation! In autumn of 1990, Bernie was supposed to be taking Hungarian. For whatever reason, he possessed less than full enthusiasm for language study, or perhaps the assignment, and skipped out of classes. He pissed everybody off, especially the embassy! Finally, the embassy instructed the Department not to send him.

The incumbent in the Budapest EST position was Tom Schlenker. Tom was on his third

Budapest assignment. He was talented in Hungarian, a very difficult language to learn, and knew the country intimately. However, Tom had reached his time-in-class (TIC) expiration. He was being “TIC-ed out,” i.e. retired. After numerous delays, a firm deadline was set for him to depart Budapest. He had to be out of the country by a certain date that April. So the system had a problem. The EST position was very important at this particular juncture. This was just after the fall of Communism. If it had been two years earlier, no one would have cared. A vacancy for a couple of months would not have meant much. Five or ten years later, again, nobody really would have cared. But at this point in East European history, scientific and environmental issues were really high profile. The incumbent officer had to leave; the person paneled to take his place is screwing up and pissing off the system; and no one else was readily available – or so I thought.

Q: Did you ever find out why the guy was screwing up?

COHEN: I know nothing first hand. Perhaps, he was full of himself. Sometimes, a particular assignment actually has to be *earned*. I do not even remember whether he was Foreign Service or not.

After the collapse of Bernie’s assignment, a number of people reportedly stepped forward for the Budapest job. EUR, the European Bureau, had a candidate. OES had its candidate. I heard that a civil servant with a scientific background was in the running. Apparently, the bureaus were sparring about who to send. The assignments panel was split. Meanwhile, my career development Officer (CDO) knew of my previous interest. What I did not know was that he had apparently neglected to put my name forward at the proper moment months earlier. I received the job in Miami and looked forward to it. My CDO approached the Director General of the Foreign Service, Ed Perkins, with my name. The DG approved. The two bureaus, EUR and OES, were taken by surprise. I had not been on the radar screen of either. I suspect both bureaus thought that the other had stabbed it in the back! So there may have been bad blood generated. Once I was paneled, OES suspected a dirty trick. OES Principal Deputy Assistant Secretary Richard Smith chewed out my former Honduras boss and close friend Jim Lamont who worked at the time in OES. Jim may have made a pitch for me at some point. Smith assumed Jim had had something to do with the panel or the DG. It was grossly unprofessional treatment by Smith.

When I reached Washington, people pulled me aside and asked what was going on? “How did you get the position?” I was completely baffled. I had no idea how I had gotten paneled for this job. Perhaps it was just a question of being at the right place in the right time and having a CDO who, to his credit, was looking out for me. However it happened, I got the Budapest position.

Q: Eastern Europe was so exciting at that time.

COHEN: The profile had certainly changed.

Most officers and staff assigned to the embassy in early 1991 had been paneled in 1989 or earlier. Thus, when they had received their Budapest assignments, the Berlin Wall had yet to come down. When these individuals bid on Budapest, Eastern Europe was still relatively unimportant to the U.S. and an assignment backwater. Most Hungarian positions required a year of language training. In most cases, an assignment to an Eastern European post was made almost two years

prior to the planned arrival date. I assume State Department high flyers, the most ambitious and perhaps most competent FSOs, had not considered Eastern Europe until late 1989. Some personnel posted in Budapest may have just sought to hide in a backwater Eastern European job. Others who served in the region were Eastern Europe careerists with little experience in politically active environments. From one day to the next, the paradigm shifted. Suddenly, these posts were vitally important. But the personnel system was woefully behind. It was like having a farm team having to play a major league game. Some officers then assigned to Eastern Europe were not the people that the system might have desired there. It took time to get the personnel system straightened out.

As I mentioned, the incumbent in my position, had to leave post promptly. The position was considered too important to leave vacant. A new bilateral science fund had just been set up. I arrived in Budapest without language training, little familiarity with Eastern Europe, and no local staff.

Q: Could you describe the situation in Hungary at the time that you arrived.

COHEN: The country was undergoing a dramatic transformation. Superficially, the political conversion was relatively quick -- that is, the transformation from a communist to a democratic system. The political revolution happened quite rapidly in Hungary and with little upheaval. But Hungary's economic and social transition had barely begun. As the EST, the Environment, Science and Technology, attaché, I focused on the country's social and economic transition as experienced by the scientific community. Hungary was undergoing the movement from the communistic centralized system of science to a Western model. I suspect the reason that the EST job was suddenly so popular was that smart FSOs realized that it was the right place to be in the early 1990s.

To assist Eastern European science, the USG launched joint scientific and technology funds with the Poles, the Czechoslovaks, the Hungarians, and the Yugoslavs. The Polish and Yugoslav funds had been established years earlier. I will get to the joint funds later in more detail. Many official visitors arrived each week in Budapest, CODELs and cabinet level visits. President Bush had been there earlier. Vice President Dan Quayle came in 1991. Hungarians had an extremely positive attitude about the United States. In general, Hungarians possess a very gloomy personality; they perpetually prefer to view the glass as half empty rather than half full. Even with that character trait, there was buoyancy in the Hungarian air that made life there exciting. Street signs and street maps still had their communist names. Soviet-era statues dotted the country. Budapest's buildings were still covered with communist-era grime. There was shabbiness to everything. But I sensed a dramatic transformation taking place. That is the Budapest into which I arrived.

Q: I imagine that the community you would be dealing with, essentially the scientific/intellectual community would have for some time been plugged into Western developments, intellectual thought and all that.

COHEN: Before I get to that, I should explain a bit more about my arrival and my predecessor. In this case, my predecessor was an expert on Hungary. Tom Schlenker was completing his third

tour in Budapest. As I noted, he spoke Hungarian quite well. He served in the embassy in the mid-1960s and had been one of the “keepers of the cardinal.” Cardinal in this case means Cardinal Jozsef Mindszenty. Cardinal Mindszenty had been imprisoned by the communist regime and released during the 1956 Hungarian Revolution. Following the collapse of the uprising, he sought refuge at the U.S. Embassy. He lived in the embassy from November 1956 until 1971 when he was essentially ransomed by Richard Nixon. Mindszenty left the country, much against his will. The Woody Allen play “Don’t Drink the Water” which concerns an American family that seeks refuge in a U.S. embassy in Eastern Europe, is loosely based on the Mindszenty story.

During Mindszenty’s stay, an American officer always had to be present in the embassy, twenty-four/seven. There was great fear that if Mindszenty were left alone, even in the embassy, Hungarian and Russian agents would kidnap him. There were bona fide reasons for concern. Some veterans of that era claimed you could hear footsteps at night, made, they assumed, by the Hungarian intelligence service. How they had access to the building I never figured out. This was all before my time. Mindszenty’s spirit still haunted the embassy. Tom had been one of the young officers who stayed overnight at the embassy to protect Cardinal Mindszenty. The Vatican paid a stipend of \$50 a day to those who spent the night protecting the cardinal. The cardinal resided in the ambassador’s office. Tom said the entire floor reeked of garlic.

Tom also developed a keen interest in Raoul Wallenberg. He became one of the foremost experts on Raoul Wallenberg.

Q: You might explain who Wallenberg was.

COHEN: Raoul Wallenberg was a Swedish diplomat, born in 1912, sent to Budapest during the closing months of World War II. His mission, along with assistance from other brave diplomatic figures, was to save Budapest’s Jewish community, already targeted for destruction. It is hard to give an actual figure as to the number of Jews Wallenberg saved in 1944 and 1945, but the number is in the scores of thousands. Thanks to Wallenberg’s efforts and an amazing amount of luck, if it could be called that, the Pest ghetto was the only ghetto not destroyed by the Nazis or its Hungarian counterpart, the Arrow Cross. It was liberated by Soviet troops. The Nazis eradicated every other ghetto in Europe before the Russians or the Western allies reached them, except for Budapest. The Russians entered the outskirts of Budapest in late November 1944. The Buda side of the Danube was not completely rid of Germans until February. Hungarian Jews residing outside of Budapest were shipped to Auschwitz. Within Budapest, many Jews were saved with the connivance and machinations of Wallenberg who worked directly with Adolf Eichmann to prevent him from carrying out his mission of extermination. At the end of the war, Wallenberg fell into Soviet hands. The Russians arrested him and took him to Moscow. Wallenberg then disappeared. Despite years of fruitless efforts by the Western governments, Sweden and others, he remained lost behind the Iron Curtain. Decades later, the Russians officially acknowledged that Wallenberg died in prison in 1947. Many doubted even that was true.

Tom became an expert on Raoul Wallenberg. He knew within Budapest where Wallenberg’s safe houses were located, where Wallenberg worked, the Nazis offices, etc. He crafted a walking tour

he called the “Wallenberg Tour.” He escorted visitors around the city and pointed out the various locations, safe houses. Remember, at this time, Budapest did not have history guidebooks that referred to Wallenberg. Under the communist regime, commemorative plaques were not placed on buildings citing them as World War II safe houses for Jews! So Tom conducted research on his own. I was on Tom’s last Wallenberg tour, the last one he gave before he shipped out. Over the course of my assignment, I also became very familiar with Budapest’s Jewish community, its recent history, the synagogue, etc. I learned quite a bit more about Wallenberg and the history of Jews during the war.

Q: When you took over, how about his contacts?

COHEN: In the two weeks we overlapped Tom took me around and introduced me to his contacts. I did benefit from my Washington consultation period. In March just before I shipped out to Budapest, there had been the initial meeting in Washington of the nascent U.S.-Hungarian Science & Technology Joint Fund. With funds appropriated by the U.S. Congress through the Department of State, the USG put up \$1 million and the Hungarian Government put up \$1 million in local currency. The money was used to support scientific exchanges between the two countries. Two million dollars may not sound like a lot of money. However, the payments for add-on costs such as travel and per diem, computers, chemical reagents, etc. was so invaluable for the Eastern European scientists who were as poor as church mice. For Hungarian scientists, the opportunity to conduct joint research with their U.S. counterparts, a ticket to the United States, two weeks per diem, money for reagents was manna from heaven. The Americans relished the opportunity to work with Eastern European scientists who were indeed talented.

At that meeting in Washington, I met U.S. agency S&T administrators and their Hungarian counterparts, including representatives from the academy of sciences, the ministries of environment, health, agriculture, etc. My meetings with the government officials who were engaged in this program provided me a big leg up.

Q: I would think with the scientific community the working language would have been English anyway.

COHEN: It was. With the scientists I had no problems. My difficulty was not with the scientists or the science administrators. My difficulty was speaking with the secretaries and the intermediaries between the scientists and me. To my knowledge, I was the only American substantive officer not to have received any Hungarian language training before reaching post. I was also the only FSO in that entire mission who did not have direct access to an OMS, an office management specialist. Thus, not only did I not have the ability to communicate in the local language, but I had to make all my own appointments and do my own administrative details and logistics.

I took language classes at the embassy and I made some progress. I could order a meal in a restaurant, take a cab, purchase groceries, and talk, simply, to a secretary. But I could not engage in a dialogue in Hungarian. I never got that far. The scientists generally spoke excellent English. Even when one did not speak English, colleagues helped out.

Q: Could you talk about the embassy? You said that the staffing had not necessarily come out of the top drawer because of the time delay; how did you find it?

COHEN: We had some good officers. The ambassador, Charlie Thomas, was a professional careerist. I liked him a lot. He cared about his troops. The deputy chief of mission (DCM) Richard Baltimore did not command as much respect as Ambassador Thomas. He had some very strong traits, and a few weak ones. He was not the best, but I have seen far worse DCMs.

Q: He is renowned as one of the first African American officers to be assigned to such a-

COHEN: Richard was very distinguished and refined. He played his part well. As I said, he was among the better DCMs with whom I worked. It goes back to Cohen's Second Law which states that in order to be successful, missions must have an ambassador and a deputy with different personality characteristics. When both the ambassador and DCM are micro-managers, or big picture guys, the mission suffers. There must be a balance, a complementary balance between the two. In Budapest, there was balance. It was not a perfect match but nor was it an unhappy mission.

Hungarians tend to be pessimists, often very gloomy. One might expect that the embassy would also have this kind of negative flow. That would conform to Cohen's First Law: embassies and consulates reflect the cultures in which they are located. However, after the fall of the communist regime, some of the famous Hungarian gloominess had dissipated. The embassy was fairly buoyant and active. It was a relatively happy embassy, at a time when Hungarians were relatively happy. There was plenty of optimism in the air. So while it might have been out of character, the embassy was a fairly positive place in which to work. We did not have a strong GSO or admin section. That created some headaches.

The embassy itself was located on Szabadsag ter, Freedom Square in downtown Budapest, just a couple blocks from the parliament building. It was a prominent location. The embassy itself was a *fin de siècle*, five story apartment building, painted a yellowish color. There was no street offset. A tall Soviet commemorative monument stood prominently in front of the embassy on Szabadsag ter. The Russians placed it there to commemorate the liberation of Budapest from the Nazis. A star capped the monument. Its placement in front of our noses was no coincidence.

At the time, the Hungarian and Russian Governments were negotiating various bilateral issues in preparation for the withdrawal of Russian troops from Hungary. One small but important detail concerned monuments. Each country agreed to allow the other to keep one monument on the territory of the other. Of course, there were innumerable Soviet monuments throughout Hungary. For their one monument the Hungarians selected a memorial to the Hungarian Army devoured on the Don River during the Battle of Stalingrad. The Russians decided to protect the monument in front of the U.S. Embassy. They assumed I guess that the Hungarians would not readily dismantle the enormous Soviet monument on the Citadel above the Gellert Hotel. The stone pedestal must have been 50 feet high topped by a statue of a woman holding the largest feather anywhere. I'll get to the issue of monuments a little later.

The embassy's interior was ancient. During communism, the embassy had not been upgraded. I

suspect the USG invested little in most of our East Block missions during the Cold War. Once the Berlin Wall came down, the embassies required a face lift and major repair. In 1991 the embassy was being renovated floor by floor, top to bottom. This affected our operations as we bounced from floor to floor to keep ahead of the construction crews.

The mission had competent political section led by Tom Robertson. The Foreign Commercial Service (FCS) officer when I arrived was David Hughes who had actually been in Bombay when I was in Madras. He was a bit of a jerk and left in 1991. His successor was very popular as was the junior FCS officer also named Hughes but no relation. The USAID chief Tom Cowles arrived a few weeks after I did. All in all, the personnel coming on board were a good crew.

The embassy was situated on the Pest (east) side of the Danube River. The Embassy Marine House was located in the Castle District, the Var, across the river from the embassy in Buda, the west side of the Danube River. The United States took possession of the property after World War II. The Marines had the best view in the city – in Budapest, that's saying a lot. The property was worth millions of dollars, even then. Imagine what its worth now. In the nineteenth century, the structure behind the residential part of Marine House was a Hapsburg prison. The Marines set up a gym there. Next door to the Marine House was the Hilton Hotel. I believe it was most impressive Marine facility anywhere on the planet.

Q: Let us talk about your work. Could give a thumbnail sketch of where Hungarian science stood.

COHEN: I'll speak a bit about Hungarian scientists and provide a short history lesson. With the exception of Israel, probably no culture in the world produces so many highly competent scientists within such a small population. After World War I, the Treaty of Trianon created the modern Hungarian state. Two-thirds of its pre-World War territory was lost. Hungarian universities were located throughout that part of the Austria-Hungarian Empire amputated from the home country. Those universities were turned over to Romanians and Czechs. The Hungarian professors came back to Hungary. Unfortunately, there were not enough university jobs in Hungary to absorb all these Hungarian professors. Many of these professionals found jobs at gymnasiums, at the high school level. You had college professors teaching high school mathematics. As a result, many talented Hungarians, particularly Hungarian Jews in Budapest, received a very superior education in mathematics and the sciences. Some eventually came over to the United States and became the driving force behind the Manhattan Project. Hungarians hold their scientists in high regard. Hungarians also believe their language, Hungarian, contributes to their analytical skills.

Hungarians excelled in the basic sciences and in pure research. Hungarian output got thinner as you moved into the applied sciences and scientific applications. Two generations under communism contributed to this imbalance. Since World War II, and probably before, scientific administration had been centralized within rigid bureaucratic structures. Scientific decision-making, allocating funding for research, was not made on the basis of the caliber of the science. There was no peer review structure, no competition based on scientific merits of the research. Support for research was predicated on non-scientific reasons, including political. Although top notch, Hungarian science had drifted during communism. Funding under the communist system was channeled through research institutes, not universities. All scientists were starved for

research funding, some more than others. Institute administrators controlled money received from the central government. The bureaucrats held all the cards. No logical mechanism existed to weigh competing scientific research requests and allocate resources. Hungarian scientists were quite frustrated. Hungarian science stagnated.

We come to 1991. A bilateral agreement had been signed the previous year to create the U.S.-Hungarian Science & Technology Joint Fund for research. The USG agreed to provide one million dollars a year, the GOH put up the equivalent in forints, the Hungarian currency. A joint committee consisting of Hungarian ministry and U.S. agency representatives of both countries determined which projects received funding. The committee met twice a year. Funds were used by the scientists to travel to the other country. Hungarian scientists utilized funds for various add-on costs.

The secretariat of which I was co-chair, ran the show. Twice a year, the joint committee met and reviewed proposals for joint projects. Pairs or teams of scientists, American and Hungarian, prepared project proposals in the \$10-50,000 range. The proposal might include \$10,000 for transportation costs, \$10,000 for per diem, perhaps \$5,000 for computers for the Hungarian researcher, whatever. The team applied to the joint fund. The committee members from the government agencies distributed the project proposals to subject matter experts for peer review. The U.S. and Hungarian government agencies ranked the proposals and agreed on which projects to fund. After announcing the grantees, we deposited the funds into a bank account in Budapest. The Hungarian scientist or administrator controlled the account and was responsible for reporting the status of the project. I served as the joint fund administrator. I was not directing the peer review process. With the capable Dora Groo, the Joint Fund's program manager, we managed the meeting process, funding distribution, special events, the bookkeeping, etc.

The U.S.-Hungarian Science & Technology Joint Fund was popular among both Hungarian and U.S. researchers. The Hungarians had been starved for money for so long that the opportunity to travel to the West, with per diem, was a real gift.

For the American scientists, the fund provided an opportunity to establish ties with Hungarian scientists. The return on our annual one million dollar investment was exponentially out of proportion to the money expended. I might add the joint fund was not an entitlement program.

Identical joint funds were on-going in Poland and Yugoslavia. Czechoslovakia signed their program about the same time as the Hungarian one was established. We utilized the joint fund mechanism for capacity building -- to wean the institutes away from Soviet style directed research. To engender legitimate, transparent peer review systems we held workshops within Hungary and among all the Eastern European joint funds. As I noted, under communism funding was not linked to the caliber of the research conducted.

Q: Were the Soviets disengaging or had they already been disengaged?

COHEN: "Soviet influence" or Soviet-mentality? I did not sense that Moscow had *entirely* determined the Hungarian scientific system. Moscow imposed the structure by which the Hungarian Academy of Sciences dominated. Scientists, no matter their field of research, were

constrained by the rigid research model imposed on them. But it was really a Hungarian managed system, perhaps slightly more liberal than in neighboring countries. Despite the political changes following 1989, the old structures still remained in place. No revolution had yet changed the thinking at the Hungarian Academy of Sciences or within the ministries. Those ministries existed almost unchanged. Emerging from the Soviet-style system took time. Seminars, workshops, exposure to Western scientists, travel to the U.S. all played their part.

Q: You are breaking a large rice bowl when you are trying to change the system. There had to be all sorts of apparatchiks who were no good. Yet, it was not our call to weed them out. How was this working during the time you were there, '91 to '94?

COHEN: It was not our job to weed out apparatchiks, as you said. The Hungarians had to decide whether and how to do that. Initially, among the government ministries, personnel remained the same. What was changing was an attitude, the work ethic. It was becoming increasingly apparent scientists, and even bureaucrats, were going to have to earn their way. Under the communist regime, there was little incentive to work hard. The pay was not worth much, but you did not have to put forth much effort. Now, an opportunity has emerged to obtain additional funds, conduct serious research that is internationally regarded. The potential rewards were greater, but so was the required effort.

That created some problems. The joint fund offered a nice pot of money, not a large rice bowl but enough. However, to get it, the scientists had to find a collaborator, develop a relationship, prepare a research proposal, polish it, and submit it. The odds of a proposal being approved by the fund were perhaps twenty percent. About eighty percent of the applicants were not going to get their requested funding. Scientists had to develop research proposals in the applied scientific fields. Pure science was not as likely to be funded. When the ministries got together, i.e. the Department of Agriculture with its Ministry of Agriculture counterpart, what criteria would be used to select which project proposals to fund? Pure research on some esoteric topic? Or research with practical value, maybe even economic value down the road? Hungarian scientists learned they could not just sit back and conduct pure science anymore. They had to get their hands dirty.

Hungary's scientific culture rewarded theorists, perhaps because they did not have the tools to conduct applied research. This was due, in part, to a lack of infrastructure. Geniuses like many of the famous Hungarian twentieth century scientists did not need computers. Hungary enjoyed a great reputation in mathematics which does not require much more than a chalkboard and chalk.

Under the communist system, Hungarian scientists lost their way. In our society, economic value is derived from scientific research. A new medicine developed by a pharmaceutical company can be produced and marketed. In agriculture biotechnology advances can be patented and the products sold for a handsome profit. But under the communist system, where were the economic incentives? Moreover, there was a large downside and plenty of risk. The nail that sticks up gets hammered down. The Hungarian scientists had to adjust. The Hungarian Academy of Sciences, an old, esteemed institution, had to adjust in order to keep the funding flowing. The academy began to transform itself and decentralize up some of its influence and power.

Q: Was there a steady leakage of top scientists from Hungary to the United States, Great Britain

or elsewhere?

COHEN: Among Hungarians and scientists from other former East Bloc countries, ties were well established. But even if tenuous, lines of communication between Hungary and the West had never been totally eradicated. The symbiotic relationship where scientists from different countries join together actually multiplies, logarithmically, the caliber of the science. That cross fertilization along with access to journals and literature is so vital. I refer to the time before the Internet. In some cases I noticed Hungarian scientists seemed not fully aware of what was going on in their own fields.

To answer your question, I was unaware of a major scientific brain drain during my tenure. The bilateral Joint Fund assisted Hungarian scientists within their own country. As long as opportunities existed within Hungary to conduct research, there was less urgency to emigrate.

Q: Could you discuss computerization at the time you were? This was the cusp of information revolution. The Internet was to follow shortly. Was there such a thing as a scientific library that we were sponsoring or anything of this nature?

COHEN: Computers in the early 1990s compared to today, 2008, were very primitive. Computer memory, number crunching, could not compare to contemporary technology. I noted few computers at the ministries or institutes. Maybe the head of a department had one. But when Hungarians got a computer, they sure learned how to use it.

Although I am no scientist, I learned important lessons about scientific research. A key to conducting worthwhile research is the sanctity of data. The best computer technology on the planet cannot overcome crappy data.

I will give an example. In November 1991, a young epidemiologist from the Centers for Disease Control (CDC) in Atlanta, Dr. Mary Agocs, was assigned to work with a Hungarian counterpart conducting research on asthma in pre-adolescent in children. Childhood asthma was a growing problem in the U.S. The Hungarian researcher, associated with an institute under the Ministry of Health, was conducting a long-term investigation of this topic. From another GOH institution he obtained sulfur dioxide (SO₂) emission air quality data. Specifically, SO₂ was suspected of being the catalyst for the illness. He linked the emissions data to detailed medical information on child asthmatics provided to him by doctors and pediatricians throughout the country. The hypothesis sought to ascertain a correlation between SO₂ and the incidence of asthma in children.

It sounds pretty simple. However, in the U.S. we have great difficulty doing this. American doctors cannot be *ordered* by CDC to collect and submit data. On the other hand, Hungary had a centralized top down system whereby the government essentially mandated data collection by doctors. There was no compensation for the clinics. The institute collected the data from hundreds of doctors. What a treasure trove of information for the researcher!

However, as Dr. Agocs became more familiar with the system, she observed serious problems with the data. The medical clinics had been ordered to collect the childhood asthmatics data, a time consuming process. Medical staff had no vested interest in assuring the accuracy or sanctity

of the data. They were not getting paid for the work involved. No incentive existed to be scientifically careful and correct. The staff just wanted to get the government mandate off their backs. Thus, many clinics just submitted unchecked data, or in some cases, information just made up. The Ministry of Health institute was kept happy.

If you multiply the lack of precision and care in data collection through hundreds of clinics, over time, you can see that the data could be severely skewed. At the end of the day, the sanctity of the asthmatic data had to be questioned. Dr. Agocs identified the problem and valiantly tried to fix it. She met personally with data providers and expressed heartfelt appreciation for their contributions. She attempted to get buy-in and provide recognition. We learned the hard way that Soviet-style data collection, done involuntarily, meant the data itself was compromised. In a country like Hungary, folks had little incentive or tradition to do this out of the goodness of their hearts. At the end of the day, a dedicated investigator had to question the accuracy of the research results.

Q: I was in Vietnam when we used statistics on villages under communist control. The results were very dubious.

COHEN: In that situation, there were clear political implications. But in the case I presented, the prevalence of childhood asthma and the impact of air quality, the resulting scientific study would be published in peer reviewed journal articles. It was, supposedly, apolitical.

The state of Hungarian research was more fragile than we had realized. In Hungary, we sought to change attitudes and behavior. We urged institutes to extract the research from the hands of the administrators and place it into the hands of the researchers. The S&T joint fund directed its money to the scientists. We sought to reduce the power of the suffocating bureaucratic structure.

We were not the only game in town. The EU countries wanted in. For example, the French science attaché was a nuclear physicist. That tells you where the French prioritized their efforts. However, at that point in time, the U.S. program, even though it was not large, was the most popular. Why? Much goodwill had been engendered following the fall of communism. The Germans, the British, were not perceived as liberators. In 1989 President George H.W. Bush gave a dramatic speech in front of parliament building. No other western leader made even a fraction of the impact President Bush had. The Hungarians looked to the United States as the model. Whereas other European countries did channel funding into science money, perhaps more in total than we did, our funding had a tremendous impact.

The State Department funding for the U.S.-Hungarian S&T Joint Fund lasted about four or five years. The funds came straight from the State Department budget. For all the Eastern European bilateral programs, it was about five million dollars. Perhaps some countries, maybe Poland, received a little more. Maybe the Slovaks got less. The Hungarian fund received one million dollars annually. Tragically, funding for the joint funds was slashed by Secretary of State Warren Christopher during one of the Department's mid-1990s budget cutting exercises. I guess the uniqueness of the program stuck out like a sore thumb in the State budget. You cannot imagine the howls of protest that we received from the scientific community, other U.S. Government agencies, and the Hungarian Government for cutting this piddling one million dollar program.

You would think we were cutting a popular one hundred million dollar program! We tried to save it. In fact, USAID stepped in and kept it going for at least one additional year. This is after I departed post. Unfortunately, the money and the fund dried up. While the fund operated, the State Department got a tremendous return on its investment. In every way, it was a complete success cut short. I believe it still operates but at a lower level of funding.

I am proud to have been involved with it. The Hungarian S&T Joint Fund operated from a tiny office at the Budapest Technical University in the shadow of the famous Gellert Hotel. As I mentioned, the joint fund program manager who did the bookkeeping, managed the accounts, tracked and monitored the projects was a wonderful person, Dora Groo, hired by Tom Schlenker before he left post in April 1991. She was completely dedicated to the program. When the office got a computer or new software, she actually read that thick book that accompanies the computer to learn how the damn thing operated. She and I established procedures which eased the onerous reporting burden on scientists but gave them financial responsibility. During the three and a half years that Dora and I managed the Joint Fund together, our accounting was accurate to the penny. In fact, one time we were off by four cents. I spent hours tracking down the discrepancy. I found it. Looking back, that was probably a foolish exercise. But we were absolutely committed to the success and integrity of the program. Each year the fund held two meetings, one in Hungary and six months later in the United States.

Q: How did your work fit within the embassy? Did they stay out of your way?

COHEN: I heard through the grapevine that within the embassy my job was considered the best. Science work was only one part of my portfolio. Another large component dealt with the environment. This was the first time that we had access to former Soviet Bloc facilities, to the environmental contamination that had been done. It was an eye opening experience. We promoted commercial opportunities for U.S. companies seeking pollution remediation contracts.

When speaking about the environment, I must describe the Gabčíkovo Dam controversy. A treaty signed in 1977 by communist Hungary and Czechoslovakia governed the hydroelectric project.

The two stage dam system was designed by Soviet-trained engineers. The upstream dam at Gabčíkovo would collect and release water into the Dunakiliti channel for about 720 MW (megawatts) power generation. About 100 kilometers downstream, the flow would fill the reservoir behind the downstream dam at Nagymaros. The second dam would control water level fluctuations and generate another 150 MW of power generation. The system would work like a toilet; the flushing Danube at each dam would generate electricity. Unfortunately, in between was the Szigetköz, a sensitive wetlands area, which would probably be devastated by this process. The wetlands served as the hydrological recharge for a large swath of northeastern Hungary. Moreover, the Nagymaros Dam would bisect and scar a beautiful gorge near the historic Hungarian town of Visegrad. Other negative environmental impacts from the project included probable deterioration of Danube water quality.

A nascent Hungarian NGO called the Danubian Circle was formed in 1984 to oppose the project. From humble beginnings, the Gabčíkovo-Nagymaros controversy eventually catalyzed by the

late 1980s anti-government protests in Hungary and led indirectly to the fall of the communist regime. The popular anti-Nagymaros movement was a new convulsion for Hungary, for Eastern Europe for that matter. The environmental movement was grassroots and emotional. After staging the largest protest in Hungary since the 1956 Revolution, the NGOs succeeded in forcing the Hungarian Government to suspend its half of the project at Nagymaros. Soon after, the government announced that Nagymaros would not be completed. It was a fairytale success story for the environmentalists and led to a softened approach by the regime to popular dissent.

By then after years of construction, the Czechoslovak portion was close to completion. Many Hungarians considered the completion of Gabčíkovo to be a potential environmental disaster. Just below the dam on the Hungarian side of the Danube, the Szigetköz already suffered from reduced water flow from the river. Hungarian environmentalists feared the dam would destroy the Szigetköz.

This movement then led to the collapse of the Iron Curtain. There had always been close ties between Hungary and Germany; for years each summer Germans from both East and West portions vacationed in Hungary. It was an opportunity for families to reunite, if only briefly, on Lake Balaton. East Germans witnessed what was going on in Hungary. In the summer of 1989, the excitement generated in Hungary by the environmental movement proved too much to keep pent up. The Hungarian Government announced that it would not keep the border with Austria sealed. Many East Germans exploited Hungarian largesse to flee the East Bloc. Once a hole opened up in the Iron Curtain, it was impossible to plug. Eventually, the end-around through Hungary led to the opening of the Berlin Wall and the collapse of the East Bloc.

Hungary's heroic 1980s environmental NGOs and the anti-Nagymaros movement had direct lineage to the fall of communism throughout Eastern Europe. However, to the chagrin of the Hungarians, the Czechoslovaks -- and eventually just the Slovaks -- did not have the same popular environmental spirit or commitment in their country. After Slovakia and Czech Republic split apart on January 1, 1993 in the "Velvet Divorce," the Slovaks recommitted to completing their end of the dam project. That this could cause more damage to the wetlands and create other environmental problems for Hungary was viewed as irrelevant since a treaty had been signed. Gabčíkovo, situated just above the frontier between the two countries, had minimal environmental impact on Slovakia. Moreover, given all the sunk costs and completed construction, the perceived damage to Slovak territory had already been done.

Czechoslovak President Vaclav Havel described Gabčíkovo as an example of "Stalinistic megalomania." The project caused continued friction between Slovakia and Hungary. There was a common perception that once the sunk costs were calculated, the project must be completed, no matter what. The Slovaks, I suspect, wanted to be paid off. That was not going to happen. To resolve the conflict, the two countries went to the International Court of Justice (ICJ). An ICJ decision in 1997 favored Slovakia.

The real villain in this set piece drama was Austria which financed Gabčíkovo. Desirous of the power to be generated, the Austrian Government apparently cared little for environmental damage done to its downstream neighbors. The dam could never have been constructed in Austria. The Austrian public would never have permitted it. I believe the Austrians behaved in

similar fashion with regards to the Slovak nuclear facilities at Bohunice.

Q: What happened?

COHEN: Construction continued on the Gabčíkovo Dam and the Dunakiliti channel. I do not know the ultimate environmental impacts.

An important environmental event at the time was the creation the Regional Environmental Center for Central and Eastern Europe (REC). When the REC was inaugurated on September 6, 1990, the paint and plaster were still wet at its new Szentendre (just north of Budapest) location. EPA (Environmental Protection Agency) Administrator William K. Reilly attended the ribbon-cutting. The impetus for creation of the REC came from the USG which contributed five million dollars from Support for Eastern European Democracy (SEED) Act funds over three years, as well as the EU. All the countries of Eastern and Central Europe were members, as were many Western European countries. When I arrived in Budapest, the REC was still an immature organization. The staff was still being formed. A Hungarian environmentalist associated with the Danubian Circle, Peter Hardy, was the director; his deputy from the EPA, Steve Wassersug, and his wife Faith, lived at the Cinege Panzio in the Buda hills. For two months I had a room there as well until I went into permanent quarters. We became close friends. Steve was a USG official on detail to the REC. Despite entreaties from EPA and me for a formal NSDD-38 created position, the Embassy did not provide support to Steve. He enjoyed no embassy diplomatic privileges and was not treated by the embassy as a part of the community. Since Steve required almost no formal support except APO and commissary privileges, access to the med unit, etc., agreement by the front office to formalize his position would have cost the embassy almost nothing. EPA would have transferred the required funding to the State Department. I blame the DCM, Richard Baltimore, for this obstreperous attitude.

The REC was created as a non-profit, independent organization that assisted with tackling the region's environmental problems through information sharing, public participation, and cooperation among the region's stakeholders, including governments, businesses, and NGOs. Funds from governments and other donors were channeled through the REC for worthy environmental projects, workshops, and studies. The REC served as a clearinghouse for environmental information: scientific, technical, policy, legal, and best practices. As a catalyst for promoting environmental awareness throughout the region, the REC was the first institution of its kind. From the day the REC opened its doors, many visitors, including CODELS, formed a conga line to check it out. Despite some hiccups a few years later when SEED Act money dried up, the REC is still going strong today.

The REC was an essential institution. After years of Soviet occupation, Hungary and other countries in the region suffered from significant environmental degradation and minimal environmental awareness. The last Soviet soldiers departed Hungary on June 30, 1991. Only then did Hungarians gain access to the former Soviet bases throughout the country. Some were severely environmentally damaged. If these bases had been in the U.S., they would be considered "Super Fund" sites.

In some cases the departing Soviet military took last minute glee to reeking additional havoc on

the bases. During the withdrawal negotiations, the Soviet and Hungarians negotiators could not agree on financial compensation. The Soviets demanded compensation for the “infrastructure” left behind on the bases. The Hungarians thought this ridiculous and countered by asking for reparations to remediate the environmentally damaged sites. Nor could the two sides agree on the fuel still stored on the bases. The Russians wanted payment for the fuel. The Hungarians balked. On some Soviet bases, the commanders then maliciously ordered the taps to the storage tanks opened. Rather than hand the fuel to the Hungarians, the military permitted thousands of gallons of gasoline and fuel oil run into the soil. Even as they left, the Russians continued creating even worse environmental hazards.

When the Hungarians finally gained access to these bases, the environmental challenges were immense. At one Soviet fuel depot site I visited, Pétfürdő, the soil was so contaminated that when a flask was dropped down a short two meter borehole, it brought up pure aviation gasoline. The fuel from the ground was clean and pure enough to use in aircraft! Any lit cigarette -- and Hungarians liked their lit cigarettes -- and we might have been history. The subsoil contamination threatened the aquifer. Wells in nearby communities already were unusable. U.S. companies, such as CH2M Hill and Chemonics sought contracts to remediate these sites.

In the early 1990s, about a dozen Peace Corps volunteers at any one time were dedicated to supporting environmental activities, especially teaching and NGO development. Since environmental issues were a dominant portion of my role in country, I wanted desperately to assist. However, the Peace Corps country director apparently viewed me as an unwanted threat to the volunteer program and sought to keep me distanced from the volunteers. When I finally met the environmental volunteers, we bonded immediately. I provided valuable policy guidance and information about current environmental issues such as the Gabcikovo controversy. The volunteers and I often met in their communities. It provided me insight as to the emerging NGO movement as well as the significant environmental issues on the minds of the public.

As I mentioned, I reached Budapest in April 1991. After two weeks overlap with my predecessor, I was put in charge of my first Budapest CODEL (congressional delegation.) It was a five member delegation led by Congressman Henry Nowak from New York. Nowak was chairman of the House Public Works and Transportation Committee. The CODEL came to Hungary to examine various projects supported with USG funding.

I will relate a humorous incident associated with that congressional delegation. When a CODEL arrives in country, it usually receives an ambassadorial briefing. Budapest briefings were held in the secured fourth floor conference room. The embassy had one small elevator. Like the embassy building, the elevator was ancient and crotchety. It was glass enclosed, but not the modern kind found in a Hyatt Hotel atrium. We arrived at the embassy and headed for the elevator. All five congressmen in the CODEL, plus the staffer and I, squeezed into the elevator. I pushed the button for the top floor. The elevator door closes. The elevator ascended one and a half flights and then stopped between floors. A couple of the congressmen, Nowak and Ben Jones from Georgia, were big men. The staffer, a short fellow, became very hyper which no one appreciated. I saw my career flash in front of my eyes. Ambassador Thomas and the country team were waiting upstairs. It took about 10 minutes for the embassy maintenance people get the elevator moving again. I heard later that the elevator frequently had problems.

Before we were rescued, Congressman Jones, the former television actor of Dukes of Hazard fame, warned that “the first one who farts gets it.” That broke the tension. Boy did I learn how new I still was to the embassy. Next to the elevator was a stairway. I had not been there long enough to learn the lock combination to get up the stairs.

My first year, I was extremely busy. Numerous delegations passed through. I assisted with the visit of Vice President Dan Quayle. He came to Budapest within a few months of my arrival. I was tasked with supporting the schedule for Mrs. Quayle and her children.

On top of my role as the environment and science attaché, I still held a special interest in caves and geology. Budapest’s karst geology and thermal waters are exceptionally interesting. The city claims it has more Turkish baths than Istanbul. The Buda side was sprinkled with outstanding caves. I had already met some Hungarian cavers. Some senior ministry officials at the Ministry of Environment were avid cavers. All caves in Hungary were protected by law. Just a few months before my arrival, Budapest hosted the International Congress of Speleology. The ICS, held once every four years, is the foremost international event dedicated to the study of caves and cave features.

When I mentioned that I was a caver, the ministry folks brought out the wine glasses. We drank toasts right there in the deputy minister’s office. We became close friends. I was provided *carte blanche* to visit caves anywhere in Hungary. The ministry arranged guides. I took advantage of the offer and frequently visited Hungarian caves. In Buda, caves were located right in the neighborhoods. Coming out of one cave, my Hungarian colleagues hopped on a bus afterwards and went home. After all, as the environment attaché, inspecting Hungarian geologic features such as caves was part of my official duties!

With the vice president’s visit, a question emerged: what to do with Mrs. Quayle? She wanted an educational agenda for her two pre-teen children. I suggested a visit to a commercialized cave, Szemlőhegyi Barlang, in Buda. (Barlang is the Hungarian word for cave.) Szemlőhegyi Barlang was unique. Unlike caves with which we are usually familiar, it had been formed primarily by rising thermal water instead of percolating ground water. The trail through the cave was an easy walk. Mrs. Quayle and her children visited Szemlőhegyi. The cave was quite a hit, literally. Since in places the roof of the cave was not very tall, visitors had to duck. Mrs. Quayle’s Secret Service protective detail, tall guys all, should have been wearing helmets. Instead, they crashed through the cave, occasionally banging their heads on the ceiling of the cave. They must have pretty strong skulls. We also arranged for Mrs. Quayle and the children to visit an English-environmental studies class taught by a Peace Corps volunteer at one of the local high schools. Since I was so busy with his wife’s schedule, I never did see the Vice President.

A few months later, I escorted Senator Bob Graham (D- FL) to the nuclear facility at Paks in central Hungary. Paksi Atomerőmű produced about half of Hungary’s electricity. Its four VVER (Soviet-designed pressurized water reactor) units are Hungary’s sole nuclear generation facility, and it is a good one. Of all the Soviet-designed East Bloc nuclear reactors, Paks was probably the best. The stainless steel reactor shields really shined. The place was spotless. Four years later I visit Chernobyl. There was no comparison. Paks was so well maintained it could have been

located in the U.S. Chernobyl was a dirty dinosaur.

Following his return to the U.S., the senator kindly mentioned my name at a congressional hearing. He also called my grandparents who were Florida constituents. That got them talking at the clubhouse!

Another “nuclear” visitor was Dr. Edward Teller. I was not involved with his trip. When Teller came to Budapest, he was in his mid to late 80s. Teller carried this big stick. I cannot call it a cane; it was like a shillelagh, thick and almost as tall as he was. Dr. Teller was Hungarian-born and spoke perfect Hungarian, if, according to the Hungarians, a bit old fashioned. The Hungarians worshipped the ground Teller stood on. He was a national hero regardless of his “Dr. Strangelove” H-bomb history. He was the last of that very famous line of Hungarian scientists who emigrated to the U.S. and later developed the atomic bomb.

Teller came to promote nuclear energy. He met with officials at the Ministry of Industry and Trade building on Margit korut (boulevard) on the Buda side of the Danube. Teller must have been representing the French nuclear industry. At the time, a debate was raging in Hungary whether to augment Paks’ nuclear capacity with an additional two reactor units. A Soviet VVER design was not being seriously considered. Teller pressed the Hungarians to consider French nuclear technology. The minister and his staff just ate out of Teller’s hand.

It had been an overcast day. Teller had come with his raincoat. When he rose to depart, the Hungarians helped him into a gray raincoat and escorted him to the elevator. He went down twelve floors to his waiting car. Then, I noticed that my own raincoat was missing. I ran to the elevator, descended to the ground floor, and emerged through the front door of the ministry. Teller was just getting into the back seat his car. I called to him. He looked at me like I was a cockroach. I excused myself. “Dr. Teller, I believe you have my coat.” He stared at me. I reached into the pocket of the coat and pulled out my gloves. “Wait right here and I will get your coat.” I went back up the elevator to the twelfth floor and grabbed the gray raincoat that was hanging alone on the rack. I raced down and we made the coat exchange.

I related that story to other people. Some asked me why I returned the coat. “You could have had Dr. Edward Teller’s raincoat!” This was before e-bay, of course. I had never considered it. See, my raincoat was almost brand new; his was ratty and threadbare...

Q: Did George Soros come through?

COHEN: Sure. He came through but I do not remember meeting him. However, Soros did influence me indirectly. In 1991 George Soros financed and endowed the Central European University, based in Budapest. The university had an environmental program, the first of its kind, to my knowledge, anywhere in the former East Bloc. As EST attaché, I was close to the American director of this program. He invited Dr. Agocs from the CDC and me to accompany the university environmental program on a July 1992 bus trip to southern Poland. We visited environmental sites throughout southern Poland and Slovakia.

The environmental program we escorted consisted of about 27 students from all over the former

East Block -- the Baltics, the former Soviet Union, Poland, Romania, Bulgaria, and even Albania. All the former East Bloc was represented. Most participants were in their mid-to-late 20s. Other than the director, Mary and I were the sole Americans. We traveled by bus from Budapest through Slovakia, across the Tatra mountains to Poland. Bizarrely, of all these nationalities represented on that bus, the Czechoslovak authorities -- it was still Czechoslovakia at the time -- only took the passports of two nationalities for secondary examination: the Albanians and the American diplomats! Something about that black passport made the immigration officials curious.

We stayed in Krakow at a university dormitory. We visited environmental sites around the city and beyond, steel mills and coal mines. But we did more. We hiked in the Carpathian Mountains and drank beer on a raft trip through a beautiful gorge. As part of the program, the group visited Wawel Castle, Kazimierz, and the former Krakow ghetto near the Vistula River. The group also traveled to Auschwitz-Birkenau. Although obviously not an environmental issue, the director believed it important for the participants to visit the former concentration camp. Under communism students did not make class trips to former concentration camps. We did. Some from the group actually complained before we went. "Why should we go there?" "Back in Russia, we have enough of this." The visit dramatically affected many. I heard no groans about the visit afterwards. For Mary and me, it was certainly an experience. A year later we returned to Poland and went to the site of the former concentration camp at Maidanek, outside Lublin.

Imagine the sociological dilemma of young men and women from all over the former Soviet East Bloc. For many, this was the opportunity to examine for the first time this relatively recent history. Until this moment, most seemed unaware of non-Sovietized World War II history, of the Holocaust. It had not been a part of their education. A Russian woman who had complained vociferously before we reached Auschwitz choked up. But I noticed an exception to this collective ignorance. The half dozen Hungarians in the group did not seem surprised. Hungary apparently had provided some minimal education about the Holocaust. There was a Hungarian display within the Auschwitz museum. In 1992, the East Bloc displays downplayed the principal victims, the Jews, and remained overwhelmingly geared towards the "Great Patriotic War."

Although Hungarian Jewry had been wiped almost clean by Adolph Eichmann, a sizable remnant of Budapest Jews survived the war, thanks to Wallenberg and others. A Hungarian woman described her own personal saga. During her youth in communist Hungary, her parents kept secret her Jewish heritage. She did not learn about her background until she applied for a spot at the university. Then, it mattered since a severe anti-Jewish quota system was in place. Only at that point did she discover her Jewish parentage. This woman was fascinated by the Auschwitz trip, as were the others. As I said, the Hungarians seemed more aware about the Holocaust.

Not only is George Soros Jewish, he survived the Budapest ghetto. Other well known people, including Congressman Tom Lantos (D-Ca.) whom I did meet, were survivors. I assume that was why Soros had a particular interest in Central Europe, particularly Budapest.

Q: But he really is a very influential figure in Eastern Europe.

COHEN: He certainly is. There were other figures, too; the Lauder family.

Q: This is the perfume-?

COHEN: Yes. I believe the family was from Vienna originally. The Ronald S. Lauder foundation in collaboration with the Joint Distribution Committee (JDC) created Jewish summer camps throughout the region. For one ceremony I visited the camp in Szarvas, Hungary, as representative of the ambassador.

I enjoyed a variety of experiences in Jewish Hungary. Budapest had a fairly buoyant, even thriving Jewish community. I was familiar with the synagogues. I met with some of the rabbis. I went to services during the holidays.

The cathedral-like Dohány Synagogue is Budapest's largest. Following its restoration in the early 1990s, it is a beautiful structure. The arched interior contained two balconies. The ornate exterior had this fascinating brick pattern. Two Moorish domes flanked the main synagogue entrance. Most restoration funding came from the United States. Tony Curtis, another Hungarian survivor of the ghetto, was a key fund-raiser. The other city synagogues were also active.

Using a Hungarian guidebook to Jewish monuments and synagogues, I visited synagogues and cemeteries throughout the country – and throughout the region for that matter. Most Hungarian synagogues were abandoned or destroyed during the war. Some survived but were no longer used as synagogues since the communities no longer existed. Many former synagogues stood empty in the middle of a town or on its outskirts. Most Jewish cemeteries, usually beyond town limits, had seen little or no upkeep. Some were completely overgrown with trees and bushes and were hard to find. But once located they were easily identifiable as Jewish. In a few cases the cemeteries were well maintained. Someone had taken responsibility to maintain them. But I met pitifully few Jews outside of Budapest, and no communities.

The synagogue in the city of Szeged was a real gem. Szeged is located in southern Hungary near the Yugoslav frontier. I consider Szeged's the most beautiful large synagogue I have ever visited – with one exception, the small, ancient synagogue in Cochin, India. The Szeged synagogue was a memorable structure. Built around 1900, it possessed colorful stained glass and a white and blue interior. Instead of Moorish architecture, the exterior looked almost Gothic. If crosses had been placed on the various cupolas and central dome, it could be mistaken for a cathedral. I traveled to Szeged with Dr. Agocs. We met the synagogue caretaker, Mr. Marton Klein, around 80 years old, who welcomed us warmly. With Mary's Hungarian, we communicated easily. Klein gave a moving history lesson. A Holocaust survivor, Klein had been taken to Russia in a labor battalion. Many Hungarian Jews were forced to serve in labor battalions, hardly any came back. Out of his battalion of around 300 men, Klein said he was the only one to return to Hungary. He was, more or less, the Jewish community of Szeged.

Klein took care of this beautiful synagogue. Acoustically, the structure was marvelous, like an opera house. Klein possessed a wonderful baritone voice. He demonstrated the synagogue's acoustics by singing some lines from the haunting *Kol Nidre* prayer which opens the Yom Kippur service, the holiest day of the Jewish year. His reverberations had perfect timbre. It stunned me. Imagine listening to Klein in this empty synagogue. Klein told us the Nazis "should

have taken the synagogue and left the community,” rather than taking the people and leaving the synagogue. It was a very emotional visit.

A few synagogues were being reconstructed. In the city of Győr in northwestern Hungary, the city fathers wanted to turn the shell of the synagogue into a theatre and community hall. At one time, the structure had been a beautiful synagogue. When I visited, it was completely gutted down to the dirt floor. The local municipality sought funding to refurbish it, to bring it back to its past glory. But there was no intention that it again serve as a synagogue. I was given a proposal for the reconstruction, including blueprints. That kind of thinking was not uncommon.

The 18th century Baroque synagogue in the village of Mád was my favorite. Mád is situated in Hungary’s wine-producing Tokaj region, in the northeastern part of the country. When Mary and I visited, the synagogue was an empty shell, except for the *bimah* and the bright blue Hebrew lettering on the walls. The floor was dirt. I had climbed into the building through a window. A shiver went through me when I thought about how the community had been eradicated in the spring of 1944, leaving the abandoned synagogue. Today, the synagogue has been fully restored to its former decorative glory.

On weekends I visited synagogues and Jewish cemeteries throughout Eastern Europe. In the remote corner where Slovakia, Hungary and Ukraine come together, I searched for any sign of the hamlets from where my great-grandparents emigrated in the 1880s. Unfortunately, under the communists all the village names were changed. Thus, it was difficult to locate places. I obtained copies of old Hapsburg-era maps and tried to line up the old locations with the new names. Locals directed me to one ignored cemetery located in a copse of overgrown brush and trees in the middle of a huge wheat field. A pheasant blind, an old campfire site, and a couple of empty vodka bottles were all that was there amidst the old headstones. I was convinced this cemetery would have been familiar to my ancestors. The headstones were in Hebrew. However, I did not find any gravestones with recognizable names.

I conducted archival genealogical work in Bratislava and Budapest and visited synagogues in Romania and Poland. Just across the border in the northern Yugoslav town of Subotica, Szabadka in Hungarian, Mary and I visited a synagogue that was not dissimilar in size or shape to the Szeged structure. Although it was almost completely gutted, Subotica’s microscopic Jewish community used a small lower room. When we showed up, they put me to work since few of them apparently read Hebrew.

Q: Did you sense anti-Semitism in Hungary at the time you were there?

COHEN: It is hard to say. Being a U.S. diplomat kept me at a distance from explicit anti-Semitism. I observed blatant anti-Semitism from a non-Hungarian direction. I will relate one small incident. The U.S.-Hungarian S&T Joint Fund administrators occasionally met with our sister joint funds from Poland, Slovakia and Czech Republic. At a joint event in Debrecen, we were at a dinner. The lead Polish administrator made a remark that was outlandishly anti-Semitic. What was striking was that the comment came from a person who was highly educated and sophisticated. I was shocked. One of the persons at our table reacted swiftly. He just took him to task. Overt anti-Semitism was less prevalent in Hungary than in the neighboring countries,

particularly Poland which in the early 1990s had just a few thousand Jews in the entire country. But underneath the surface, I am sure anti-Semitism pervaded more widely.

Q: As we talk, I spent five years in Yugoslavia and cannot recall anything that called attention to the plight of the Jews and the concentration camps. It was all pretty much focused on what the Croatian regime had done to the Serbs.

COHEN: Yet, the Jewish community of Yugoslavia was devastated by the Holocaust. In Budapest, Jews were not uncommon. A contact in one of the ministries related his story. At the time I knew him he was about 52 years old. When he was a toddler, he and his family were placed on a train bound to Auschwitz. Toward the end of the war, an effort to rescue some of the last Jews was being conducted surreptitiously between Himmler and American Jewish leadership. Ransom is a better term. On its way to Auschwitz the train was diverted first to Austria, then Switzerland. The Jews on that train survived. This was only one train out of thousands. My ministry contact came that close to being exterminated.

One warm weekend afternoon, Mary and I visited a cemetery in Budapest, one of the major cemeteries in the city. There was a Jewish section. We came across a very elderly couple walking arm in arm. Each had concentration camp tattoos on their arms, Holocaust survivors. Meeting survivors was not unusual. In the early 1990s quite a few still lived in Hungary.

With the lid of communism removed, an undercurrent of xenophobia, which included anti-Semitism, permeated the political scene. Hungary suffered from a right wing political backlash that was as much anti-Gypsy as anything else. As you know from your time in Yugoslavia, Balkan interethnic hatred is bottomless. There is no rational cause whatsoever; it is just there and there is no way to surmount it. Occasionally, words would come out of their mouths that reflected hatred that had been learned in their youth.

During World War II, Hungary had its own fascist group called the Arrow Cross. They were the Nazis of Hungary and were extremely vicious. German troops occupied the country in March 1944 and began rounding up Jews from the countryside. By summer most had already been shipped to Auschwitz. In October 1944 Hungary's leader Admiral Horthy lost his battle of wits with the Arrow Cross and was deposed. In its brief chaotic reign, the group utilized vicious anti-Semitism to conduct the final Jewish round-ups around Budapest. This was near the end of the war, Hungary was near collapse. Soviet forces were approaching Budapest. Yet, the Arrow Cross continued to slaughter tens of thousands of Jews and non-Jews and facilitated the transport to the death camps of thousands of others. Arrow Cross members bound three Jews together, shot the middle one in the head, and tossed the trio into the Danube. It was a gruesome picture.

Survivor stories abounded in Budapest. There was the story of a Jewish fencer who was kept on because of his fencing skills. One contact told me about his father, a Jewish officer in the Hungarian army. When the Germans entered Budapest in 1944, he survived by keeping close to the Germans. He spent his days in the thermal baths at the Gellert Hotel, hobnobbing with the German officers. Because his demeanor was so distinguished, the Germans never suspected he was Jewish. He survived the war.

People survived by hiding. Many were saved by Wallenberg, Swiss Consul Carl Lutz, and others. But elsewhere in Hungary, in the provinces, in Greater Hungary across the border in Ukraine and Transylvania, Romania, Jews who survived were few and far between.

Q: There was no place to hide.

COHEN: It was very difficult to hide. In addition, the population had little awareness of what was happening. Neither the Jews nor the Hungarian citizenry knew about the death camps. The sweep through Hungary occurred so quickly. The Hungarian gendarmerie collaborated with the SS and the Gestapo. They did a pretty thorough job.

Q: What was your impression of the feelings toward the Soviets?

COHEN: As I mentioned, the last Soviet soldier departed Hungarian soil on June 30, 1991. The Hungarians declared a national holiday. What does that tell you about Hungarian feelings? The Hungarians despised the Russians. I suspect many Russian soldiers were unenthusiastic about their pending return to the USSR. Russian soldiers sold everything they owned: their watches, their helmets, clothing, even hats -- you could pick up these items up for a song. When the Soviet soldiers departed, they took everything not nailed down, and most everything that was! They pulled wire out of the walls; they took the ceramic toilets; they took light fixtures. When the Hungarians gained access to these bases, nothing but the shells of buildings were left.

There was, as I mentioned earlier, a deep antipathy between the Hungarians and the Soviets. The Hungarians just wanted to be rid of the Russians. "Just leave and do not let the door hit you in the face when you walk out." The Russians felt that they deserved some respect. They constructed the buildings, bombproof airplane hangers, runways and everything else. "It's worth compensation." When arguing for financial compensation, the Russians neglected to focus on the environmental degradation that they committed. Unexpended ordinance littered free fire zones. Much had been buried. The fuel carelessly dumped onto the soil was just one example of the degradation. But I will say one thing about the Russians. They left colorful artwork commemorating pilots, cosmonauts, soldiers, etc., on the walls of the buildings. I would be sorry to see the paintings destroyed.

When the Russians pulled out, then Hungary really broke free from the East Bloc. I will provide two linguistic anecdotes.

I often asked Hungarian about their language skills. "What languages do you speak?" Many claimed some German, almost as many said they understood some English. I asked, "Did you not study Russian?" All answered in the affirmative, for twelve years from grade school on up. "Well, if you studied Russian so long, then you must have learned it." I almost always received the same answer. "I may have studied it but I never learned it!" I suspect most Hungarians knew more Russian than they wanted to admit. Russian was forced down their throats.

A popular theme in Hungarian literature and movies concerned this issue. At the time of the collapse of the Berlin Wall, Russian language teachers permeated Hungary. Russian language instruction was a profession like any other and seemed to offer good job security. Russian was a

required course from primary school all the way through gymnasium, through secondary school. Thousands of Hungarians were Russian language teachers. Then the communist East Bloc collapsed. Guess what? No one wanted to study Russian anymore. According to the plot of the story, the unemployable Russian teachers decided they would become English teachers! Too bad, few knew much English. They would be learning English themselves. The joke was that the new English teachers would be one or two lessons ahead of their students. There was more than an ounce of truth in that tale.

Q: To me, in a small European country you have got to be smart to survive.

COHEN: The Hungarians are nothing if not smart. They are sharp, highly educated and very motivated. If they want to learn a language, they would learn it.

Q: Sort of on the same subject, here is a country that had been under Soviet rule for more than four decades. What was your impression of the depth of Marxism in the country?

COHEN: Let me tell you another story.

Q: You have been in Eastern Europe too long.

COHEN: I served only one tour there.

Q: Yes, but once you get into Eastern Europe, you always have a story.

COHEN: I have many. When I arrived in Budapest, as I mentioned, the city streets still retained the names given during the communist regime. The primary Budapest boulevards included Lenin korut, People's Democratic Republic Boulevard, all this stuff. Hungarians immediately started to refer to the pre-communist street names, back to the Hapsburg names. Lenin korut became Terez korut, People's Democratic Republic simply became Republic boulevard. That is all well and good if you are a native Budapesti. But I utilized a street map printed before the change. It was a challenge to navigate the streets.

Perhaps more dramatic was the public attitude about monuments. When I arrived in Budapest, the city was pimped with Soviet, Marxist monuments. There were monuments to the great heroic people's struggle against whatever; monuments to the liberation of the city; monuments to famous Hungarian communists; monuments to this Marxist philosopher or that writer; monuments to Marx. I suspect there were monuments to monuments! The Hungarians decided swiftly that the communist-era monuments had to be removed. In 1991 an effort was launched to relocate the communist era monuments, except for the one that I mentioned in front of the American embassy. What do you do with all these monuments? Again, this is before *e-bay*.

Q: Well there is a huge one up on the-

COHEN: The enormous Soviet memorial on the citadel commemorating the city's liberation is impossible to move and risky to destroy. Statues and statuary are another matter. All were relocated. Hungarians are pragmatic people. Perhaps one day, the joke went, the communists

might return. Thus, it is not a good idea to *destroy* these statues. If the communists come back, their statues will already be available! The Hungarian people would not have to expend money to create new ones. That was the joke.

The relocated Marxist statuary was placed in a field on the edge of the XXII Kerület (district), at the far south-western end of the city. A wall was built around the monuments and the area turned into a nice park with walkways and benches. I do not remember whether a fee was charged to enter. I called it “Jurassic Park;” at the time Jurassic Park had just come out in the movies. It was a statuary garden from the communist period, hopefully, just as extinct as the dinosaurs.

While we are on the topic of statuary, I will relate a couple of additional statuary stories. As I mentioned, outside the U.S. embassy at Szabadsag ter is a monument put up by the Russians to commemorate their liberation of Budapest in 1945. Nearby is a statue to an obscure American general, Harry Hill Bandholtz. At the end of World War I, General Bandholtz was on the Inter-Allied Control Commission which supervised the disengagement of Romanian troops from a prostrate Hungary. When Romanian soldiers sought to loot the national museum, General Bandholtz stood on the museum steps and used bluster to prevent the sack of the museum. The statue was erected in 1936. In the late 1940s it was removed for “repair.” The “general” was rediscovered in a warehouse in the 1980s. The statue placed in its original position on Szabadsag ter just before President Bush visited the city in July 1989. There Bandholtz stands in his World War uniform.

Immediately after World War II, a memorial was erected to Raoul Wallenberg next to the parliament building. This was during that interim period before the communists took full control over Hungary. Thinking back, it was quite amazing that a monument to Raoul Wallenberg could have been placed in Budapest right after the war. The Russians were still there in full force. But the government had not yet reverted to its future Stalinist version.

The life-size monument shows a man with a raised club in his right hand and his left hand clutching a hissing snake by the neck. The Soviets certainly did not appreciate this monument. One night, probably 1948 when tensions were high, the statue was removed by the Hungarian KGB. It eventually was placed in front of a pharmaceutical factory in Debrecen, in eastern Hungary. Given the Hippocratic Oath, it made sense that slaying a snake might refer to pharmaceuticals. On a 1992 visit to Debrecen I saw the monument. A recent memorial stone to Wallenberg had been placed next to the monument. A few fresh wreaths sat in front. For 40 years, I am sure few people had any clue what was the monument’s original meaning.

Ambassador Charlie Thomas knew its story. He pressed Hungarian authorities to return it to Budapest and place it in its original location. The pharmaceutical factory did not like that idea. They probably had gotten used to it. The GOH resisted moving the monument. Another memorial to Wallenberg had subsequently been dedicated on the Buda side. Only one monument in the city could commemorate or memorialize any individual.

In my experience, few countries were as convulsed about statues and symbols as Hungary. These stories provide insight into the psyche of the Hungarians, what they thought about communism and the Soviets. Elsewhere in the former East Bloc, Albania, Romania or Bulgaria, communist-

era statues were pulled down and destroyed. The Hungarians did not do it that way. They had a completely different, perhaps more pragmatic strategy. Whoever procured the statuary was probably out to make a buck.

The depth of popular hatred towards the Russians was unfathomable. In the early 1990s, the long pent-up emotions from '56 were able to come out. In October 1956 it looked briefly that the Hungarian revolution might succeed. Then on November 4 the Russian tanks crushed the revolt. Thousands of Hungarians died. Some buildings in Budapest still have bullet holes which are not from World War II.

In the early 1990s Hungary underwent a catharsis. Many issues which until then were kept hidden or suppressed now were being debated. Cardinal Mindszenty's body was returned to Hungary and reburied with great pomp. Imre Nagy's grave was rehabilitated. Nagy had led the Hungarian Government during the Revolution in 1956.

Q: Did you observe any manifestation of the binge against the Soviet security forces, the Hungarian apparatus?

COHEN: Absolutely not. The Hungarians seemed eager just to rid themselves of the Russians, ready to provide, if needed a one way train ticket to Moscow.

Concerning the Hungarian communist apparatus, I do not recollect recriminations that approach what happened in East Germany, Romania, and elsewhere. The press was certainly having a field day going over historical events. Accusations flew back and forth. But Hungarian communism during the 1970s and 1980 was nothing like the harsh Stalinist period which preceded the 1956 revolution. Prior to '56, Hungary under Matyas Rákosi had been one of the most authoritarian regimes of the East Bloc. From '56 onward under Premier Janos Kádár; Hungary actually enjoyed a modicum of economic semi-independence from the Soviet Union. Its economic system was commonly called "goulash communism." Goulash communism's message to the Hungarian people was simple: you let us rule and not cause us anymore political problems and we will endeavor to provide you with the highest standard of living possible under communism. No more revolts, no more revolutions, cease and desist and the party leadership will endeavor to assure that Hungarians benefit from the best economic standards possible. Compared to other countries in the East Bloc, Hungary did achieve that. Hungarians probably enjoyed the highest standard of living and softest.

Kadar created a different kind of communism, one that allowed slightly more freedom, including some limited travel to the west -- still communism but not as harsh as it had been. Because of goulash communism, I suspect the retribution period was less severe than elsewhere. Also, the Hungarians realized, to some extent, that the communists themselves were the ones who actually brought down their own system. The revolution was not violent; it was a revolution from the inside. It did not compare with Ceaușescu's Romania.

Q: Did we have a Peace Corps there?

COHEN: We did. As I noted earlier, I associated closely with the Peace Corps volunteers who

were part of an environmental Peace Corps program. They were assigned to schools to teach environmental issues and work with non-governmental organizations. One volunteer assisted the Regional Environmental Center. The Peace Corps director or the deputy director may have perceived me as a threat; I understand why.

Q: Well, we have always tried to keep this separation between the Peace Corps and the embassies so the Peace Corps will not be looked upon as an espionage element.

COHEN: We agree. I pushed the envelope. I provided the volunteers with useful information. They benefited from awareness of what was going on throughout Hungary environmentally, U.S. policy, and hot button issues they might run across. I also provided EPA educational materials for them to utilize. In each of these environmental contingents, there were about eight to twelve volunteers. They were a great group.

Q: Where did things stand computer-wise when you got there? Had Internet arrived?

COHEN: Although there was no Internet, per se, some computer savvy embassy staff obtained email capability. One of our information management officers explained to me that he communicated to family members in the United States this way. He utilized a new company like CompuServe or Erols. It was almost beyond my comprehension.

The embassy's computer system was still Wang-based. It had progressed from the optical reader system and letter perfect headaches we faced earlier in Tegucigalpa. Cable drafting was easier. The embassy's most serious issue at that time was simply the chronic dislocation as a result of the building's complete top down reconstruction. During my tenure, I worked in three different offices on three different floors. Also, anything classified had to be prepared in the embassy's secure area where only a couple of computer terminals were located.

Q: Is there anything else we should cover in Hungary?

COHEN: There are a few things I do not want to miss. One semester, I taught a graduate level evening class at the Budapest Economics University. How did I get into that? One Friday evening, I attended the British Club happy hour in the basement of the British Embassy. Perhaps I had a few too many drinks. An expatriate who worked at the university enticed me to teach a graduate class on contemporary environmental issues. I prepared a curriculum – and researched the issues! My course covered climate change, the economics of pollution, and similar topics. I did not follow a traditional Hungarian teaching style. In one class, I divided the students into Slovak and Hungarian sides and told each side to debate the Gabčíkovo-Nagymaros controversy. The students found it easier to argue the Slovak position including defense of sunk costs, interesting enough. In another class, I arbitrarily assigned each student a country and asked that they argue their country's climate change policy. My interactive teaching technique was new to the students. Many were older, some were government bureaucrats. All seemed to enjoy the interactive engagement and role playing.

I worked closely with environmental groups throughout Hungary. Two months before I departed post, the Ministry of Environment presented me with a prestigious Hungarian environmental

award, signed by Environment Minister Dr. Janos Gyurko. That was quite an honor. For my last Hungarian venture, my ministry friends took me on a private boat tour of the Danube River marshes in the southern part of the country. We had a wonderful time just boating around the Danube and splashing about in the river.

Q: As the environmental officer, you talked about the marshes. These are always fragile. What was happening there at that time?

COHEN: I mentioned the controversy with regards to the Gabcikovo Dam. The Danube River bisects the Hungarian basin. First, it flows east-south-east, then at the famous and picturesque Danube Bend, it turns dead south towards Budapest. The river forms the base for the country's hydrology. Hungarians are sensitive to the Danube's health, to the country's thermal waters, to water in general. The hydrologically sensitive Szigetkoz wetlands, rich in fauna and flora, follow along the Danube just at the point where the river enters Hungary from Slovakia. Hungarian environmentalists feared if the Danube flow was interrupted, which was going to happen when the dam water was channeled, the water table would drop. The wetlands would dry and the ecology change into grass and forest. Also, with less river flow, concentrated and more toxic pollution would collect in the wetlands area. This was perceived as an irreversible future disaster.

The environmentalists also feared an impact on Hungary's thermal waters, a true natural wonder. Alteration of the hydrology could negatively impact the hydrostatic pressure for Hungary's famous thermal waters, even far away in Budapest.

Hungary enjoys numerous wetland areas, such as the marshes near the Yugoslav border. Hungarians are sensitive about their rivers: the Tisza, the Drava, as well as the Danube. The GOH sought to protect these natural resources, particularly along the frontiers that had been off limits during the Cold War. For 50 years the border between Austria and Hungary and between Hungary and Yugoslavia had been patrolled and inaccessible. Small almost untouched ecosystems stretched the lengths of the borders. Hungarians supported the creation of bi-national parks along the undisturbed strips of land. The Regional Environmental Center promoted these parks, as well. A chunk of land along the Drava River with Croatia was targeted for protection.

Another example was the Tisza River which originates in Transylvania. It flows north into Hungary then makes a big U-turn and enters into the Danube in the south. Among other pollutants, the river suffered from high levels of arsenic. This got the Hungarians up in arms.

LYNNE LAMBERT
Deputy Chief of Mission
Budapest (1997-1998)

Lynne Lambert was born in Ohio in 1943. After receiving her bachelor's degree from Smith College in 1965, she received her master's degree from Johns Hopkins in 1967. Her career has included positions in Athens, Teheran, Paris,

London, and Budapest. Ms. Lambert was interviewed by Charles Stuart Kennedy in January 2002.

Q: In '96, you went where?

LAMBERT: I went to Hungarian language and then to Budapest. I was there from '97-98. Hungary is a wonderful place. It had the best educated people I've ever known. It's amazing. I'm not sure that with the democracy, with the system of education where they emulate the West is going to produce the fine, rigorously trained people that the old communist system did, although I'm not sure that the old communist system succeeded so well in the rest of Eastern Europe. In Hungary, certainly everyone spoke English that was under about 45 and they spoke it very well. I mean people like maids and people on the street. The level of English was phenomenal. I think English is certainly the first foreign language, and it became so during the communist period. You would meet Hungarian diplomats who would very often sound like they were American. Just hearing their voice across the hall, you might think that they were. When Clinton was impeached, Americans would be loose with the language. The impeachment came from the House and the trial came from the Senate. He was impeached, it's correct. But Americans would often say, "Do you think he'll be impeached," meaning the Senate voting to remove him. My Hungarian maid knew the difference between the two bodies of Congress. She said to me one day, "I thought they already impeached him. What are your friends talking about?" To have somebody catch that in a foreign language when my diplomatic friends were being loose with the words was just indicative... They are absolutely computer geniuses. I understand that Hungarians are very marketable in the computer world. So are Indians and a number of other people. They are very musical. The level of music in Budapest is just remarkable. We had a lot of American groups that would come through that would want to do concerts at the ambassador's house or something. You had to be pretty careful to make sure that this would be a group that would be something a little different than what you'd hear in a Hungarian church any day of the year.

It's just a wonderful place to be. The prices were going up pretty rapidly when I was there. When I started, the opera was about \$10 for an orchestra seat and it went up to \$30 and then it went up a little bit beyond that. I don't think that the opera is probably of the standard that the rest of the music was because the major singers and performers by then were going to Western Europe, the big names.

Q: What was your job there?

LAMBERT: I was the deputy chief of mission.

Q: Who was the ambassador?

LAMBERT: The ambassador that I went with was Donald Blinken. He is a wonderful gentleman from New York who is also an art collector and I think the head of the De Koenig Society. His brother was ambassador in Belgium. Ambassador Blinken's big issue was NATO membership. Just before he left, the Hungarians did vote to join NATO in a referendum. It was a very strong result for joining NATO. But in the year or so before the referendum, there had been quite a bit of public debate about whether this was the way they wanted to go, whether they wanted to take

on the military commitments, money, etc. Before the referendum, there was some concern that the vote might not be decisive primarily because enough people wouldn't turn up, that the majority of the Hungarian people wouldn't vote "Yes." The "Yes" result was never in question, just the turnout. So, we organized a lot of seminars on NATO. It was a big blitz. A lot of people from the States came over to speak with different groups. It was very successful. There was one group that I was a little leery of because they had strong political affiliations with one of the political parties in Hungary. This was the Hungarian-American Coalition. Many of the members left Hungary in '56. I think most of them did. They've always been a political group, but it was a group of very distinguished people, professionals of the extremely highest level – a lot of writers. They applied for a grant to hold town meetings. It was a very successful effort. They did a wonderful job and weren't politicized at all. I don't think town meetings had been held in Hungary before. USIA had a small grant to do some press training. AID still had some money left in the country – not much, but they were able to help some NGOs organize not necessarily on behalf of the referendum, but just to give NGOs some experience in political advocacy. For example, they worked with some youth groups in universities to try to get the youth to vote. It was a wonderful effort and it came out very well.

Q: Do we still have a supply depot in Hungary?

LAMBERT: Yes.

Q: This was to support our efforts in Bosnia. How was that working when you were there?

LAMBERT: I think it was probably at its height when I was there. I'm not sure if we have it now or not. I just don't know. It basically became a supply and transit center for the troops in Bosnia. Most of what went in and out of Bosnia came through the Tasar base. It was a joint air base. It was a Hungarian air base actually and was a joint base at this point. We employed a lot of Hungarians. Most of the U.S. troops were Reserves. We began sending troops in and out through Hungary, too, both to do their orientation and to do their debriefing before they went home. It worked quite well. Every once in a while, you'd get into a local issue where a truck was too big for the road and hit a car or something like this. These heavy trucks were going through some roads that were not classy superhighways. But by and large, it was an effort that the Hungarians supported and the community supported. It was a good employer for one thing. The military did a good job with community relations. There were a number of people that worked with community relations. By and large, it's popular and was effective.

CHARLOTTE ROE
Environment and Science Attaché
Budapest, Hungary (1997-1999)

Ms. Roe was born and raised in New York State and educated at the University of Colorado, the Sorbonne and Ohio State University. During and after her university training she was involved in political and labor activities. In 1983 she joined the Foreign Service. In the course of her career with the State Department,

Ms. Roe served in La Paz, Santiago, Tel Aviv, Budapest and Bogotá, primarily in the political and labor fields. In Washington, she served on the US Mission to the OAS and in the International Organizations and Environmental and Scientific Affairs Bureaus. Ms. Roe was interviewed by Charles Stuart Kennedy in 2005.

Q: You were in Budapest from 1996 to '97?

ROE: I was in language and area studies in 1996-97, and served in Budapest from August 1997 to August 1999.

Q: Let's talk about your work and what it was like in Budapest.

ROE: I went to Budapest as Environmental and Science Attaché. One of my responsibilities was to be Commissioner for the U.S.-Hungary Science and Technology Joint Fund, a small but impressive organization founded by the governments of Hungary and the U.S. In 1989 President H.W. Bush made an historic speech in Budapest and signed an inter-agency agreement to spur scientific exchanges and cooperative research in Central and Eastern Europe. Over the next decade, the S&T Joint Fund supported hundreds of scientific projects, all subject to peer review, engaging thousands of scientists from the U.S. and Hungary. The Fund developed close ties with OES, the National Science Foundation. Within the country it cooperated with the Foreign Ministry, the Hungarian Academy of Sciences and the Ministries of Environment, Agriculture and Health.

In the same speech the President committed the U.S. to work with the European Union to help clean up Soviet-era contamination in these countries. That was the genesis of the Regional Environmental Center (REC), an independent organization that builds cooperation among governments, businesses and NGOs to address the most pressing environmental problems in the region. I was U.S. liaison for the REC, which is headquartered in Szentendre, a medieval town a half an hour from Budapest. By the mid-1990s, core U.S. funding was ending, but EPA still kept a visible presence in the REC's governance and supported specific projects. The REC was branching out to the Balkans, Eastern Europe and the Baltic states

Q: I would think the whole environmental and science scene was dominated by Hungary's desire to get into the European Union because the EU has taken such a strong stand on various environmental issues.

ROE: The dialogue was framed by EU accession. That involved a complex series of steps to adapt Hungary's laws and institutions to Brussels' policies for environmental protection. This had a price: the EU accession process focused largely on the legal and bureaucratic adjudication process. On the books, Hungary's environmental laws were quite advanced. But implementation was spotty, and the accession process tended to draw scarce energies and resources further away from the enforcement of existing laws. The REC aimed to open up avenues for broad-based public participation. These were modeled not on EU bureaucratic procedures but on the experience of the U.S. and emerging countries. The REC became a catalyst for bringing citizens into the environmental boardroom.

Q: Did Hungary have a Green Party or a reflection of the German Green Party?

ROE: They had a small Green Party, but the ecologists were spread throughout the political system. The only place where they had zero presence was in the former Communist Party, which renamed itself the Socialist Party.

Q: I may be wrong, but the Green Party in Germany started out with the title Green party, and has moved way beyond the environment. It tends toward the more activist left.

ROE: That's Germany. But in Hungary, the environmentalists have deeper, broader roots. Theirs was the most vocal movement challenging the Soviet-supported regime in the 1970s and 80s. After the Soviets crushed the Hungarian revolution of 1956, the incipient environmental movement was one place that people could more easily get away with expressing their disagreement with the authorities. The movement coalesced when the Duna Kör (Danube Circle) formed in 1984 under the leadership of János Vargha to fight the Gabčíkovo dam project. Ironically, when I arrived in Budapest in 1977, the Embassy and the intelligence community were convinced the Greens were marginal, insignificant, and that Horn's dam project was inevitable. I had a different take, and advised Washington this issue would be a dynamite keg for the Horn regime.

Q: There have been some major disputes with Hungary and Slovakia over these dams, weren't there?

ROE: Yes, in 1992 Czechoslovakia completed construction of Gabčíkovo, a hydroelectric project in the upper part of the middle Danube. The project was designed by Soviet-trained engineers under a 1977 agreement with Hungary. (In his dissident days, Czech Prime Minister Vaclav Havel decried Gabčíkovo as an example of "Stalinist megalomania.") In the 1980s, during the waning years of the Soviet empire, Hungary began construction of Nagymaros, the twin project, in a sensitive area of the Danube bend just 30 miles from Budapest. A massive popular movement arose in opposition to the dam, which to Hungarians symbolized arrogance of one-party rule. The anti-government protests forced the government to suspend construction and hastened the collapse of the iron curtain.

The case went to the International Court of Justice (ICJ). In 1997 the ICJ ruled that Hungary was wrong to have terminated its part of project under the 1997 treaty, but also that Slovakia had no right to build Gabčíkovo unilaterally. In other words, a draw.

Hungarian Prime Minister Gyula Horn, who was elected in 1994, had promoted the dam as a Communist official when Hungary was under Soviet rule. Now he used the ambiguous ICJ ruling to revive the hydroelectric project. Once again the Danube affair raised passions to a boiling point. The protest built up steam, and by early 1998 massive demonstrations against the Nagymaros dam involved broad constituencies -- the Hungarian Democratic Forum, apolitical associations like the Esperanto Club, and conservative groups like the Association of Hungarian Families. The movement was fired by the eco-warriors of the Duna Kör. But it was populated by ordinary Magyars: housewives, artists, students, architects and technicians.

Q: What was the dam supposed to do?

ROE: Gabčíkovo, the upstream dam, was built to collect and release water through a long channel to generate 720 megawatts of electricity. Nagymaros, the downstream project, would control water fluctuation and generate additional electricity.

Q: And the major objections were –

ROE: The negative impacts and environmental risks included destroying the habitat of dozens of birds and aquatic species, polluting the drinking water, and lowering hydrostatic pressure for the treasured thermal springs around Budapest. The area most threatened was Szigetköz, the marshes, hardwood groves and wet meadows along the floodplain of the Danube. This wetlands area harbors many endangered species and works as a hydrological discharge for the whole northeastern region of Hungary. People were also responding to deep-going cultural and national identity issues. The Danube gave birth to a broad turn-of-the-century artistic and philosophical movement that was expressed in one of Europe's richest, most unique art nouveau architecture and design. The movement sought to reclaim Hungary's indigenous origins, re-ignite its cultural and linguistic ties with the East, and humanize industrial development. The motivation for the dam directly conflicted with this consciousness. The project would submerge a number of small islands including Helemba, which contains invaluable Celtic and Arpad ruins. Indirectly, it was a terrible reminder of the 1920 Treaty of Trianon that severed Hungary from two-thirds of its national territory and the majority of its population. The Magyars have been scorched too many times in their troubled history; they are understandably protective of the land and rivers they have left.

Q: Particularly during the period of the '20s and '30s, dams were the big thing in the Communist world.

ROE: Not just in that world – think of the Grand Coulee Dam. In Hungary's case, it unseated the government. Prime Minister Horn tried to bulldoze the decision through. The opposition was overwhelming. Horn's party was defeated in the April 1998 parliamentary elections by Victor Orban, a conservative. Orban named János Vargha, one of my close contacts, as his environmental advisor. During the 1970s Vargha received the Goldman Environmental Prize for his work with the Duna Kör. Working inside the system proved a hard fit for him, although the victory was sweet at the time.

Q: I lived in Belgrade for five years. We used to love to look at the Danube. In fact it's a confluence of the Sava and the Danube there. Now, what were your impressions of Hungary at the time? It wasn't that long after it had cast off being part of the Iron Curtain and had come back into the Western world. How that was working?

Who was the Ambassador and what else were you up to?

ROE: When I arrived the outgoing Ambassador was Donald Blinken, an investment banker. Peter Tufo, the new Ambassador, arrived in January 1998. He was a political appointee. Tom Robertson was the very able DCM. The previous DCM, Lynne Lambert, had come to Budapest

in September 1997. She was a micro-manager and very contentious. When Tufo arrived, she departed after only six months at post. My position was a semi-autonomous part of the economic section, an upbeat office headed first by John Moran and then by Jean Bonilla. I worked across the hall in an EST section that contained a classified and unclassified computer – the latter was essential for the great bulk of communications with our counterparts in Hungary. (The only other unclassified pc available for internet traffic was located two stories below.) Andrew Bock, a full-time Dante Fascell fellow, was environmental officer. He was well-versed in the science community, spoke fluent Hungarian, and helped enormously during my first year. I was catapulted into negotiations on the climate change treaty. I worked with the REC and served as Commissioner of the U.S.-Hungary Science and Technology Fund. We were assisting the University of Rochester in a series of conferences on environmental technologies, promoting U.S.-based environmental firms, and following a range of other issues from biodiversity protection to public health to nuclear safety.

On all fronts, Hungary was reforming its institutions and developing new ways to meet EU standards. The REC for example was implementing the Sofia Biodiversity Initiative in an effort to ensure that economic transition would enhance, not harm, biological and cultural diversity. Ambassador Tufo was looking for ways to mobilize U.S. financial resources to assist in Hungary's campaign to develop its poorer regions to the East.

The Balkans war raised tensions throughout the region. Taszár, the U.S. Army base in southern Hungary, played a strategic role in the conflict leading up to the 1999 Kosovo air-strikes. Hungary provided strong support for the U.S. effort in Kosovo, but was concerned about risks to millions of ethnic Hungarians living in bordering countries.

Q: Was Tufo of Hungarian descent?

ROE: No. He billed himself as a “friend of Al Gore” -- a former staff aide to Senator Gaylord Nelson and later an investment attorney in New York City. Tufo was keenly interested in the environment. But when it became clear there was little USG money to spend in this area, his ardor cooled. He was on permanent overdrive, and his personal affairs would often intertwine with government business. For example, an environmental attorney friend of Tufo's who wanted a job in Central Europe inundated our section and the front office with hundreds of faxes pressing his case. Finally, I spoke with the administrative counselor who agreed there was potentially a big conflict of interest. When I conveyed this to the attorney, he understood at once. Other officers had urged me to walk on eggshells out of fear of incurring Tufo's wrath.

Q: Was that just a problem for the Embassy or did it have an affect on our relations with Hungary?

ROE: Hungarians are sharp observers with a good sense of humor. The Ambassador was divorcing wife number two when he arrived in Hungary. He married an actress, then that ended. He later married the daughter of a Nepali businessman. At some point after my departure, he reportedly looped in his third or fourth wedding reception with an official USG celebration in historic St. Matthias Cathedral on Castle Hill in Buda. Society-watchers may have enjoyed these

operettas, but they were tough on Embassy staff. Ambassador Tufo often cancelled meetings on a moment's notice. He was mercurial and a dedicated self-promoter.

On the plus side, Tufo was an astute public communicator. He understood U.S. politics and social history. He gave several presentations to Roma groups about our civil rights experience, talking from the heart about how Afro-Americans fought successfully to overcome centuries of degrading, inhuman treatment. He paid close attention to economic and law enforcement issues. A key focus was the International Law Enforcement Academy, which the FBI founded in Budapest in 1995.

Q: Well, it doesn't hurt to give it flavor. These are things we have to deal with at post. The Ambassador is a public figure

ROE: And in this case very colorful.

Q: What about the Roma? You've got a two-part problem. One is the centuries-old xenophobia about those we call gypsies. I was in Yugoslavia for five years and saw the same thing. At the same time behind this prejudice were other concerns, like the question of settlement and the splintered leadership in the Roma community. How were Hungarians addressing these issues?

ROE: Historically, any government efforts to forcibly settle the Roma – instead of letting them develop their own culture – have been disastrous. Treatment of the Roma and of minority Hungarians in neighboring countries related directly to EU accession. Hungary had close to 500,000 Roma out of a population of 10.2 million. The Roma make up the largest minority. Most were living in substandard conditions, with at least seventy-five percent below the poverty line. Hungary and neighboring countries had traditionally sent Roma children to “special” schools, which were run as though they were schools for the retarded. This was a virulent kind of educational apartheid. Less than ten percent of Roma youth graduated from high school. Those that finished college you could count on your hands. The Communists had promoted a disastrous policy of assimilation. (In some ways this mirrored the U.S. practices from the 1950s to the mid '70s, when our government tried to close down Indian reservations.) Uprooting the Roma to urban areas was aimed to encourage integration. But suppressing their ethnic identity only led to alienation, despair, alcoholism and greater unemployment.

Starting in the early 1990s, Hungary changed its tack and experimented with a modest self-government system focused on education and culture, with mixed results. The Roma had a desk in the Education Ministry. Reformers tried to implement housing solutions and to develop legislation for expanded civil rights and cultural diversity. Still, local government officials have been resistant to change. Divisions in the Roma community and high post-transition unemployment and crime rates made the situation worse. Police brutality remained an uppermost concern of the Roma. In one case a local Roma leader took part in a radio program discussing police problems. In retaliation, the town police assaulted him and his brothers and beat them severely.

Q: I recall the gypsies coming on the streets of Belgrade. You quickly put your hand on your pocket -- I mean just a fact of life.

ROE: When I worked in Rome, I heard similar admonitions – don't walk alone near the monuments or "they" will surround you. In Budapest, a metro official once warned me that the Roma were *vészeyes* (dangerous) because they would spread germs and take your money. This is the fear reaction. People who are insecure apply it to any group that differs from them. During my language immersion, I went to a Roma dance hall frequented by teens and young adults. We FSI students were the only non-Roma at the event. The Roma were polite and very shy.

One weekend in October 1998 I drove to Romania with Mary McKinley, then a lecturer at Catholic University and Corvinus in Budapest; Claudia Spahl, a political officer at the German Embassy; and two anthropology post-grad students, one of whom was Roma. We toured the huge Roma fair called *Vasarfekető* (Black River Market) in Négreni, Romania. It's like a giant county fair, teeming with caravans of traders, horse carts, musicians, livestock, stray dogs, colorful scraps of everything a home might need. We stayed over in Cluj, the formerly Hungarian city in Transylvania. That was a fascinating glimpse of the west of Hungary that was chopped into pieces following World War I. As for Négreni, despite its rough exterior, the flea market turned out to be about as safe as a street fair in Georgetown. There's a sense of protection you don't find in a rootless, anonymous urban setting. The gypsies were the smiths of Europe in centuries gone by and they held a more respected economic position then, even though religious authorities had persecuted them for centuries.

Q: You'd hear about them in Ireland and England going back and carrying pots around.

ROE: Also throughout Central Europe.

Q: In fact they were called tinkers there.

ROE: They were the metal and iron workers, craftsmen, scissors-makers and repairers of all kinds of household goods, and there was good income in that. Modern manufacturing obliterated these professions. Hungary went through difficult economic times in the first years of the transition to democracy with the closing of the state-run industries. It was hardest for women workers and other marginalized groups like the Roma. Now, Roma artists are making films that help you understand their situation and aspirations. A must-read on traveling gypsy traditions is a recent book, *Zoli*, by Colum McCann. Zoli is a poet and singer whose character is based on the life of Papusza, who fled fascism to join a clan of Roma harpists. Isabel Fonseca, a London-based journalist, lived with Roma families in Romania and other C/EE countries and wrote a gripping portrait of the Roma and their journey called *Bury Me Standing*. The public spaces around Roma homes seem to be disheveled, even trashy at times. Inside, the homes are immaculate. Traditionally the Roma take a lot of pride in their way of life. They have big clans. If they trust you, you're in good company.

They face horrendous discrimination. The Nazis systematically exterminated gypsies, beginning with the pretext of crime prevention in Russia, Poland and the Balkans. Now the same attitude is revived in the skinhead crimes that have taken place in Russia, Eastern Europe, Germany and neighboring countries. To this day no memorial exists to the tens of thousands of Roma Holocaust victims.

Q: That's a long- neglected story. Now, during this assignment, was the environment your primary area of concentration?

ROE: Science and technology cooperation, climate change and environmental trade -- those were the basic issues. I observed the Paks nuclear facility in Central Hungary. Paks is a meticulously managed plant, in a league of its own among the former Soviet bloc nuclear reactors. It has developed a regional training center to help scientists, technicians and engineers operate and maintain safe, environmentally sound nuclear plants. Given the uphill challenges of achieving nuclear safety in Russia and Eastern Europe, this is a vital service.

I worked closely with the U.S.-Hungary Joint S&T Fund in an effort to identify alternative sources of financing. From the beginning, the Fund's staff was first-rate. Dr. Dóra Groó and her assistant, Károly Zimborás, had years of experience making things happen with scant resources. Their scientific colleagues were great assets to me in the field. Over the past seven years the Fund had financed cooperative research projects with a cumulative total of \$10 million, contributed equally by the USG and the Hungarian government. It was a model for other joint funds in the region, and most observers considered it to be the best managed. The S&T Fund directly engaged Hungarian scientists, rather than the science institutes, which under Soviet influence were bureaucratized and geared more toward pure research than to practical applications. During the budget crisis of the mid 1990s, Secretary of State Warren Christopher had decided to cut off funding. USAID kept up the matching contributions for one year. The Fund ran for several more years on interest. But the Department's short-sighted decision lost a precious resource that created multiple returns.

When Norbert Kroó, a renowned physicist and vice president of the Hungarian Academy of Science, became Deputy Education Minister, I approached him about the need to sign a GLOBE agreement. GLOBE is a worldwide project that Vice President Gore had initiated to engage high school students in doing scientific and environmental data collection and sharing their results with an internationally accessible database. The U.S. had tried to get Hungary to participate for over five years. The Education Ministry had stonewalled this in the past, partly from territorial resistance to coordinating with the Foreign Ministry's science experts. With a push by Kroó and Bea Camp of USIS, we got the agreement signed. Vice President Gore sent me a letter of appreciation. Our real thanks go to Hungary's science community.

One of the S&T multi-year projects supported by Cornell University was led by Dr. István Kajati and his "Healthy Apple Team" -- scientists and plant protection experts with Hungary's Soil Conservation Service -- who were promoting biological alternatives to pesticides. I accompanied the team in several pilot projects as they developed systems to certify integrated pest management methods, to preserve more of the old apple varieties and market them. Hungary has a wealth of apple species, with amazing taste and forms. Preserving this diversity would be harder when they entered the EU.

Q: So the EU tends to try to standardize everything.

ROE: Well, in Europe as well as the U.S. the commercial and bureaucratic pressure is to shift to factory farming and monocultures. The push is to make everything bigger and use large-scale equipment and chemical inputs, putting small producers and nature-based systems at a disadvantage. One of Hungary's most precious resources was its amazingly rich black soil. It had been minimally damaged by pesticides.

Q: Were Hungarians hit as hard as some other places by the Communists as far as collectivizing and all that?

ROE: The Rákosi government implemented a reign of terror after World War II that included gangland killings, political executions and completely fraudulent elections in 1947. From then to the mid-'50s, they tried various forms of collectivization that contributed to deep economic depression. During the Khrushchev era they had to scale back these experiments. Here and there in the countryside you see remnants of the collective farms, whose machinery and buildings are rusting, abandoned. The worst damage to soil and water happened when Soviet military bases dumped their spent fuels in retribution for being ejected from Hungary.

The Regional Environmental Center was a window into exciting trans-boundary initiatives with respect to biodiversity, pollution prevention, environmental management and citizen participation in Central, Eastern and Southeastern Europe. It served as a clearinghouse for best practices and credible environmental information. The REC had promoted early efforts to create bi-national parks for cross-border natural resource protection. Under the Soviets, the Hungary-Austria and Hungary-Yugoslavia border was off limits. Protecting the ecosystems that stretch along these borders was a good way to engage citizens and help overcome old ethnic feuds. The REC's Executive Director, Jernej Stritih, a Slovenian, was exploring programs for post-war work in Kosovo and Croatia and opening new offices in the newly independent states. I learned a lot from Jernej about Slovenia's role in fighting the Serbs and protecting their unique landscape.

Q: What was your interface with the Environmental Ministry?

ROE: I worked closely with Esther Szövényi, the International Relations Director for the Ministry of Environment, in several EPA-financed projects including wetlands restoration and strategic planning. I represented the Embassy in ongoing talks, both formal and informal, with the Environmental Minister and staff concerning the 1997-98 Conference on Climate Change for the Kyoto Protocol. Hungary's top climate change expert, Tibor Farago, was a member of the Kyoto technical committee. We became close collaborators. Hungary's positions had an impact on other C/EE countries, which were beginning to carve out a more independent position in the talks. Hungary was open to the idea of emissions trading, which the EU generally discouraged at the time. Ambassador Mark Hambley, the lead U.S. negotiator on sustainable development issues, visited Budapest during a technical meeting on climate change that Hungary hosted. Mark's rapport with the C/EE delegates helped advance understanding of our positions while answering the Hungarians' concerns.

In 1998 USAID launched the Ecolinks campaign, an effort to promote opportunities for U.S. environmental companies in southeastern Europe and the NIS countries with Hungary as a partner. The first recipient was a project called the Living Machine. This is a biological

wastewater treatment system that uses completely organic methods. It was developed in Vermont by Living Technologies. Attila Bodnár, a Hungarian architect who had been living in Vermont, had retrained as an engineer to bring this program to his native country. I introduced Attila to Robert McIntosh, the regional director of the Houston-based Trammel Crowe (TC), the biggest U.S. company in real estate and office parks in the C/EE area. Robert and his wife Susan were keen on environmental protection, and his firm was looking for alternatives for industrial wastewater treatment for their office parks and warehouse complexes in Budapest. It irked McIntosh that TC was paying the municipalities to treat their wastewater; but local authorities were still dumping the industrial waste directly into the Danube. He had talked to scores of consultants sent by USAID, but none had proposed a realistic, first-hand solution. I brought Attila Bodnár together with Robert McIntosh in my home and later introduced him to the Ecolinks director.

The initial grant enabled Bodnár to bring over experts and trim the budget to a competitive level. The Living Machine project obtained a conceptual permit from the municipal government of Budapest to treat industrial waste; shortly afterward they were contracted to build an organic treatment center in an environmentally sensitive area near Lake Balaton. The project later branched out to Eastern and Southeastern Europe. Investing in sanitation is not something that USAID sees as a public health priority. But it should be. Worldwide, an estimated ninety percent of the world's sewage flows untreated into oceans, rivers and lakes.

A sad footnote -- a year after my tour ended, I learned that Robert McIntosh had died of a brain tumor. He was a visionary entrepreneur whose presence will be greatly missed. Without his commitment the project would not have taken off.

Q: By the time you got to Hungary, had the Mafia moved in as they did in some of the other countries to the East? I mean, the basically well connected communist political types taking over decollectivized industry and all—

ROE: Not in a significant way. The first transition government arose out of an amazing civic activism, creating new parties and institutions. Hungarians chose a moderate Christian Democratic government that steered the country through a rocky economic transition. The next administration was smoother, until they ran into the Nagymaros conflict. Prime Minister Gyula Horn had been a lower-level figure in the Communist Party before the transition. The PC changed its name and the reform wing came to the fore, although time will tell how much they changed. The deep-seated Mafia influence that exists east of the Carpathians was not present in Hungary. Russians are not terribly popular there, as you can imagine. But the drug trade, car theft rings, and gangland type shootings – these have emerged in some urban areas.

Q: I'd like to put down here, we're talking about Eastern Europe and Russia. When we use the term Mafia we do not mean the Mafia of Sicily and all. It's a general term for essentially criminal elements or groups that have gotten a lot of power and are taking over industries and other levels of power.

ROE: Robert Kaplan wrote two brilliant books – *Balkan Ghosts* and *Eastward to Tartary* – looking at the issue of post-Communist societies in Eastern Europe and the Balkans and their

relationships with organized criminal elements. A fascinating chapter of the second book deals with Hungary as a point of contrast.

The issue of organized crime was a concern for Hungarians as it was for the International Law Enforcement Academy (ILEA). The FBI is the lead agency for this Budapest-based Academy that trains police officers in crime-fighting and information-sharing techniques. Ambassador Tufo followed it closely. NGOs and academics helped to shape the curriculum -- particularly those specializing in constitutional reform.

Q: Was it sort of hard for American officials to work with NGOs, or by this time had things changed considerably?

ROE: It came naturally. Ambassador Tufo had no problems working with NGOs. Of course his major focus in 1999 was the war in Kosovo. There were constant delegations from the military side, as the Taszár base in southeastern Hungary was a staging point for U.S. forces in the Balkans. I visited Taszár to learn about its environmental management program, which was considerable. We later brought officials from the Environmental Ministry.

I set up a green networking group, a salon that met bi-monthly. It included NGO leaders like Sándor Fülöp of the Environmental Management Law Association (who is now the government Ombudsman); Kalin Borissov, liaison for the EU's development office; Tibor Farago of the Environment Ministry; Jernej Stritih of the REC; Ecolinks manager Jacek Podkanski; János Vargha; industry experts and officers from like-minded Embassies. It was a lively venue for exchanging views and information about projects.

Q: How did you find Budapest during the late 90s?

ROE: Turbulent, charming, haunting, never boring. The Embassy was located on Szabadság tér (Freedom Square), just ten minutes by foot from where I lived in Pest. It's an architectural jewel that had been used as a hospital in the Renaissance period. The façade is a pale yellow. It faces a spacious pedestrian square with a giant Soviet monument to the liberation of Budapest from the Nazis. The Embassy was renovated in 1991, and seemed destined to permanent waves of subsequent renovation, for reasons that remain obscure. Dust, stress, and the sound of wasted construction dollars were the result. Behind the Chancery stands one of the most striking buildings in Budapest, the Postal Worker's Bank, an art nouveau masterpiece by Ödön Lechner, a leading turn-of-the-century architect, with fanciful details like angels' wings and beehives and a serpentine façade of Zsolnay tiles. Every time I gazed at this magical building, I saw another amazing detail. When asked why he lavished so many resources on elements that were not easily visible, the architect reportedly said he did it "for the birds."

I lived near the Parliament building, with a view of Buda Castle across the Danube. My apartment had one bedroom and a study, high ceilings, and the slightly shabby elegance of the turn-of-the-century building where it resided. I didn't need a car. On the street behind me, café society was percolating, alternative films were shown, and an old bakery shop was a neighborhood chat center – sans internet. I loved the villamos, the yellow tramcars that can take you to the Turkish baths or the opera in minutes. More often than not, I'd get a ticket to an

amazing performance at the last minute. I studied harp in my spare time with Ágnes Polonyi, a brilliant young musician from the Franz Liszt Academy of Music (Zeneakadémia), which was one of my temples. This was a music conservatory and concert hall, vibrant with students and filled with art nouveau frescoes and Zsolnay ceramic tiles. Ágnes and her husband, an awesome violinist, kept me abreast of the best concerts and alternative venues whenever they performed.

I developed close friendships with several colleagues – Mary McKinley, REC Communications Director; Amy Modley, cultural projects liaison; Anna Vári, a researcher at the Hungarian Academy of Sciences' Conflict Resolution Institute; REC advisor Janos Zlinsky; Claudia Spahl of the German Embassy and Laszlo Letenyi, an anthropologist who was closely involved with the Roma community. I visited the hinterlands every chance I could to hike, ride horseback, and explore Hungary's medieval towns and fabulous legacy of historic and modernist architecture. During weekend jaunts or visits from my husband Hector, my sister Becky and other friends, we explored Lake Balaton, visited the Zoltán Kodály Institute in Kecskemét, toured Pécs, Eger, and parts of neighboring Slovakia, Poland and the Czech Republic. In 1999 my niece Riley Salyards, a senior at Carnegie-Mellon University, came for a work-study program in theatre production that exposed me to another Magyar dimension. I can't imagine anyone leaving Budapest and not missing the city, the warmth of its people, its incredible architecture and rich history.

In my free time, or occasionally on trips facilitated by the Joint S&T Fund, I visited the managers and staff of Hungary's national parks -- a dedicated, inspiring group. During the Soviet occupation, many cooperated secretly with their counterparts across the border to protect fragile cross-boundary ecosystems. Some, like Dr. Csaba Aradi, Director of the Hortobágy National Park in Hungary's legendary Puszta Plains, are renowned ornithologists and ecologists.

One field trip I took to the Hortobágy in October 1997 is still with me. A park ecologist accompanied me to see the Great Bustards. Lying outstretched on the ground in by a wheat field, I saw a small group of the legendary birds strut and gabble to each other. At dusk we witnessed the migration of the common (Eurasian) cranes, which are hardly common. In the wetlands ringing the northern edge of the park, thousands of Eurasian cranes landed and rose again in strong winds, trumpeting to each other in wave after wave as they sought places to rest for the night. It was an awesome experience. I saw how fragile their migration can be: neighboring farmers want the fish ponds to be deep, but the cranes need shallow waters.

Q: During the time you were there in the 1997-99 period, what was the role of the Internet and global communications for your work with the environment, students and scientists and NGOs. This was rather booming, wasn't it?

ROE: Quite. The Internet was widely used in high schools and universities. Hungarians are proud of their inventions in high tech and math, and they are adept at global communications.

Q: Teller and Einstein and other people like that.

ROE: John von Neumann, a Hungarian-born mathematician, was considered the father of the binary code and a co-creator of game theory. Budapest sprouted Internet cafes in the early 1990s. The Joint S&T Fund staff was Internet-savvy, and the bulk of my communications with people in

the government and the NGO community were by e-mail. Mine was the only Embassy office allowed to have unclassified e-mail, a small victory I wrested from the security enforcers at post. The RSO, a former police officer in N.Y.C., sided with me, saying he had much bigger problems to worry about than unclassified email in the office. Google was just being born as a search engine.

Q: Google is kind of an international search engine today. But back then—

ROE: Seven years ago, if you put a question into the search machine, you would have to go through hoops to get a shadow of an answer. The connections weren't made for lay people. You'd have to be patient and ask the question over and over, in different forms.

Q: I'm sure somebody reading this in five years from now will think we're talking about smoke signals or tom-tom communication because things are changing so rapidly.

ROE: That's so true. But in Hungary there are places that escape any categories. Perhaps that's what most impacted me -- the complicated Hungarian mind, the impossibly beautiful language, a capital with dozens of historical and social layers, and towns and countryside lost in time. Once I was invited to speak at a commemorative event in the southwestern town of Nagyberény to honor Dr. Miklós Faust, a Hungarian-born horticulturist and author who headed USDA's Plant Research Division. He had accompanied the "Healthy Apple Team" during several trips the Joint Fund organized in the agricultural and wine-growing regions. Dr. Faust was a prolific author who helped innumerable researchers from his native country. His sudden death shocked the science community. His close friends, István Kajati and Edé Böszörményi, asked me to speak in Hungarian for the ceremony. I practiced for a week, practicing my pronunciation with them during the drive to Nagyberény. But when we arrived, the schoolteachers said their students wanted me to speak in English! So I recited the first paragraph in Magyar and spoke the rest in my native tongue. The whole town turned out for the event. The outpouring of affection for this scientist who had never forgotten his roots was moving. These bonds of family and friendship enable their culture to survive and thrive.

End of reader