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
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In Honor of John Michael Montias

The “Montias case,” 1964

Excerpt from János Kornai’s book *By Force of Thought: Irregular Memoirs of an Intellectual Journey* [☆]

Introduction

János Kornai, the Hungarian economist, wrote his memoirs. The book, published recently by MIT Press, traces Kornai’s lifelong intellectual journey and offers a subjective complement to his academic research.

Chapter 9 of the book discusses Kornai’s first contacts with Western scholars, the roadblocks set by the secret police to his traveling, what the informers of the police reported on him, and how his recruitment into the network of spies was aborted. The last section of the chapter, under the title *A blighted attempt at a ‘fabricated trial’* (pp. 172–176), deals with the story of a police investigation ending with false accusations and the expulsion from Hungary of a visiting American researcher, J.M. Montias, in 1964.

János Kornai offered the publication of this excerpt in the memory of his friend, the late John Michael Montias, founding editor of our journal.

A blighted attempt at a “fabricated trial”

There is another story that belongs in this chapter, in which I have often talked about the activities of the intelligence services. As I write this, I have at hand a photocopy of a letter written to me on October 14, 1964, by John Michael Montias, an American economics professor at Yale University. He was planning to come to Hungary on a scholarship and requested some advice on his work. He also mentioned that he had begun to learn Hungarian.

The letter had a short history behind it. I first learned about Montias’s work from his writings, and then met him in person in Budapest in 1963, where he was taking part in a conference on mathematical economics. Montias attracted the attention of all the participants at the conference when he volunteered to do a simultaneous translation from Russian into English of a presentation by Leonid Kantorovich. He also interpreted the ensuing debate in both directions. He was obviously both a good economist and someone with an exceptional gift for languages. We afterward

[☆] The editors gratefully acknowledge the permission of MIT Press (<http://mitpress.mit.edu/9780262113021/>) to publish this excerpt.



Fig. 1. My first encounter with Western Sovietologists at a 1965 conference in Venice. *Left to right:* Alfred Zaubermann (London School of Economics), myself, David Granick (University of Wisconsin), John Montias (suspected of spying by the Hungarian secret service and so expelled from Hungary in 1966; Yale), and Hans Raupach (Munich). The picture was taken by one of the eminent Sovietologists, Gregory Grossman (Berkeley, California).

met once more in Venice in 1965 at a conference of Western and Eastern economists specializing in the study of the Soviet Union and Eastern Europe. (See Fig. 1.)

Let us come back to the letter addressed to me. I found it not in my own collection of letters but in the secret service archives. An American professor's personal letter to me had been opened and photocopied in Budapest, then sealed again and delivered to me by the Hungarian post office. Everybody suspected that things like that often happened, but it was still a strange feeling to have firsthand evidence of it.

At the time, I only saw bits of the "Montias case." But I have managed now to reconstruct more or less the full story from the police records.

Montias was an outstanding figure among American Sovietologists. Most of his colleagues knew only one of the many languages spoken in the Soviet region, whereas Montias spoke several and was able to read even more. Although most Sovietologists in those days were qualified economists and had extensive knowledge of the political and economic situation in the Soviet Union or certain Eastern European countries, they were not skilled in the theories of modern economics written in formal mathematical language. Montias, in contrast, belonged to a new generation that handled such modern tools with great skill. (On one occasion, he was a coauthor with Koopmans, the great mathematical economist often mentioned in this book.)

I was happy to help Montias prepare for his trip to Budapest. I gave him some advice on his choice of topic and offered to introduce him to Hungarian colleagues. We exchanged letters several times. Montias handed in a regular application, in which he described his scientific program and Hungarian connections. My name was among those in the relevant part of the application form.

While in the foreground everything was proceeding according to the rules and practice of international scientific relations, and Montias and his Hungarian colleagues were preparing for the visit, behind the scenes the secret police continued to work at full throttle. The first warning came from Czechoslovakia: there was reason to believe that Montias was a CIA agent.¹ Counterespionage officials must have thought they were going to make a big catch!

As the date of the visit approached, more and more people became involved in the case. They fished out the “material” they had on the Hungarian scholars whom Montias had named in his application. There were some other names in the files as well, but what I managed to find out from the archives was what actions were taken concerning me.

My files in the various branch offices of the III/III department for the period between 1956 and 1959 were retrieved, as well as those for my trips to England in 1963 and 1964. Then Captain Z.Z. wrote a summary report taking stock of everything they had against me.

While studying the written documents of the secret service, I came across transcripts of tapped telephone conversations dating from 1963. A list was drawn up with the names of everyone I had contacts with. This produced nothing of interest for them. The list contained the names of friends in Budapest, relatives, and economist colleagues, including the foreign economists Ely Devons and Tjalling Koopmans. Here is a quote from one of the scripts: “Helga? Olga? Paid Kornai money.” Here the police agents used a Hungarian slang term, applied when, for example, a man is paying money to his mistress for her services. Very suspicious. Kornai is being paid by a woman. . . . As a matter of fact, it was a dear acquaintance of long standing named Elga, to whom I had lent some money during the summer vacation. We had been discussing how she would pay it back. One might laugh at the stupidity of these people if one could only find such a dark story amusing.

There is a comment on Captain Z.Z.’s report, handwritten by his boss, advising him not to use me for “throwing under.” I have consulted experts to find out what exactly that meant. The secret service had to find an agent who was, in secret service terms, reliable and obedient, and who could gain the confidence of the person under surveillance. Such an agent was said to be “thrown under” the person under surveillance, and would in turn provide the secret service with useful information.

Let us return to the visible surface. Montias’s application was accepted by the Hungarian cultural relations bodies and he was granted a visa. So Montias arrived. He met and talked to several Hungarian economists. He started to learn Hungarian. I recommended a friend, Kati Hanák, as a Hungarian teacher, and she accepted. Montias progressed fast. He lived the usual life of foreign visitors, went to the opera with his wife, and sometimes ate out with Hungarian colleagues. We wine and dined them, too.

It transpires from the files that he was shadowed all along. His phone was tapped and he was followed about in the streets. I read the observers’ reports: absolutely nothing comes out of the

¹ Documents recently obtained reveal just how closely the secret services of the Communist countries cooperated. The Czechoslovak state security bureau conducted a secret house search in 1963 in Montias’s apartment in Czechoslovakia, and found in his coat a slip of paper with my name and home telephone number on it. This they reported to their Hungarian colleagues (IH 1656. 2/2-2358, p. 3. Date: May 8, 1964. Also IH 34-4-797/1965, p. 4. Date: April 23, 1965).

piles of pages. I can only repeat what I have just said: one might laugh at the report if one did not realize what evil forces lay behind those leading the investigation. I have not read much spy literature. Perhaps there is some rule or tradition that says that persons under surveillance cannot be referred to by their real names, even in internal reports. We lived on Pusztaszeri út, and so instead of referring to us as Kornai and Laky (my wife), the report called us “Mr. and Mrs. Puszta.” The Hanáks used to live on Garas utca. So they were given the names “Mr. and Mrs. Garas.” Montias could certainly not appear in the confidential internal reports as Montias. Instead, he was given the name “Zimelio” (and in the street observation reports, he features as “Master,” for a change).

The plan took shape. Montias would be accused of obtaining—by misusing his position as a visiting research scholar—classified information about the Hungarian economy and COMECON (the Council for Mutual Economic Assistance). The Hungarian economists with whom Montias was in touch were interrogated.

I was interrogated too. I have recently reread the reports. None of the witnesses made any accusations against Montias. None of them confirmed the suspicion that Montias had collected classified information.

Before long, Montias was expelled from Hungary, effective immediately. An article was published in a newspaper explaining Montias’s expulsion. He was accused of gathering secret information, of spying. This accusation, however, could not be supported by facts, testimony, or any other evidence. There was not going to be a spectacular espionage trial.

The story is remarkable in many ways. It is a case that illustrates what I have discussed in this book many times (and will discuss further): the world of scholarship was not a privileged or protected area. The tentacles of the totalitarian state reached deep into it, and it was observed and terrorized.

While there was continuity between the Rákosi and Kádár eras, there were some essential changes as well. In the days of the old ÁVH, all the players would have been arrested—the American professor and his Hungarian friends—and tortured until they confessed and it could be confirmed in court that they had been spying for the CIA all along. Even then, in 1965, the interrogations were depressing and very trying for the Hungarian witnesses. But we did have the chance to refute the false accusations.²

At the time of the Montias case, there were two opposite political trends on the Hungarian political scene. The “soft-liner” or reform-oriented forces were out to establish friendly relations with the West, especially in culture and science; the “hard-liner” or anti-reform forces, however, tried to seize every opportunity to blight East–West relations. Uncovering an American agent would have come in handy to the hard-liners, but the plan turned out to be a failure in the end.

Two postscripts need to be added to the story.

One is about how my relationship with Professor John Michael Montias continued afterward. In 1970, I spent six months at Yale University. There Mike and I met and talked a lot. We did not discuss the story of his expulsion. He—rightly—felt it proper not to bring it up, as he was aware that I would be returning to Hungary. Later, we would meet each time I visited Yale. I even gave

² I have written in an earlier chapter that after 1956, I resolved to become a member of the Western economic profession. I was well aware of the risks involved. Still fresh in our memory were the times when the mere fact of having a “Western connection” was enough to make one suspect, and when innocent professional interaction would be classified as “spying” in trumped-up criminal proceedings. This nightmare haunted us for as long as the Communist system existed. We know now, in retrospect, of course, that there was no Stalinist restoration. But nobody then, in advance, could say for sure that such an attempt at restoration would necessarily fail.

a talk at the institute he headed. When he brought out a book on comparative system theory in 1976, I wrote an appreciative review, not only because I thought it was a good book, but because I wished to make a statement: I held him to be a scholar. Montias was a founding editor of the *Journal of Comparative Economics*, which became the leading journal for researchers comparing economic systems. It frequently published articles by economists from Eastern-bloc countries. I myself published several articles there.

Montias would have liked to visit Hungary again in the 1970s, but the Hungarian authorities did not grant him permission to enter the country. His name was not removed from Hungary's *persona non grata* list until the final hours of the old regime in 1989.

Unfortunately, his Hungarian adventure rather dampened Montias's enthusiasm for "Sovietology." This was a real loss to the profession. He gradually turned to art history. His books on seventeenth-century Dutch painting are widely regarded by art historians as classics in the subject.

I have to finish this story with a sad report: Mike died recently, in 2005.

The other postscript relates to a Budapest experience of mine. When I first asked to look into the files of the Montias case in 1998, I was granted permission—with a number of restrictions, however. I was not allowed then to make photocopies of the documents. While reading the files, someone from the office was to be present. Perhaps he was told to keep an eye on me, lest I try to sneak out one of the files secretly. He was a pleasant man. After I had finished reading, he started to chat, saying, among others things, something to the effect of "Well, yes, we never managed to catch the man." I could not quote him word for word. I did not tape the conversation so as to be able to report his words verbatim. This much is certain: he made this remark as someone who fully identified with the counterintelligence people working on the case, in the first-person plural, ironically and with some tone of regret in his voice. A weird continuity.

János Kornai

Collegium Budapest

Available online 19 April 2007

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