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CENTRAL INTELLIGENCE AGENCY

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SUMMARY AND CONCLUSIONS

- 1. Because of the improvement in the economic situation and the relaxation of police terror, plus such other measures of liberalization as travel abroad, the popularity of Kadar and the regime has risen very considerably, and he is probably now considered to be about the best Hungary can get at present.
- 2. Nevertheless, there is no indication of revival of ideological commitment to Communism; on the contrary, the Revolution seems to have killed that for good.
- 3. There is a considerable amount of ideological revisionism among young intellectuals, but it is more of a cover for social democratic sentiments, and an expression of how far it seems safe to go now, than it is a genuine attempt to revise Stalinism and retain Leninism.
- 4. Western influence is great and increasing, and Hungary will probably again become, as has Poland, intellectually a part of the Western intellectual community. Hungarian intellectuals seem anxious for the maximum possible contact with the West.
- 5. Agricultural collectivization remains, but with considerable modifications.
- 6. No major structural changes in economics seem imminent, but trade with the West, especially with West Germany, seems likely to increase rapidly.



8. Kadar is in complete control of the party and government.

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1. Prof. Sandor Szalai, a sociologist

ian domestic and foreign policy.

said that Kadar would always follow Khrushchev on Sino-Soviet relations, that he did not understand much about economics, and that Hungarians in Transylvania are being treated extremely badly. As to economics, about which he seems to know quite a lot, he said that Hungary's exports to Western Europe of high-value agricultural products and meat are being seriously endangered by the super-market demand there for standardization, weight, measure, etc.

3. Zoltan Horvath,

a good observer of Hungar-

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Liberalization in Hungary has come primarily from the top, from a conviction of strength and of its usefulness, but of course popular pressure has had something to do with it. Horvath thinks that intellectual liberalization has probably gone about as far as it will in the near future, and that Hungary remains fundamentally totalitarian. They both agreed that the economy has not undergone any fundamental changes. Foreign trade probably will increase, particularly with West Germany, but incentives are still lacking. As to foreign policy, Horvathemphasized repeatedly, with great emphasis, that for all Hungarians Transylvania remains the key issue. Not only are two million Hungarians there, but it was the cradle of Hungarian culture and independence, and the Romanians are now treating the Hungarians terribly. Compared to it, the Hungarians in Slovakia and Yugoslavia are unimportant. Of course the Soviets could use it, as the Nazis did, to bind the Hungarians, and as a means (probably unsuccessful) of pressure against the Romanians, but it seems doubtful that they will do so, at least publicly, in the near future, for two reasons: it would set them back greatly in their struggle with the Chinese and their attempt to set up an international conference against them, and it would hurt them greatly with the Czechoslovaks and especially with the Yugoslavs. Nevertheless, Transylvania remains perhaps the only issue on which the Soviets could successfully play to assure Hungarian support. Hungarian relations with West Germany will certainly improve on the economic plane.



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Hungary will, although probably with some reluctance, completely support Moscow in the Sino-Soviet dispute--i.e., it will not volunteer support but will give it when asked.

- 5. Talks with two young regime journalists were quite routine and they were naive propagandists. One of them runs the course given to African and Asian journalists, and he did admit that in his experience Africans seem extremely uninterested in ideology.
- 6. The talks with Dr. Istvan Gal,

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Transylvanian problem. Gal had recently talked to two Hungarian intellectuals who had been there. They reported that Romanianization is progressing rapidly and severely. The Szekely area is reportedly almost cut off from foreign visitors, and no investment occurs there at all. Gal said that the Transylvanian problem is an extremely important one for almost all Hungarians but that he also doubts that there will be any rapid or extreme developments.

7. Pal Gedeon, foreign editor of the daily <u>Nepszava</u>, was interviewed. He is intelligent; not too dogmatic, and quite well versed in world affairs, but said little more than a sophisticated version of the regime line, including how worried he is about Goldwater.



four sociologists including the section director, Andras Hegedüs, who had been Prime Minister under Rakosi in 1955-1956. The others were younger, including the section secretary, Vajda (?), Maris Markus (who is Polish), and Ivan Varga. Hegedus (whose bad German somewhat inhibited the conversation) told of their empirical researches in villages, concerning such things as social structure and communication systems; they hope to expand this to a factory. It proved rather difficult to get much information out of them, so the discussion turned into an ideological argument about partiinost'and similar things. As an indication of how far heterodoxy is progressing, Hegedüs defined it as being for objectivity in methodology, a definition exactly that of Kolakowski in 1956. Hegedus also said that for him sociology was an empirical science whose fields of research would be selected by the party but whose methods would be empirical.

9. Prof. Imre Vajda of the Karl Marx Economic University was next. Vajda, who had previously been head of the State Planning Commission, is Hungary's leading expert on CMEA. An old-time Communist who lived in Vienna for 20 years, he is anything but orthodox now, and talked quite freely. As to Romania and CMEA, Vajda said that of course the DDR and CSSR attitude toward Romania has been a neo-colonialist one. Furthermore, Romania does have much more economic base (in raw materials) than other countries in East Europe. Nevertheless, he continued, in spite of the fact that Romania's revolt represents economic (and political) nationalism, he doubts that it will be permanent. On the contrary, the facts of economic life will bring it back more toward cooperation with CMEA in a few years. When he was told that Yugoslavia had gotten around this problem in 1948 with Western aid, he replied he thought that a unique case. He was himself, he said, in favor of the widest internationalism in trade, with CMEA, EEC, and EFTA negotiating as groups. He did not see W D

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how Transylvania could become a major issue. Nor did he think that the USSR could or would try forcibly to make Romania come back into line. For Hungary, CMEA was most helpful. As to Hungarian economics, he said that there had been no drastic changes although, as one could see, the situation had considerably improved. Almost all leading Hungarian economists were in favor of the Lange model (decentralization and a market economy) but the party leadership moved slowly and the resistance of the middle party and economic bureaucracy, whose jobs would disappear, was very great. Nevertheless, he said, the tendency would probably be slowly in that direction.

Ivan Varga, one of the young sociologists, said he would like to talk 10. more. As it turned out, it was perhaps the most interesting conversation in Hungary. Varga, who specializes in sociology of religion, is highly intelligent, extremely well informed about developments in the West, very interested in Pcland (where he was in 1957 and 1962, and learned Polish), and very much of a young revisionist. He had been conducting surveys on religion in the countryside, and said that it was still quite strong, nore among the Catholics than among the Protestants. In the cities, the young peasant sons who had come to work in factories were suffering from psychological alienation (Ulam's description of the most fertile ground for Marxism) but, Varga went on, they tended much more to try to overcome it by religion than by Marxism-Leninism. A general discussion of alienation in capitalist and especially in socialist societies followed, and Varga's position on it was typically revisionist -influenced primarily by the young Marx and by Italian Communist thinking. He apparently reads Italian Communist publications regularly, and is also much influenced by the PCI Gramsci Institute, a member of which he met. He told source of a controversy on alienation which has been being carried on in Valosag, a periodical which, from what he intimated, is trying to push these semi-revisionist ideas quite strongly. Varga himself has written a strong article, but does not yet know if it will be published. General Hungarian developments were discussed somewhat, and he indicated that in his orinion there is no serious possibility of a real revival or engagement in Marxist-Leninist ideology. He was very curious about recent developments in Poland, where he knows many people (he said he knew Kolakowski well). He also reads many Western periodicals regularly; he mentioned Encounter, Preuves, Monat, and Forum. He has great respect for Lukacs intellectually and says he has much influence on the brighter philosophical students. He did not think Lukacs to be in sympathy with his own and his friends idea. He also asked a lot of questions about Africa and we talked about that for a long time. Like so many others, he also wanted to know about Goldwater. He says that he hopes that studies of factory workers can be done with a view toward justifying the introduction of true workers councils -he is abviously quite out of sympathy with the total power of the party leadership. He said that the Hungarian press was still quite mo olithic and therefore had little influence. Foreign broadcasts were listened to regularly; he said he did not like RFE but preferred BBC because it was calm and objective. He said that they were planning within a year or two to introduce a course in sociology into the university and he asked for material about what such a course might cover. He spoke very good German, his mother and wife both being Austrian, and this may well account for much of his knowledge of the West.

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The famous Marxist-Leninist philosopher Gyorgy Lukacs was seen in 11. his apartment. Two main impressions were formed: his brilliance and culture, and his strong adherence to Leninist Communism. Indeed, although he may have been a revisionist in 1956, he is not now; as a Hungarian remarked that evening, Khrushchev should really make him the head of the Marx-Lenin Institute in Moscow! The talks began about the Sino-Soviet dispute and the general international situation. On this he was neither penetrating or particularly original; he took very much the Soviet line on Vietnam, said that a US attack on North Vietnam could bring Moscow and Peking back together again, etc. However, when the discussion turned to ideology and philosophy he was obviously in his element, and his ideas were as precisely formulated as his German was elegant. He agreed that Marxism was ideologically in a confused state today, but he said he expected a revival within 5 or 10 years of true Marxism, or more accurately true Leninism, as a result of the controversy now going on. He said he was very impressed by Italian Communist thought, and clearly he follows it in detail. As to his present ideological position, he said that he felt, as had Lenin, that partiinost' should not be extended to creative artistic activity. As to the dictatorship of the proletariat, he said he could conceive that it might not be necessary, and that after internal and external threats to it had disappeared (reactionaries, CIA, etc.) it was also possible that more than one party might be allowed. Nevertheless, he strongly defended democratic centralism, the Leninist ban on factionalism, etc. On more general subjects, he said that Freud had little or nothing to offer (a mythomaniac), and (when source said he seemed like Marx, to be incurably optimistic about human nature, indeed a Promethean) he declared that indeed he was a Promethean, and if it were not for Prometheus we would all still be apes up in trees eating bananas! As to the cult of the personality, the question of the system, and the limitation (by institutions) of the total power of the party leadership, he said that there was no such thing as absolute civil rights, that the extent of civil rights reflected a social and economic situation, and that improvement in that and party democracy was the only real solution (i.e., the Leninist position.) As for the alienation debate, he said that it arose from social causes and by changing them it could be ended; he rejected concentration on the young Marx, or the idea that alienation was insuperable. He said he was quite unconvinced that Oswald had killed Kennedy. He had voted against Hungary leaving the Warsaw Pact in the decisive cabinet meeting on No. 1, 1956--and thereafter resigned.

- 12. Lucacs is short, white-haired, smokes black cigars or cigarettes constantly, and has much of the arrogance and totalitarian beliefs of Naphtha in Zauberberg--not surprisingly so, since reportedly he as a young man was Thomas Mann's model for the character. He has made many people revisionists by his teaching, and thereafter they abandoned Leninism entirely--but there is a doubt that he ever will himself.
- 13. Later, Dr. Istvan Gal again discussed topics of historical interest. but he did say that in his view the regime would likely not stifle the younger, more independent-minded Hungarian writers, although there had been a few moves in this direction recently. He thought there was a serious group of Stalinists in the party apparat--with pro-Chinese sympathies. The great populist writers (Nemeth, Illyes) still have the

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most influence in Hungary; attempts should be made to get them abroad, and Veres too, by cultural exchange. Bibo cannot see foreigners for three years, the police told him, or he will be reargested. His ideas are certainly politically the most original in fungary.

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14. That evening talks were held with Dr. Tamas Szecskö, head of the economic department of Radio Budapest and a researcher with Hegedus in political sociology -- i.e., surveys in factories. He was much like Varga, much influenced by the West, well-informed, and clearly no orthodox Leninist. He said that Lukács by now really was a dogmatist, and had no influence on the younger and more revisionist intellectuals. As to economics, he agreed with Varga, and said that so did some of the people he knew in the economics section of the party central committee, but the resistance of the middle-level functionaries was too great. Trade with West Germany would probably increase considerably. The Romanians would not make out 30 well; they don't have enough trained workers to run modern factores (Vajda had said this too) -- rather, they will ruin them. The end of jamming of foreign broadcasts has made Radio Budapest react more rapidly to events, lest it be "beaten" by the competition. Indeed, he said, he thought the competition of foreign broadcasts ("Free Europe, BBC") was a good thing. The regime was still acting, foolishly, as if it had a monopoly on mass communications, but it doesn't and will have less so all the while. Foreign newspapers can be gotten; it is absurd not to sell them. In a sense the Revolution did win, although even so most of the present changes would have come. Source replied that however the Revolution had probably permanently ruined "friendship" with the USSR and engagement for Marxist-Leninist ideology; he said that was true.

