INTRODUCTION

On February 10, 1947, in Paris, the Hungarian peace treaty was signed. It determined Hungary’s post-World War II international position and designated its position in Europe. Simultaneously with the Hungarian peace treaty, treaties were signed with Italy, Romania, Bulgaria and Finland. The victorious Great Powers negotiated the peace terms with the former German satellite countries jointly and at the same time. This fact, by itself, justifies the presentation of the history of the preparations for the peace treaties and of the negotiations on the basis of an international comparison and from the perspective of the great anti-fascist coalition.

When the time arrived to settle the fate of the vanquished countries the wartime alliance of the victors had already begun to unravel. The history of the peace negotiations is thus inextricably interwoven with the genesis of the Cold War and with the negotiations which took place during the brief transitional period that lasted from the end of the war to the spring of 1947 when the cooperation of the Great Powers, which had defeated Germany, came to an end. The World War II conflict remained partially unresolved because no peace treaty was ever signed with Germany.

Following war the preparatory negotiations about the peace treaties with the vanquished countries were made by the Council of Foreign Ministers (CFM), established in Potsdam and it was the CFM which drafted the final text of the treaties rather than the Allied representatives in Paris at what was generally considered to be the peace conference. The stipulations of the Hungarian peace treaty were decided by the three Great Powers, the Soviet Union, Great Britain and the United States of America. In the present work I summarize the negotiations of the CFM concerning the Hungarian peace treaty and examine the goals
the three allied Great Powers wished to achieve in the peace negotiations with Hungary. I will limit my discussion of the Hungarian preparations for the peace treaty to those essential points that are necessary in order to understand the Allied policies vis-à-vis Hungary. The Hungarian peace negotiations were not conducted between Hungary and the Allied Great Powers because the terms of the treaty were strictly a matter for negotiations between the three Great Powers.

This study analyzes the Three Power decision making process from the beginning of the CFM in May-June 1945 to the drafting of the final version of the peace treaty in December 1946. The critical preliminaries and the discussion of the signing, ratification and implementation of the Hungarian peace treaty are not directly a part of this study. The Allies drew up the essential outlines of the treaty on the basis of Hungary’s war record during the last phases of the European conflict in 1943–1944. My dissertation is concerned primarily with the sessions of the CFM where the issues previously left open and unresolved were settled. The formulation of the armistice conditions were not part of the study even though, in retrospect, they proved to be highly significant. The issues discussed by the CFM in 1945–1946 were most important for Hungary. They included Hungary’s independence and sovereignty, withdrawal of the Soviet troops of occupation, the amount of reparation, resolution of the Hungarian-Romanian territorial dispute, transfer of the Hungarians from Slovakia and the demand of the Slovaks for the Pozsony (Bratislava) bridgehead. Most of these issues led to a confrontation among the Allied Great Powers.

The post-war plans of the Allies for Europe were first drafted at the end of 1942 when there was a turn in the military situation in Russia and when the North African landings changed the situation in the Mediterranean basin. The Great Powers of the antifascist coalition expected to maintain their wartime unity in postwar Europe and it was not anticipated that after the war Europe would be divided into two opposing military alliances. In the spring of 1943, the Foreign Office (the British Ministry of Foreign Affairs) recommended to the Soviet Union and to the United States that a European directorate be set up and this was reflected in the October 1943 Moscow declaration of the Foreign Ministers and also in the declaration issued at the end of the Yalta Conference. The original, spring 1943, recommendations of the Foreign Office
envisaged the preservation of Three Power cooperation, the establishment of a United Nations European Commission and the equal participation of the three Allies in the postwar control of the former enemy countries. The British endeavored to make sure that the armistice negotiations, important preliminaries of the peace treaties, did not designate unilateral, exclusive spheres of interest because this would inevitably lead to the dissolution of the great coalition. Soviet policy, however, was permeated with the idea of creating a reverse cordon sanitaire around Germany. The Americans wished to avoid the British-Soviet spheres of interest and wished to replace the Europe of fractious small states with some appropriate form of federation based on dignified cooperation. The antifascist coalition was not able to accomplish this in 1943–1944. Because of strategic developments, Italy came under the exclusive control of the Anglo-American powers while Eastern Europe came under complete Soviet control thus preventing the adequate coordination of the postwar plans of the three Allies. This task was assigned to the CFM after the termination of the European armed conflict.

The Ministries of Foreign Affairs of the Allied Powers started preparations for the peace treaty with Hungary almost from the very beginning of the war. The Soviet Ministry of Foreign Affairs, the British Foreign Office and the United States Department of State established organizations during the spring and summer of 1942 which were made responsible for making plans for the postwar settlement and for long-range foreign policy. There was the Soviet Peace Treaty Planning Committee (Komitet Poslevoennogo Ustroistva) under Maxim Litvinov, the Economic and Reconstruction Department established in June 1942 by the Foreign Office and placed under the leadership of Gladwyn Jebb and the American Advisory Committee on Post War Foreign Policy, under the direction of Leo Pasvolsky. The British, Soviet, and American diplomats participating in the CFM debates on Hungary in 1945–1946 had studied the Hungarian problems during the past several years of the war. Other than the members of the CFM, these largely unknown Foreign Service officers, who were instrumental in drafting postwar diplomatic strategies and making plans for the peace of Europe, are the stars of this chronicle. The plans for the Hungarian peace treaty, the first drafts and the final form of the individual provisions, the memoranda and summaries, the aide memoirs and analyses as well as all
ideas about Hungary were the cooperative efforts of the negotiating committees of the CFM and of the officials of the London, Washington and Moscow Ministries of Foreign Affairs.

The British delegation to the CFM was led by the Foreign Secretary Ernest Bevin with the assistance of the Undersecretaries of State Ronald Nigel and, after the beginning of 1946, Gladwyn Jebb. All pertinent documents about Hungary were also submitted to the Minister of State for Political Affairs, Philip J. Noel-Baker and to Permanent Undersecretary of State Alexander Cadogan and his assistant, Orme Sargent. The Reconstruction Department, responsible for planning the peace treaties, was led by James G. Ward. The Peace Treaty Section, charged with preparations for the Hungarian peace treaty on behalf of Great Britain, was under the leadership of Viscount Hood, James A. Marjoribanks and C. L. Silverwood-Cope. Hungarian territorial issues were handled by the Heads of the Southern Department of the Foreign Office, C. F. A. Warner and William G. Hayter, assisted by M. S. Williams. The Hungarian-Romanian experts were F. A. Warner and A. C. W. Russell. Carlile Aymler Macartney, a well known expert on Hungary, was frequently consulted on all matters pertaining to that country. The British Political Representative in Budapest A. D. F. Gascoigne and, after the summer of 1946, the British Minister A. K. Helm also had significant input into the formulation of the conditions of peace with Hungary.

James F. Byrnes, the United States Secretary of State played a dominant role at the meetings of the CFM. He relied on a small circle of associates, Ben Cohen, H. Freeman Matthews, Director of the Office of European Affairs, Charles Bohlen, an expert on the Soviets, James C. Dunn, Assistant Secretary of State, responsible for the peace negotiations, and J. F. Dulles. Assistant Secretary of State, Dean Acheson, in charge of the State Department in Washington, and the staff of the State Department were practically excluded from participation in the negotiations. An important role in the preparations of the Hungarian peace treaty plans was played by Cavendish W. Cannon, the chief of the Division of Southern European Affairs, by experts John C. Campbell and Philip E. Moseley and by the secretaries of the American Mission in Budapest, Merill and Leslie Squires. Minister Schoenfeld’s dispatches sent from Budapest were considered seriously in formulating positions relative to Hungary.
Andrei Vyshinsky, responsible for the peace negotiations and for the affairs of liberated Europe, replaced Minister for Foreign Affairs V. Molotov at the sessions of the CFM. At the sessions of the Deputy Foreign Ministers in London the Soviet delegation was chaired by Ambassador Fyodor Gusev. Gusev had served as Soviet representative on the European Advisory Commission during the war. The Hungarian, Romanian and Bulgarian peace treaty plans were drawn up under the guidance of Deputy Minister for Foreign Affairs Vladimir G. Dekanozov. Alexandr A. Lavrichev, the Chief of the Southeast European Division and Georgy Pushkin the Soviet Minister in Budapest participated in planning and implementing policy regarding Hungary.

The text of the Hungarian peace treaty was prepared during enormously complex negotiations by the Soviet, American, and British delegations during the three sessions of the CFM. The territorial and political studies relative to Hungary, prepared during the war by the Ministries of Foreign Affairs of the three Great Powers, were evaluated and reformulated at the sessions of the CFM. The wartime cooperation of the Allies against Hungary was continued during the peace until the final settlement of the Hungarian affairs. The stipulations of these arrangements were developed during the Hungarian peace negotiations by the CFM.
In their declaration of November 1, 1943, the Ministers of Foreign Affairs of the Soviet Union, the United States of America and Great Britain declared that, “their united action, pledged for the prosecution of the war against their respective enemies, will be continued for the organization and maintenance of peace and security.”

Eighteen months later, on May 8, 1945, Germany surrendered unconditionally and the European conflict was over. Following the defeat of the common enemy cracks appeared almost immediately in the “strange alliance” of the Big Three. The moment of victory came unexpectedly to the Allies and other than the principles announced in the Atlantic Charter, they had no specific plans for European peace arrangements.

The British, American and Soviet diplomatic discussions during the war, the armistice negotiations, the surrender documents and the Yalta Declaration on “Liberated Europe” were not concerned with the final peace settlement but rather with provisional measures for the period of time between the surrender and the implementation of the peace treaties. The armistice satisfied the requirements of stopping the fighting and limiting the sovereignty of the defeated countries. Allied organizations controlled the domestic and foreign policy of these countries. The reparations to be paid as well as the maintenance costs of the occu-
pying forces limited the options for economic recovery. The victorious Allied Powers considered the reestablishment of peace as a bonus that eased the situation in the defeated countries and recognized the fact that in the end the satellites had turned against Germany.

Questions about the process of settling the peace were divisive for the Allies in May and June 1945. There were lengthy diplomatic battles over the modalities of the peace negotiations. Should the peace terms be discussed with the former enemies or should they simply be imposed upon them? Should the victors adopt a punitive attitude or a lenient one? Should the final decision be handed down by the three Great Powers or should there be a general European peace conference with the other allies participating in the decision making? What should be the order of the negotiations? Should the central issue, Germany and Austria, be dealt with first or should the Italian, Romanian, Bulgarian, Hungarian and Finn peace treaties, considered second order, take precedence? Where, when and at what level should the peace treaty preparations be made and whose recommendations should be accepted as the basis for the negotiations?

The victorious powers endeavored to avoid the mistakes made after World War I. They fought the antifascist war under the banner of “democracy” and therefore the defeated countries could hope for permission to participate in the negotiations. Announcements were made about a “just” peace with the assumption that issues would be handled on their merits. Proclamations also referred to a “lasting” peace which should have meant that the interests of both victors and vanquished would be considered in a serene way when the conflict was ended. The settlements at the end of World War I were regarded critically particularly by the United States and the Soviet Union but Great Britain and France also wished to avoid a Versailles-type peace conference. The victorious powers did not follow the procedures of the previous arrangements and the intent of carefully and thoroughly preparing the peace treaties led the Allies down new paths. Even the techniques for terminating the two conflicts are not comparable. In 1919, in Versailles, Germany signed the peace treaty dictated by the victors. In 1945, because of the total defeat of Germany and the ensuing Four-Power Allied occupation, Germany as a state ceased to exist and all powers devolved on the victors.
Genesis of the Council of Foreign Ministers (CFM)

The procedural questions concerning the peace settlements were first raised by the Foreign Office in May 1945 when the Italian peace treaty plans were being elaborated. The British recommended that a four-power agreement be reached about the Italian peace treaty prior to any peace negotiations with Germany. They also recommended that the other countries at war with Italy express their views at separate, smaller gatherings. The Italians would be asked to participate only at a later stage of the negotiations. They could make their comments at that time but would be “compelled to sign the peace agreement without any significant changes in its clauses.”

The British document faithfully reflected the thinking of the day about the peace process. It seemed that the signing of the peace treaties, including the German one, were not far off. In January 1945 the Foreign Office rejected an American proposal to make a “preliminary” peace treaty with Italy but by May it was willing to sign a treaty with Italy before the German one. The British recommendation rank-ordered the participants. The Great Powers had the right to make decisions, the other allies could suggest amendments and the defeated country would only be listened to. According to this proposal the “former enemy country” had to be made to accept the stipulations of the peace treaty, with force if necessary. It was thus a peace treaty dictated by the victors and not one that was the result of negotiations with the vanquished. The British proposal later served as a model when the other peace treaties were negotiated.

On June 7, 1945, the Foreign Office discussed the preparation of the Romanian, Bulgarian, and Hungarian peace treaties. Because of the same general character of the three, it was considered desirable to conclude them at the same time. The Foreign Office was not opposed to the Soviet Union’s recommendation of Moscow as the site of the negotiations and even saw the advantages of having the British Embassy in Moscow participate. This embassy gained considerable experience during the armistice negotiations with Romania, Bulgaria, Finland and Hungary that were held in Moscow. The British preferred this to a neutral site, like Vienna, since the latter would have required the organization of a complete and new delegation. London also wished to give the
Dominions, Greece, Yugoslavia, and Czechoslovakia an opportunity to express their position.6

The Foreign Office viewed the three Balkan peace treaties separately from the Italian one. It granted precedence to the Soviet Union because it was the latter that had determined the stipulations for the armistice agreements. The Foreign Office first discussed the proposal with the Department of State and wished to discuss it with the Soviet Union at a meeting of the Three Great Powers. The smaller allies were given no other role but to accept the decisions made jointly by the Great Powers.

The British War Cabinet was endeavoring to establish a joint British-American policy prior to the Potsdam Conference, but the mission of Harry Hopkins to Moscow suggested that President Truman was trying to settle differences with the Soviet Union without consulting the British. It was this visit that opened a window on the Soviet ideas about the peace settlements. At a meeting on May 26, 1945, Stalin urged the establishment a peace conference in order to bring the European war to an end. Stalin stated that, “the question was ripe and, so to speak, knocking at the door.” Hopkins viewed the approaching Potsdam Conference as preparatory to the peace negotiations. It was Stalin’s opinion that, “the uncertainty as to the peace conference was having a bad effect and that it would be wise to select a time and place so that proper preparations could be made.” He added that, “the Versailles conference had been badly prepared and, as a result, many mistakes had been made”... “the Allies were not properly prepared at Versailles and that we should not make the same mistake again.”7 Stalin was even more insistent than the British prime minister that the principle of the three major allies making decisions jointly had to be preserved. He was alarmed. “It was his impression that the American attitude towards the Soviet Union had perceptibly cooled once it became obvious that Germany was defeated, and that it was as though the Americans were saying that the Russians were no longer needed.”8 It was for this reason that Stalin considered the Potsdam Conference to be particularly important.

The State Department first prepared the peace plans for Italy. The main trends of the Romanian, Bulgarian and Hungarian peace treaties were determined only after the Potsdam Conference. The State Department, in its “Briefing Book for Potsdam,” was striving for an early and
final peace treaty so that the troops could be withdrawn and Italy’s future be settled. It wished to avoid “a hasty solution, dictated by animus toward an ex-enemy, territorial ambitions or contingent political situations rather than by serious evaluation of the interests of future peace.” It wished to avoid a “dictated” peace as opposed to a “negotiated” peace by allowing the Italians themselves to come to the negotiations and present their case before every term became crystallized through a process of discussion, disagreement and, finally, irreducible compromise among the victorious powers, all of whom, except the United States, will have booty of some sort to claim. Italian participation would remove any future pretext for an Italian repudiation of the treaty on the ground that it was dictated. The State Department recommended that the Italian peace terms be discussed at the first meeting of the CFM.

In the view of the State Department the CFM was the forum for the preparations of the peace treaties and that, until the Charter of the United Nations came into effect, the CFM would function as the Interim Security Council. The role of the CFM as the preparatory forum for the peace treaties was recommended on June 19, 1944, by Edward Stettinius, deputy secretary of state of President Roosevelt. Stettinius felt that a general Versailles-type peace conference made decisions too slowly and too circuitously. When a year later, on June 9, 1945, President Truman asked his Secretary of State whether he wished to conduct the European peace negotiations as a series of conferences or as a Dumbarton Oaks type general conference, Stettinius, the Acting Secretary of State, cautioned the President on June 19, 1945, against calling for a slow and unwieldy, full and formal peace conference. Recalling the recommendations made a year earlier, Stettinius proposed the establishment of a Council of Foreign Ministers with a permanent headquarters in Brussels or Vienna. It would be the responsibility of CFM to conduct individual peace conferences. After the Potsdam Conference, the CFM would include, in addition to the three major powers, France and China. The CFM would have the right to call a conference, e.g. to arrange a peace treaty with Italy, or to question the interested parties about a specific issue, e.g. the Italian-Yugoslav border. Stettinius wished to limit the membership to the permanent members of the Security Council in order to prevent the Soviet Union from including Poland and Yugoslavia, as it did for the Committee of Reparations, and also to
avoid the addition of other members who would always support Great Britain or the Soviet Union. The dissolution of the European Advisory Commission, which was established in October 1943 for the negotiation of the armistices and the creation of the Allied control mechanism for Germany and Austria, also justified the arguments for the establishment of the Council of Foreign Ministers and the exclusion of the other Allied Powers.9

American diplomacy was based on Roosevelt’s post-war plans according to which the Grand Alliance would remain active in peace time, the peace treaties could be concluded promptly and the American participation in the United Nations Organization would guarantee international security. The State Department Memorandum of June 27, 1945, indicated that the CFM would be the most suitable body for implementing the peace treaties and the territorial settlements, because otherwise the “existing confusion, political uncertainty and economic stagnation will continue to the serious detriment of Europe and the world.” The Department of State also indicated that at the Versailles peace conference, after World War I, the sessions were held in a “heated atmosphere of rival claims and counterclaims and that the ratification of the resulting documents was long delayed.” Contrary to an earlier view, the State Department now emphasized that the opinion of the other Allies should be sought in order to avoid the accusation that the Great Powers were running the world without consideration for the interests of the smaller nations. James F. Byrnes, who took over the Department of State from Stettinius on July 3, 1945, recommended to President Truman that the CFM should first negotiate the Italian, Romanian, Bulgarian, and Hungarian peace treaties because these were less controversial and should turn to the German treaty only afterward. The new Secretary of State believed that the determination of the general principles of the European peace settlements was the responsibility of the CFM while the drafting of the peace treaties would be performed by the deputy foreign ministers. Byrnes wished to submit the peace treaty proposals to the general peace conference of the United Nations.10

The recommendations of the State Department clearly reveal the dual purpose the Americans had in establishing the CFM. Until the ratification of the UN Charter they wished to use it as the forum for drafting the peace treaties and as a temporary security organization. They
also wished to prevent the establishment of exclusive spheres of interest in Europe. According to the State Department the CFM would tend to reduce the possibilities of unilateral Soviet or British actions and the United States would use it as an intermediate measure to eliminate the existing spheres of interest. At this time the Americans were trying to smooth out the British-Soviet conflicts because they considered tripartite cooperation necessary for the establishment of a lasting peace.

In preparing for the Potsdam Conference of the Heads of State and Heads of Government, the American secretary of state sent his proposal for the establishment of the CFM to the British and Soviet governments. On July 11, 1945, Molotov, the Soviet commissar for foreign affairs responded to the American note indicating that the overall European reorganization required a comprehensive peace conference. Molotov took exception to the inclusion of China in the CFM, particularly for European matters because China did not participate in the European Advisory Commission and thus the issues were completely strange to her. At the same time Molotov considered it possible for China to participate in the final peace conference. Molotov also inquired whether the Americans wished to discuss their Italian peace treaty proposal at the Potsdam Conference. At the July 14, 1945, British-American meeting, in preparation for the Potsdam Conference, Alexander Cadogan, the British permanent undersecretary of state, supported the establishment of the CFM and the inclusion of China, but expressed reservations concerning the termination of the European Advisory Commission. The Foreign Office recommended that the CFM and its permanent secretariat be headquartered in London, although the F. O. did agree that the CFM might meet in other locations as well. In any case, the British considered the discussion of the German peace treaty to be much more important than the establishment of the CFM. James Clement Dunn, the American deputy secretary of state, recalling that the Soviet Union objected to France’s participation in the German Reparation Commission, considered it preferable that the membership of the CFM be modeled on the Security Council of the UN with its five members. Alexander Cadogan agreed with the American proposal that a peace treaty be signed with Italy but was not enthusiastic about its being negotiated by the CFM. The Foreign Office endeavored to secure a British-American understanding on this issue prior to meetings of the CFM.