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3. Overhaul of Hungarian domestic policies expected: A general overhaul and further moderation of Hungarian political and economic policies, probably based in part on the Yugoslav model, is expected to begin shortly after the return of the Hungarian party leaders from Belgrade. The revised policy is being anticipated in current official press and radio comment, prior to the convening of the National Assembly on 29 October.

A 16 October radio broadcast spelled out what may serve as a format for future Hungarian policy when it praised the over-all policies of ex-premier Nagy, who was restored to party membership on 14 October. The commentary, in effect, endorsed Nagy's belief in the need for wider political freedom and party democracy, free debate, the restoration of legality, and the right of each country to give primary consideration to its own characteristics in the development of socialism. A number of these policies have already been accepted by the regime, which may now be prepared to remove holdovers from the now discredited Rakosi era, such as the current premier, Andras Hegedus.

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Nagy's economic policies, the radio contended, are in opposition to "excessive industrialization" and give preference to the "material needs of the population." This suggests that there will be considerable pressure in the National Assembly for basic changes in the Five-Year Plan, changes which would presumably reflect Yugoslav experiments with economic decentralization and agricultural socialization. Such changes might include a partial incorporation of the Yugoslav concept of workers' councils in industry and a slowdown, or even a cutback, in socialization. Underlying Nagy's economic policy is the contention that draining economic commitments to foreign countries, particularly the USSR, must be reduced.

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