

WHAT HAPPENED IN HUNGARY

The complex events in Hungary during the last few weeks have been both tragic and heroic. Swiftly changing developments reveal numerous cross-currents in the stream of events. Fresh insight into the Hungarian drama comes from statements of the new government headed by Janos Kadar.

"What really happened in the last two weeks?" a broadcast of the Budapest radio asked on Nov. 5, and answered:

"The working people through bloody sacrifices won its rightful claims, its national independence and its liberty. These brilliant successes were applauded abroad and we do not want to change them. The Government has also promised that it would fulfill all the demands and it appeared as though the revolution had achieved its aims."

This revolution of which Kadar spoke was clearly a revolution against Rakosi-Gero misrule. It was also a revolution against the legacy of Stalinism both inside and outside of the Soviet Union under which this misrule managed to continue until overthrown by the people of Hungary.

Time will tell whether the Kadar government will be able to win support of the people, maintain order and secure the complete independence of its regime—considering that it was established only with the aid of Soviet troops. Kadar himself enjoyed popularity as a fighter in the anti-Nazi underground during the war. He also won support because he was a victim of the Stalinist Rakosi-Gero regime, serving a three-year prison sentence and having suffered terrible tortures inflicted by the political police.

That the events which started on Oct. 23, were profoundly progressive has been stressed in every pronouncement of the new government. But what went wrong? Why did the bloodshed continue? Why did Soviet troops enter the fighting? The sequences of events may help answer these questions.

On Oct. 23, student and working youth, many of them Communists, demonstrated in Budapest. They proclaimed their solidarity with the Polish people who were in the midst of a successful upheaval for democratization and independence. The Communists of Poland were the leaders of the movement in their country.

But in Budapest on the night of Oct. 23, security police fired upon the youth when they sought to broadcast their demands on the radio. Then Erno Gero, who had been closely associated with Rakosi's Stalinist repressions, and who was first secretary of the Party, called upon the Soviet troops to aid in fighting against the demonstrators.

★ ONE of the demands of the demonstrations was to make Imre Nagy premier. Nagy had become premier once before, after the death of Stalin, and had introduced a program emphasizing consumer goods production. He was removed in 1955. On that same eventful Oct. 23 Nagy was again named premier. But Gero, who was a major target of the demonstrations was reaffirmed as first secretary of the Party.

The Soviet troops, called out by Gero's orders, became involved in fighting against the youth and workers demonstrations and fighting spread throughout Hungary by Oct. 24. That day too Gero was removed. Kadar became the party first secretary.

The firing on Hungarian workers by Soviet tanks and troops inflamed the situation and the fighting became even more bloody. With Gero out, the new Nagy-Kadar government announced new concessions daily to the popular demands. Finally the government announced that negotiations would be undertaken with the Soviet authorities for evacuation of Soviet troops from Budapest and ultimately from Hungary.

★ BUT as the Soviet authorities complied and began to evacuate

Budapest another muddy current began to swirl through the Hungarian upheaval. Interwined with the popular uprising were reactionaries who had entered by the thousands from a long Hungarian exile across the Austrian frontier. Former officers of the Horthy army were among those infiltrating the struggle in Hungary.

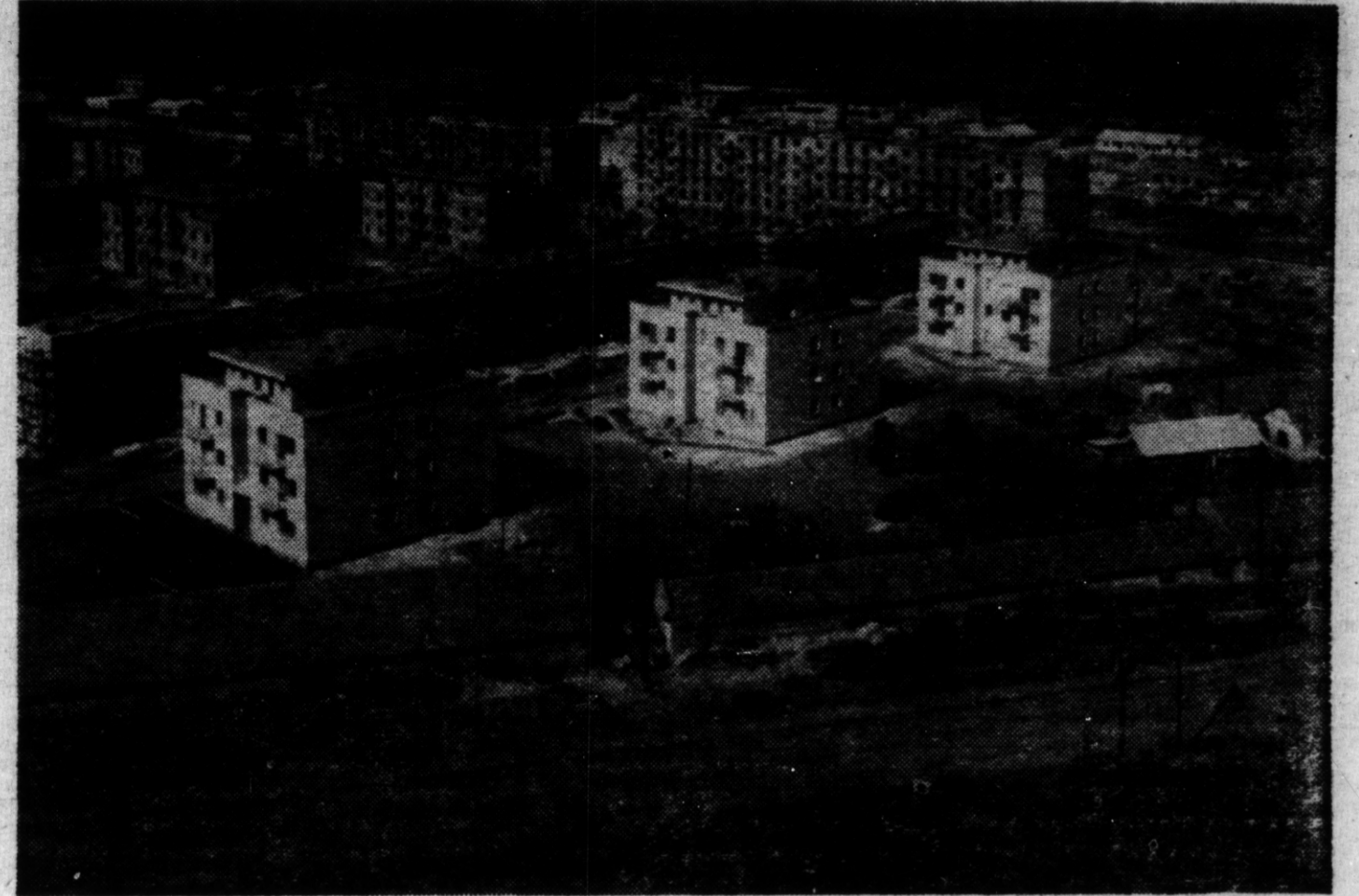
On Oct. 29 the Nagy-Kadar government announced that free elections would be held and named two former leaders of the Small Holders party to the government. That was the day, too, when they announced that they were asking the Soviet authorities to withdraw their troops from Budapest.

On Oct. 30, Soviet tanks and other forces began leaving the city. That day the Soviet government issued an important statement admitting that it had made serious errors in its relations with the peoples democracies. It also said that it would examine the need for withdrawing Soviet troops from Hungary, Romania and Poland.

HOWEVER, the muddy currents that had entered the struggles of the Hungarian working people, prevented a halt to the fighting, even though Soviet troops were pulling out of Budapest. Now the extreme right-wing reactionaries showed their hand by organizing book-burnings a la Hitler.

A report in the London Daily Worker of Nov. 1 said that reactionary gangs were murdering Communists, including entire families, children included. Jewish religious leaders in New York reported that they received cables from Vienna about anti-Jewish pogroms in Hungary, under the guise of "rebel" activity.

Then on Nov. 1, Nagy decided to abrogate the Warsaw pact and bring his case to UN. At this point Soviet tanks and troops began to pour into Budapest again. And on Sunday, Nov. 4, the Soviet forces began large-scale actions again,



New Hungarian town built since World War II near Budapest where scenes of fighting occurred.

this time in support of a new government headed by Kadar and which ousted Nagy.

★ IT was a bitter irony that the new Kadar government stressed in its appeals to the people that it was seeking the ouster of Soviet troops and that it would carry out the full demands of the popular uprising which had started on Oct. 23.

After declaring its support for the revolution, the Kadar government broadcast of Nov. 5, said that bloodshed came because fascists and reactionaries tried to turn the popular movement against the whole Communist movement, and that some persons took law into their own hands instead of maintaining revolutionary legality.

"We hold," the broadcast said, "that the achievements of the revolution were right and we recog-

nize, too, for instance, that the managers of factories who robbed the workers and directors of farms had to be made responsible for their actions. But this should have taken place without excitement and according to law."

The Kadar government made a slashing attack against the Rakosi-Gero Stalinist regimes. It said the new regime must be "free from the crimes committed in the past against the people."

★ "THE program," the broadcast said, "includes friendly relations with foreign lands on a basis of full equality. The workers are to elect their own leaders in the factories, the compulsory delivery of agricultural produce is to stop; there will be no more force used to make peasants join the cooperative farms. The private farmers, craftsmen, and small traders will

have government support." Above all, the Kadar government promised "to negotiate with the Soviet government for the withdrawal of their troops."

"But all this must be done," it continued, "with calm and consideration. We must all help to restore order. The Soviet troops will only leave the land when order has been restored."

With this statement that Soviet troops would have to leave, the principle that no revolution can be imposed from the outside was vindicated.

But the Kadar government faced new problems. Any solution imposed from the outside by force could only produce new problems. How successful the new regime would be depended on whether it could base itself on the Hungarian people under such unfavorable conditions. —J. C.

★ economically speaking

PURCHASING POWER

CONSUMER CREDIT: Consumers' "time-payment debt"—including instalment and non-instalment—soared to a new record—\$40.1 billion in September, \$3.9 billion above the total of a year ago according to the Federal Reserve Board.

Of the \$40.1 billion, \$30.7 billion was instalment credit, up \$3 billion from a year ago; and \$9.4 billion was non-instalment credit, up \$900 million from a year ago. Non-instalment credit includes charge accounts and single-payment loans.

MORTGAGES: Borrowing to finance housing is on the increase. That is one of the conclusions reached in the new book—"Capital Formation in Residential Real Estate."

Enormous increases in mortgage debt have occurred—whether measured in total dollars per capita or per household, or in relations to personal income or to total value of all homes, the study reports. Nonfarm home mortgages now represent nearly half the total private long-term debt of the nation, as against 15 percent in 1916.

Authors of the book, out tomorrow, are Drs. Leo Grebler, David M. Blank, and Louis Winnick. It is published by Princeton University Press for the National Bureau of Economic Research.

FARM

PRICES: Oct. 15 farm prices again were down for the fourth successive month—although by a hairline 0.85 percent. Secretary of Agriculture Ezra Taft Benson tried to prevent this election eve occurrence by announcing, one hour before release of the news, that the government was ready to buy \$100 million of pork and pork products. When his proclamation failed to wipe out the hairline decline, he immediately announced that the drop was "slight" and "seasonal."

MERGERS

RAILROADS: Some 450 railroads in the U. S. will be consolidated, within the next 15 to 20 years, into about 25 big systems, according to Robert S. Macfarlane, president of the Northern Pacific railroad.

Merger possibilities now being studied include: Northern Pacific; Great Northern; Chicago, Burlington & Quincy; and Spokane, Portland & Seattle.

Erie, Delaware, Lackawanna & Western; and Delaware & Hudson.

Mergers will involve large scale elimination of workers; one major obstacle to ruthless merging being necessity of severance payments to workers who are eliminated.

★ **OVERENTHUSIASTIC:** You may not have noticed it but



"BUT YOU CAN'T QUIT, MISS QUMBY... BIPCO'S ENTIRE SUCCESS IS BASED ON ITS LOW SALARIED EMPLOYEES...!"

Bellanca Corp. common stock is selling at about \$2 a share, compared to its high for the year of \$25%. The top was reached when enthusiastic stock gamblers thought that Sydney L. Albert, Bellanca president, had launched a money making operation.

Albert owned most of the stock of Bellanca. He used his shares and Bellanca's assets as collateral to borrow money from the banks. With this cash he bought a controlling interest in six other corporations. Last June the market sagged, and Bellanca sagged with it. When the price of the stock neared the point at which it would not cover the loans to the bankers, they sold out. Result: it dropped 92

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