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APPROVED FOR RELEASE MARCH 2009
18 March 1957

MEMORANDUM FOR THE RECORD

SUBJECT: Debriefing of Ambassador Wailes and his Deputy, Mr. Meeker

1. Generally Mr. Wailes' briefing was disappointing as far as US hopes for Hungary are concerned. Mr. Wailes says that the Soviet Bloc has moved into Hungary with massive and effective economic aid including 60 to 100 million dollars of Western hard currency, as well as tons of grain and meat. Scare buying in Budapest has completely ceased. Store windows are full again. Ambassador Wailes believes that the supplies in Hungary as of today are adequate. The worst supply is the best in postwar Hungarian history. The same is true of bread. There are no longer any lines. The stores are full of supplies except for tobacco which is still short. Inflation has almost been brought to a halt. In short, the Soviets realizing that the Hungarian economy had reached the point of total collapse, moved in with the kind of massive assistance which was required. Ambassador Wailes believes that, contrary to most opinions in the West, the situation in Hungary today is more stable than it was last summer prior to the October revolt.

2. Other points made by Ambassador Wailes and Mr. Meeker were as follows:

1) The Embassy staff reviewed the scripts of VOA and RFE and concluded that they were consistent with US policy. However, the RFE scripts often had a tone which fed the hopes of the people beyond the point of reality. Ambassador Wailes believes, however, that the criticism of the US radio was greatly overdone.

2) Ambassador Wailes does not feel that the US would handle the situation any differently today if there were another revolution. He speculates that we might have done something more in the US between the 26th and the 30th of October but is skeptical that even that would have changed the course of events. He doesn't think the revolution could have been held back if the Western radio and diplomats had taken a cautionary, anti-violence position with the Hungarian people.
3) Imre Nagy was the only possible leader to take the Hungarian people in a direction toward more freedom. Ambassador Nielas refers to him though, as a man who is not a tower of strength.

4) The Soviets are flouting their occupation of Hungary, apparently without much concern for popular reaction. They are rebuilding the destroyed Soviet monuments and putting up red stars and red flags all over the country.

5) The Legation sources of information are not very good. Though the staff is free to talk to any average citizen they don't fear of endangering the life of their contacts. The Legation staff is also afraid of provocations. They had an excellent network of information through the Central Workers' Council but this is no longer possible since the regime has abolished the Council. The Polish and Yugoslav embassies which were formerly very good sources have dried up. The British have by far the best information in Hungary. In addition to their trained political reporters they run a press service for all the Western embassies, based on information taken from their translating pool.

6) Cardinal Mindszenty is in good shape—very cheerful and much stronger than when he came to the Legation. He is still working on his memoirs which will be completed some time next year. The so-called memoirs attributed to him published in the West so far have not been authentic according to Ambassador Nielas. Since a November 8 press conference the Cardinal has had no outside visitors except for his mother and a priest who came to take confession. Ambassador Nielas is convinced that the Cardinal will never leave Hungary because he prefers to remain a martyr and stay with his people. He knows that this is his source of political strength.

7) The International Red Cross situation in Hungary is difficult to evaluate. The five directors at the top and most of the people at the working level are Hungarian nationalists who are more concerned about the plight of the Hungarian people than about communist objectives. However, the Kadar regime is gradually infiltrating the Red Cross mechanism. Ambassador Nielas advised that our aid should be limited to relief packages and that we should not enter any bulk aid. Since 99% of the Hungarian people are anti-Soviet and anti-regime, Ambassador Nielas and Mr. Hecker feel that the food packages are getting to people who really need them because they are being widely distributed.
8) There may have been as many as 50,000 people arrested since the revolt. The prisons are reported as overcrowding. It is possible that compulsory labor camps may come into existence when the warm weather arrives. Since the Legatins employees can travel freely throughout Hungary the measure of whether labor camps are being set up will be whether travel restrictions are placed again on certain areas of the country.

9) There are still rumors that Imre Nagy may have a public trial. The Kadar regime is inhibiting black operations such as signs around Budapest saying merely "death to Nagy." The Legation has no word about General Malater.

10) The Soviets are tightening up the barriers against leaving Hungary though the iron curtain is not being rebuilt as fast as has been reported in the Western press. One of the major deterrents to escape is a new law providing a five year prison sentence for anybody caught attempting to cross the border.