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THE EVOLUTION OF AGRICULTURAL POLICIES IN HUNGARY 1919-1956:

A STUDY IN COLLECTIVISATION

by

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**A Thesis Submitted for the Degree of Doctor
of Philosophy in the Faculty of Social
Sciences, University of Glasgow**

Volume One of Two Volumes

**Institute of Soviet and East
European Studies, University
of Glasgow**

January 1988

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Acknowledgements

I wish to acknowledge my indebtedness to, and to thank, a number of people who have helped me in the preparation of this thesis:

Research visits have been paid to the British Museum, the Colindale Newspaper Library, the Libraries of the London School of Economics, the Bodelan Library in Oxford and a number of Libraries in Budapest. Thanks are due to the staff of these libraries for their assistance. The bulk of the research, however, has had to be done in Glasgow and Bradford and I wish to thank the staff of the Inter-Library Loan Section of these Universities for their efforts on my behalf.

I have greatly benefitted from discussions with and advice from a number of colleagues and friends. Among them I owe a special gratitude to my supervisors, the late Dr. Janusz Zielinski, who encouraged and advised me in the early stages of the research, and to Roger Clarke and Dubravko Matko, both of Glasgow University, for their valuable critical comments and suggestions and, not least, for their unfailing interest in the progress of this work.

Thanks are also due to friends in Hungary who have helped me in innumerable ways, not least by arranging access to libraries in Budapest and by providing valuable information and materials for my work.

I would also like to extend my appreciation and thanks to Mrs. Marie Fordham, Secretary in the School of European Studies, for her excellent typing of the difficult Hungarian text and references, and for her organisational skill.

Finally, I would like to thank my wife, Livia, who over a long period consistently encouraged me and without whose immense patience this thesis would, perhaps, never have been completed.

**THE EVOLUTION OF AGRICULTURAL POLICIES IN HUNGARY 1919-1956:
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SUMMARY

The work is an attempt to survey and analyse, in a historical context, the evolution of the Communist Party's policy, strategies and tactics with regard to agriculture in Hungary. It covers a period from 1919 - as Hungary emerged from the break-up of the Austro-Hungarian Empire and the collapse of the short-lived Soviet Republic under Béla Kun - through the considerable political changes after the Second World War - especially when, in 1948, the communists took power and Hungary became a People's Democracy and its agricultural development began to follow the Soviet model closely - to the popular Uprising in 1956. Despite the great changes that had taken place after both the First and Second World Wars the element of continuity was an important factor. One of the main purposes of the study is to trace the interplay of political and economic forces with particular reference to the fortunes of agriculture in Hungary over this period.

The study is divided into four more or less distinct parts. In the first part the background to the main story is given: the agrarian conditions, the political and socio-economic position of the peasantry, the attitudes and policies of the governing and opposition parties, with special reference to the Communist Party in the shadows of illegality, during the inter-war period. The economic effects of the War are also discussed. The second part is devoted mainly to discussion of the political and economic process which had begun before 1945 and the new policies which were initiated, still with individually owned peasant farming, during the period. It first describes and analyses the struggle for political supremacy between the communists and, on the one hand, the other coalition partners and, on the other, the peasants, through the period of Land Reform and the Three-Year Reconstruction Plan, and then examines the potential for the development of private, individual, farming. This section concludes with the defeat of political opposition and of the peasants in 1948. This is followed, in

part three, by discussion and analysis of the various aspects, theoretical and practical, of the policy of collectivisation launched by the communists in 1948/1949, including its effects on the peasants and agricultural production. The final part examines the changes and developments in agricultural policy following Stalin's death in 1953: it describes and analyses Nagy's attempt to implement the liberalising political and economic, and in particular, agricultural, policies of the 'New Course' - under which peasant exploitation was reduced and forced collectivisation came to a halt - through his struggle with Rákosi, whose continued obstruction of Nagy's policies finally resulted in the latter's removal from power, bringing the progress of the 'New Course' to an end and leading to a return to the earlier policy of collectivisation. Popular discontent and Khrushchev's denunciation of Stalin at the Twentieth Party Congress in the spring of 1956, however, helped to precipitate a renewed protest movement which, in October 1956 spilled over into a revolution which restored Nagy to power. Part four concludes with a discussion, inter alia, of the ferment in agriculture immediately preceding the revolution, the revival of post-1945 political forces and the role played by the peasants during and immediately after the crushing of the revolution, resulting in the temporary defeat by the peasants of the regime's efforts to collectivise them.

PART 1: HISTORICAL ANTECEDENTS

An attempt is made here to provide a general but important background to political and economic developments related to agriculture in post-war Hungary. Many of the policy decisions made up to 1948, in the field of agriculture, were influenced by, indeed often directly reflected the historical position of the country's peasantry and political parties during the period preceding the Second World War. Agrarian policies pursued after 1948 seemingly do not bear much relevance to pre-war agrarian problems. The policies, on the whole, were the result of political-ideological considerations and decisions were, often, made without any economic *raison d'etre*; the will and wishes of the entire class of peasantry, more than before the war, were completely ignored. Soviet agrarian practices were slavishly imitated and, particularly up to 1956 - save for the brief Imre Nagy interregnum in 1953 - not even an attempt was made to adapt them to Hungarian conditions. While the basis of policy decisions had changed radically the human material in agriculture - the peasantry - remained, largely, the same as before the war: their behaviour, their attitude, their aspirations and reactions to policies, between 1945 and 1948 and after 1948, during collectivisation, were conditioned by and had their roots in the agrarian political and economic problems of the pre-war period.

Agrarian conditions in Hungary, before 1945, were characterised, both in respect of social level and organisational structure, by serious contradictions and backwardness. Unlike the more developed European countries, Hungary did not undergo many important social and technological changes. Not only England, France and the Benelux countries, where these changes opened the road for important agrarian developments, but also Czechoslovakia, Germany and the Northern countries enjoyed much more favourable conditions for agrarian development. Even her otherwise economically and socially more backward neighbours left Hungary behind in agrarian development during the inter-war

period. What were the reasons for this? What specific conditions influenced Hungarian agriculture? To understand the developments in post-1945 Hungary a survey of the inter-war period is important.

Chapter 1: The Economics of Agriculture in the Inter-war Period

1.1 Impact of Territorial Changes after World War I

Although the collapse of the Austro-Hungarian monarchy brought Hungary's independence from Austrian domination, the new territorial conditions prevailing after the Trianon Peace Treaty had far reaching social and economic consequences. The territory of the new Hungary was reduced to 32.7 per cent of its previous size and according to the 1935 Census, 41.6 per cent of the population projected of the old territory lived within the new boundary. These two pieces of data demonstrate the major problems created by the territorial changes. The central areas left to Hungary were the more densely populated. The density of population prior to the changes was 64.2 persons/km², after them it was 82.4 persons/km².⁽¹⁾ This density of population, which reached the figure of 97.8 persons/km² by the end of the 1930s, was much higher than most contemporary industrialised European countries, e.g., France, Denmark and Austria⁽²⁾, whose densities were approximately half that figure. This was the fundamental problem: a population density corresponding to a developed industrial country had to be supported by an underdeveloped agrarian-industrial country. Agrarian reforms, i.e., land re-distribution, or accelerated, state-subsidised industrialisation to absorb surplus labour were the most important preconditions to resolve these problems. On the one hand, as will be shown, the obstinate hostility of the large landowners to any radical reduction in their holdings precluded a meaningful land re-distribution. On the other hand, industrialisation faced almost unsurmountable difficulties. Whilst it was true that with the territorial change, statistically, Hungary became more industrialised, the share of the actively engaged labour force in agriculture declined from 64.5 per cent to 55.7 per cent after World War I (it declined further to 51.8 per cent by 1930 and 49.0 per cent by 1941)⁽³⁾, industry lost most

of its raw material resource base, which remained outside the new boundary. Industry, therefore, became dependent on foreign trade for raw materials and for modern machinery. The foreign trade sector, thus, became one of the most important sectors for the functioning of the economy. Agriculture, besides having to supply the population with food, which became more difficult since the agrarian population was smaller - although the proportion of landless peasants was higher - had to finance the country's raw material imports in addition to any industrial development. This at a time when high industrial raw material prices and low agricultural export prices further aggravated the problem. But industrial development, with industrial protection under a customs system which led to high industrial prices, also had to be financed by agriculture. Without this protection freely competing cheap foreign products would have ruined the chances of developing domestic industries. The resultant high domestic industrial prices put increasing demands on agriculture. In a sense, the roles of industry and agriculture were reversed. In pre 1918 Hungary, agriculture enjoyed the benefits of high customs barriers and it was industry which had to suffer all the disadvantages; now industry with its high costs, enjoyed the benefits of protection and agriculture was to bear the burden of international competition.

Although the number actively engaged in agriculture declined, Hungary, during the inter-war period, remained primarily an agricultural country. Undoubtedly, some progress was made during these two decades in industrialisation. Hungary very slowly began to change her agricultural character. The decline in the agricultural sector played a significant role in this, but the lag compared with other European countries remained considerable. The small change achieved was, nevertheless, positive: the share of agriculture, during the inter-war years, in the National Income declined from 42 to 37 per cent and that of industry increased from 30 to 36 per cent; the share of industrial employment, by 1941, increased from 21 to just over 25 per cent⁽⁴⁾ but

even if employment in commerce and transport are included with industry the increase in its share from 30 per cent, in 1920 to 35 per cent in 1941 was a moderate one. Manufacturing industrial output at 1929 constant prices increased by 28 per cent from 1913 to 1938, about 1 per cent growth pa which compares very unfavourably with growth rates of 5.4 per cent in the early years of the twentieth century.⁽⁵⁾ This moderate industrial progress, which to a degree occurred under the framework of war economy conditions was, however, insufficient to reduce the social tensions created by the depressing unemployment level among the agricultural workers.

The other important consequence of the boundary rearrangement was the effect it had on the distribution of land ownership. The change did not affect large and small holdings in the same proportion. The number and area distribution of holdings, by size classes, in 1895⁽⁶⁾ is shown in Table 1.1 below. The outdated, semi-feudal, conditions that dominated in Hungary at the turn of the century are clearly visible from the table. Nominal changes in the distribution of land holdings did occur during the period between 1895 and the First World War, but this does not, significantly, alter the picture.⁽⁷⁾ Indeed, great differences between large, medium, dwarf and landless peasantry remained even after the 1918/1919 revolution. Although the exclusion of forests and pasture holdings in Table 1.1 distorts the picture, since their inclusion would increase the relative weight of large estates, the lopsided land distribution which existed before the First World War is clearly demonstrated. Almost 24 per cent of the total number of holdings with an average size of 0.4 cadastral yokes possessed only 0.6 per cent of the total land area, another 30 per cent, averaging 2.7 cadastral yokes, had 5.2 per cent of the total area. More than half of the total number of holdings was below the size of 5 cadastral yokes. Against this the over 1000 cadastral yokes holdings possessed 11.9 million cadastral yokes i.e., 32.3 per cent of the total area. Another striking aspect of the table is that

Table 1.1: Distribution of Farms by size of agricultural land (1895)

Size of farms in (a) cad. yokes	Number within each category	Area of farms within each category	Average size within each category (b) in cad. yokes
	Number of farms	Area in cad. yokes	Percent of total agricultural land
	Percentage of total number of farms		
0 - 1	562,949	232,011	0.6
1-5	716,769	1,923,157	5.2
5 - 10	458,535	3,317,079	9.0
10 - 20	385,381	5,396,130	14.6
20 - 50	205,181	6,012,080	16.3
50 - 100	36,032	2,411,667	6.6
100 - 200	10,275	1,403,452	3.8
200 - 500	6,448	2,021,432	5.5
500 - 1000	3,144	2,238,905	6.1
over 1000	3,768	11,901,380	32.3
Total:	2,388,482	36,857,293	100.0

Source: Földreform 1945. Bp. Kossuth, 1965, p.10

(a) purely forests and pasture holdings are excluded

(b) calculated and added by the author

holdings exceeding 100 cadastral yokes, exactly 1 per cent of the total number, owned 47.7 per cent of the total land area. The dispersion shown by the average size of holdings, ranging from 0.4 to 3160 cadastral yokes, demonstrates an even more pronounced unequal distribution. The majority, if not all, of the owners of the holdings in the first two categories could not maintain themselves from their agricultural production and had to find employment on larger estates to supplement their incomes.

This already highly distorted pattern of land distribution was further augmented by the new boundary conditions. The structure of agriculture in the new territory differ from that before 1918. The effect of territorial changes is shown in Table 1.2 below:

One, perhaps the most important, change in the agricultural scene was the greater number of large estates, above the ~~100~~ cadastral yokes category, than of smaller peasant holdings located within the country's revised territory. Approximately 70 per cent of the latter category, and particularly of the holdings in the 0 -10 cad. yokes range, were situated on the ceded territory. Although the average arable land area of these holdings, except for those in the 1-5 cad. yokes category, was relatively higher than in the whole of pre-1918 Hungary - though only slightly - it did not compensate for the greatly increased proportion of estates, above the 100 cad. yokes size, brought about by the territorial changes.

Therefore, in post-1918 Hungary, the social structure of agriculture became more polarized. Territories had been added by the Trianon Peace Treaty on which the relative share of peasant holdings was greater, but within the new boundaries large estates became more dominant, as shown in Table 1.2. On average, 45.62 to 58.10 per cent of pre-1918 holdings in the 100-1000 cad. yokes category were located within the country's new boundaries. With respect to the above 1000 cad. yokes size this figure was 68.33 per cent. The effect of territorial changes is even more pronounced if these proportions are considered

Table 1.2: The Size Distribution of Farms & Arable Land area 1918(8)

Size of farms in cad. yokes	Number of farms in 1918 as percentage of total number of farms	Distribution of arable land in 1918 as percentage of total arable land	Number of farms that remained on the post-1918 territory as percentage of total number of farms within each category	Arable land area of farms that remained on the post 1918 territory as percentage of total arable land area within each category	Number of farms on the post-1918 territory as percentage of total number of farms within each category	Distribution of arable land area after 1918 as percentage of total arable land within each category
0 - 1	21.55	1.36	31.06	31.40	20.76	0.98
1 - 3	26.84	5.80	29.68	29.33	24.96	3.89
3 - 5	14.68	6.40	28.81	28.07	13.13	4.10
5 - 10	18.28	14.27	31.32	31.68	17.78	10.33
10 - 50	16.98	34.60	39.69	40.88	20.91	32.30
50 - 100	0.96	6.91	46.14	45.96	1.36	7.25
100 - 200	0.32	4.78	45.62	46.65	0.45	5.09
200 - 500	0.23	7.67	49.45	50.99	0.35	8.94
500 - 1000	0.10	7.16	58.10	57.83	0.18	9.45
over 1000	0.06	11.05	68.33	70.12	0.12	17.67
TOTAL	100.00	100.00	32.23	43.80	100.00	100.00

Source: P. Gunst: A mezőgazdasági termelés története Magyarországon 1920-1938. Akadémiai, Bp. 1970, p.53

in relation to arable land area. In this case, 70.12 per cent of the above 1000 cad. yokes size were now located within the new boundaries. The reason for this was that the large estates near the country's former border contained a proportionally higher share of forest land. The result of these changes was that in relation to the whole pre-1918 situation the social structure of agriculture in the new territory differed considerably and the proportion of arable land area within the 0-10 cad. yokes size holdings declined. The number of holdings within the 0-10 cad. yokes size, the smallest and economically the least viable, declined from 81.35 to 76.63 per cent, but within this category, especially those in the 1-3 cad. yokes size, the share of arable land area fell from 27.83 to 19.30 per cent. Consequently, the average size of this economically unviable category of holdings was further reduced. The result of this was that these owners now became more dependent for their livelihood on undertaking paid or auxiliary employment than was the case before. Particularly those in the 3-10 cad. yokes size had their arable land area reduced, adversely affecting their operating conditions. But operating conditions had worsened even for those 10-50 cad. yokes category since their number had increased relatively by some 3.93 per cent. The difference between the lower and upper categories, i.e., holdings above 100 cad. yokes size, became more prominent. Within this category, but particularly in the above 1000 cad. yokes size of holding, significant changes occurred in respect of both number and share of arable land area. The number of estates above the 100 cad. yokes size category in pre-1918 Hungary was 0.71 per cent of all holdings, and their share of arable land area was 30.66 per cent. The corresponding figures in post-1918 Hungary were 1.1 and 41.15 per cent. The number of estates in the above 1000 cad. yokes size increased even more dramatically from 0.06 to 0.12 per cent with their share of arable land area increasing from 11.05 to 17.67 per cent. It can be seen that the overall importance of large estates within the revised territory was considerably greater

and tensions within this new agrarian social structure became more intensified. As a result, the role of large arable land farming increased considerably. These are important facts, which would go a long way to explain the increasing pressures for land reform from 'below' and the increasingly hostile attitude to land reform proposals from 'above', by the landowners - even though social tensions were visibly increasing and they were fully aware of the consequences if reform were not affected. In pre-1918 Hungary land re-distribution affected areas, largely, of forestry or less useful land and these were located in the lost border areas. Any future reform would affect valuable arable land which, as shown earlier, became more important to landowners. Hence, their growing reluctance. Thus, the increasingly rigid and hostile attitude of this class to reforms can be explained by these structural changes brought about by the Peace Treaty.⁽⁹⁾ This is, of course, not the fully story as regards the impact of territorial changes. The landless and propertyless peasants of the agricultural population have not yet been considered. Even before 1918 they represented a sizeable proportion of the agricultural population. This stratum, being predominantly employed by large estates, lived largely within the new boundaries: 47.4 per cent of agricultural servants and 42 per cent of agricultural workers lived in the new territories. Looking at the distribution of agrarian population according to occupation, in the two periods, the differences in the social structure can be seen in Table 1.3:⁽¹⁰⁾ The proportion of wage earners (categories 5 & 6) within the total agricultural population, in fact, increased significantly. While previously farm-servants and agricultural labourers constituted 33 per cent of the total agricultural population, this proportion was now increased to 45.7 per cent. When the category of peasants with insufficient land to support themselves and their families is added to the above group the working strata in agriculture, i.e., the wage earners, come to more than half the agrarian population.

Table 1.3: Percentage distribution of agricultural primary producers before and after 1918

	pre-1918 territory	post-1918 territory
1. Landowners & tenants	35.2	31.4
2. Other Independent	0.5	0.7
3. Family members assist.	36.1	21.9
4. Farm functionaries	0.2	0.3
5. Farm servants	9.9	14.7
6. Farm labourers	23.1	31.0
TOTAL:	100.0	100.0

Source: see m.10, p.42

The dissolution of the Austro-Hungarian monarchy and the subsequent territorial changes also had an adverse effect on agricultural production and marketing. Hungarian agriculture during the pre-1918 period supplied the whole empire with its produce. In this established economic structure industrialised Austria and Czechoslovakia supplied Hungary with industrial products in exchange for agricultural produce and industrial raw materials. During the monarchy 70 to 80 per cent of Hungary's exports was taken by these two countries and a similar proportion of Hungary's imports came from them. The area formed a Customs Union with common monetary and integrated banking and credit systems. In essence, it operated like an internal market and the system protected Austrian and Czechoslovakian industries and Hungarian agriculture from outside competition. Hungarian agricultural produce found a secure market and was not under competitive pressures from other European or overseas countries. This rather idyllic scene was disrupted considerably by the dissolution. Austria and Czechoslovakia, the two most important markets, became independent countries and in effect closed their markets to the agricultural produce of Hungary. It was not so much the discrimination, by high protective tariffs, which had the most damaging affect on Hungary. It was the fact that under the new arrangement Hungary's agricultural produce was exposed to world wide market pressures and significantly increased competition. This put Hungary, with its low productivity in agriculture and high costs of production, in a very difficult situation. Austria and Czechoslovakia were now in a position to choose between Hungarian or any other country's agricultural produce. The result was that the previously protected Hungarian agriculture, isolated for so long from world market pressures, now had to face a drop in its artificially high agricultural export prices to, or even below, the world market level. This was not all. The policy of self-sufficiency in agriculture pursued by Austria and Czechoslovakia, the unfavourable world-wide market trend for agricultural

produce and the qualitative change in Hungary's domestic market conditions, and the fact that regions previously dependent on imports of agricultural produce were annexed to agricultural countries and were lost as markets for Hungary aggravated the problem even further. Agricultural market conditions, former export possibilities and internal distributional problems gradually became more and more strained. The 1918 territorial changes disrupted and confused the long-established distributional network. In the years immediately after the war this did not pose particularly great problems: no food surplus existed. But by the time the reconstruction period came to an end it became more and more difficult to find external markets for the accumulating agricultural surpluses. Hungary's domestic market, small now and never really developed, with low effective demand, could, of course, have been extended by a substantial increase in living standards. This, however, did not come about. Therefore the lion's share of agricultural production had to be sold on foreign markets. Furthermore, the considerably increased volume of badly needed industrial imports, aggravated by the loss of the country's resource base, necessitated a further increase in exports. Under these conditions the balance of payments became, increasingly, a constraint on the development of the economy. Agricultural produce was, of course, predominant in Hungary's total exports - its share, at current prices, varied between 65 and 82 per cent of total exports (ignoring price distortions); to achieve a balance in foreign trade depended, even more than in the past, on agriculture. Operating against many and varied difficulties, success was not achieved. The technically relatively backward Hungarian agriculture, with high production costs in spite of the availability of cheap labour, could not stand up to the challenge from overseas countries. Scarcity of capital, a slow rate of industrialisation and urbanisation and the limited domestic market were some of the reasons. But probably the most important single factor was the low efficiency reflected by the organisational structure, spoilt by the benefits of

protection. During the monarchy this was not so noticeable, but during the 1930s it was becoming increasingly visible.⁽¹¹⁾

Theoretically, at least, it was possible to find a way out of these problems. Firstly, by increasing the earnings, purchasing power, of the working population, especially that of agricultural workers, the domestic market could have been extended. This, however, would have opened the road for increased competition between large and family peasant landowners resulting in lowering the incomes of large estates. This solution was not adopted. Instead, rural real incomes were further depressed in an attempt to reduce production costs and to increase competitiveness on external markets. But during the years of the depression even this proved insufficient. So the regime, by tax and other revenues, resorted to a system of agricultural exports and subsidies, largely for those engaged in grain production. Since for small farmers it was more rational to switch to animal husbandry and market gardening the government policy implied a free gift to big estates, to the least enterprising, and at the expense of the rest of the rural and non-rural community. Thus, the whole working population was made to carry the burden of inefficient large estates. Farmers paid directly for this in the form of steeply graded land tax and agrarian workers and cottagers by low real incomes. They supported the low production of large estates.⁽¹²⁾

Secondly, a considerable modernisation programme of the technically backward agricultural sector was needed to improve its efficiency. This, however, would have required a significant stepping up in the investment programme. In the new situation, as discussed previously, capital requirements increased considerably for the national economy. Demand for resources came not only from agriculture but also from the industrial sectors, especially to create industrial export capacity and to develop import-substituting industries. Modernisation, however, was not achieved even during the best years of the

1920s due to low investment levels and the unproductive use of foreign credits.⁽¹³⁾ During and after the depression years it was economically out of the question. Foreign capital was not really attracted because of fear of inflation due to drastic increases in the money supply, and it played a declining role in manufacturing industries. While in 1913 36 per cent of industry was foreign controlled, by 1929 it had declined to 28 per cent.⁽¹⁴⁾ A similar decline occurred in the sphere of banking. So, the role of foreign capital in productive investment was minor: about 75 per cent of total investment came from internal accumulation and only 25 per cent from foreign sources.⁽¹⁵⁾

The small progress achieved was, of course, greatly disrupted by the Depression. Falling agricultural prices adversely affected export earnings. Between 1929 and 1933 the value of exports, at current prices, decreased by 60 per cent; at constant prices this figure was 27 per cent. For the same exports Hungary was able to obtain about 15 to 20 per cent less imports.⁽¹⁶⁾ More also had to be sold by the peasants, to buy, to pay taxes, to service debts; the result was a further erosion in peasant incomes and consumption. The deepest point of the depression came after the summer of 1931, when much foreign credit was withdrawn and Hungary lost much of its gold and foreign currency reserves. The country was economically almost totally exhausted. In summary, then, it can be said that the territorial changes brought a highly unfavourable situation for the agricultural sector of the Hungarian economy: it increased the importance of large holdings, it increased the role and value of arable land - making the big landowners even more unreceptive to the idea of a radical land reform; it immediately increased the proportion of landless, propertyless agrarian wage earners, increasing the pressures from below for reforms; and combined with the depression it adversely affected both internal and external market conditions for the country.

These factors should have determined the direction and to a degree even the method of further agrarian developments. But existing socio-economic forces in the country did not permit the emergence of an appropriate agrarian policy, either in production or marketing, nor even at the social level, to resolve these problems.

The question of optimum size in agriculture was and remains fairly uncertain. Generally, optimum size varies with crop and production methods, i.e., the availability of capital, land and labour determines the size of production of similar crops. It is, nevertheless, true that large holdings tend to be more efficient at crop production, but less so in mixed farming.⁽¹⁷⁾ But in Hungary, where the level of technology used was largely the same on both large and peasant holdings, no significant difference in productivity had existed. Indeed, Mátyás Matolcsy's study, written in 1933, has shown that peasant holdings below the 100 cad. yokes category, taking the average of 1926-1930, produced higher yields than the large estates in wheat, maize, potatoes and fodder beet.⁽¹⁸⁾ Scientific evidence, however, was ineffective because it was simply not accepted by the government. Indeed, the government exerted itself to close an exhibition in the Károlyi Palace on 21st September 1938 because it exposed, not by slogan and political posters, but by well documented scientific research, the prevailing unhealthy and lopsided land distribution in Hungary.

1.2 Land Reform in the Inter-war Period

The fundamental land holding structure in Hungary was fairly well established by the time of the emancipation of serfs in 1848. The peasants then obtained freehold ownership of the land which they cultivated, but still a significant portion of the country's agricultural area remained in large estates. The small size of land given to the peasants was insufficient to allow them a reasonable existence. Only through a land reform, which would radically affect the large latifundiae, could a strong peasant strata have been created; but in fact the limited distribution affected only smaller holdings. As time passed the position of the small peasants further deteriorated, causing a considerable amount of unrest culminating occasionally in strikes and demonstrations and radical peasant movements. Those who could no longer cope with the conditions emigrated. Emigration helped to some degree to disarm, temporarily, democratic peasant movements. Inheritance practices leading to the splitting up of farms and strong overseas grain price competition forced many peasants into heavy debts. A large number of peasants who were unable to pay their debts lost their holdings and joined the ranks of those whom the 1848 reforms had left without land. The potential land hunger of this constantly increasing agricultural proletariat provided the strong pressure for post-First World War land reforms.

After the conclusion of the war, during which burning agrarian problems were pushed into the background, demands for radical land reform came to the forefront with all their complexity. The defeat in war brought about not only a military and economic but also a serious political crisis - who was to lead the country and in what manner. Three of the previous opposition parties, the Independence Party - led by Count Mihály Károlyi -, the National Bourgeois Party and the Social Democratic Party formed the National Council in October 1918, and a coalition government under it. The formation of the government was immediately followed by the resumption of popular unrest, revolutionary

discontent and workers demonstrations in an attempt to pressurise the government to proclaim a Republic. Ultimately, in November 1918, after the Habsburg King Charles relinquished power, Count Károlyi was able to announce the Hungarian Republic, headed by himself. The Károlyi administration leaned heavily towards republican democratic ideas on both the political and economic levels. It adopted many radical measures during its five months of existence, in an attempt to modernise and democratise the country. For some these measures went too far, for others they were not radical enough. The power structure of the government did not, however, permit the transformation of the agrarian structure. The government, it is true, immediately included land reform in its programme. But dissatisfaction among the peasants quickly spread due to the delay in implementing this reform and in January 1919 in many places illegal seizure and parcelling out of land from the large estates had already begun. The fight of the agrarian proletariat grew stronger, land appropriating committees mushroomed and the land reform became the focal point. The government coalition parties hoped that the announcement of the reform would calm the rural areas and separate the agrarian proletariat from the revolutionary movement. Naturally, the peasants, having lent their support to the revolution, expected a radical redistribution of the land but their hopes were disappointed. The new land reform, promulgated in February 1919,⁽¹⁹⁾ came too late, because of the lengthy debates about who should get how much, and fell generally too short of the peasants' expectations. The reform set a limit of 500 cadastral yokes, above which land could be expropriated - except in the case of land owned by the church, where the limit was 200 cadastral yokes. The peasants considered this limit too high and objection was also raised to compensation of the dispossessed. Also, the numerous loopholes for exemptions, e.g., each adult family could be given 500 cadastral yokes of land, were regarded as unjust and unsatisfactory.⁽²⁰⁾ The peasants' mood was even further frustrated by the

exclusion of those who had participated in the revolutionary spontaneous seizing and distribution of land after 1st November 1918, which had occurred in a number of places, a stipulation which excluded a large number of poor and landless peasants. Dissatisfaction was also expressed over the measure that land was to be given on a perpetual tenancy basis with the stipulation that land could be redeemed, and inherited, by installments at a 5 per cent rate of interest.⁽²¹⁾

These measures did not satisfy the mood of the peasantry which restlessly continued to drift towards a more radical position. The most important factor in whipping up the mood of the peasantry was, however, the sluggish attitude expressed by the 'Committees of Land Distribution' towards the execution of the reform. These Committees, due largely to the lack of trained personnel at the disposal of the new government, were staffed by members of the old administration. Swift execution of an agrarian reform is a difficult task even under the most favourable circumstances but under these conditions it was practically impossible. Nothing happened until 23rd February when Count Károlyi, the President of the Republic and himself a large landowner, began amidst great publicity to distribute his own estates at Kápolna. He inspired, however, little enthusiasm among his fellow landowners. But, encouraged by this, on 25th February the landless peasants in the county of Bihar started to occupy the large estates and events then began to move towards a revolutionary solution⁽²²⁾ The Republic, however, did not collapse because of domestic problems but for reasons connected with the international balance of power. With the country slowly drifting towards anarchy, the Károlyi interregnum came to an end in March. Negotiations between the Social Democratic Party and the Communist Party were swiftly concluded and the two parties merged to form the Hungarian Socialist Party. The chaotic momentary vacuum created by the resignation of the government brought forward the more radical and militant elements. The agreement between the two parties provided Béla Kun with the

opportunity to assume power and to proclaim the Hungarian Soviet Republic and for the purpose of governing formed the Revolutionary Soviet of Government. Kun wanted to establish the dictatorship of the proletariat immediately. Initially the peasants were hopeful. They believed that the Kun regime would, in the end, break up and redistribute the large estates to peasants for individual farming. In the beginning even the press in the Soviet Union thought redistribution was Kun's aim. Indeed, with a suitable land reform the dictatorship of the proletariat might, perhaps, have been able to win the support of the poor peasants and landless agrarian workers. But instead, ignoring the signals that land redistribution was the deepest desire of the lower peasant strata, and misled by the rash of land seizures, Béla Kun called on 27th March for an agrarian revolution. He forbade and stopped the redistribution of land and equipment and on 3rd April, after long debate, passed Degree 38 'Expropriating and Socialising the Medium and Large Estates'.⁽²³⁾ So, while the Károlyi administration attempted to introduce a land reform without radicalism, the new regime went for a radical socialisation of the land - in effect a centrally administered system of State Farms, subordinated to 'Production Commissars' and 'Workers' Councils'. Kun further implied that small holdings were due for socialisation next. This 'great leap forward' could not fail to disenchant many members of the agrarian proletariat and to give rise to great uncertainty and aggravation. There were not enough experts to oversee these farms, so often bailiffs and even ex-landlords were employed as Production Commissars, who were often worse than landlords. The improvement in wages of agrarian labourers was also nominal. Small holders were equally disappointed, together, of course, with the more well-to-do peasant strata.

This communist-socialist agrarian blunder by the new regime was instrumental in the undoing of the Hungarian Soviet Republic, in a few months time. It will be shown that this ideological misjudgement had an enduring

impact: on the one hand, the Communist Party learnt its lesson from this single experience of failing to distribute the land, a blunder it did not repeat in 1945, even under more favourable conditions; on the other hand, even after the 1945 land reform the peasants remained deeply suspicious of Communist Party intentions, rightly so, considering the cruel collectivisation in the Rákosi era.

The reason why the Hungarian Socialist Party, in 1919, repudiated the idea of parcelling out the large estates is stated by Borkenau, in a very concise manner:

if over there (Russia) they had no choice but to give the peasants the land -which surely would jeopardise all Lenin's further steps towards socialism - then they (Hungarians) would show the world that in the West a proletarian dictatorship could and would go forward without and inspite of the peasant.⁽²⁴⁾

Indeed, Kun himself said that we should be able to do it better than the Russians themselves.⁽²⁵⁾ Lenin, however, must have foreseen that they could not go forward and stabilize the regime in this manner. Tökés refers to the Russian reaction, with Izvestiya reprinting Lenin's telegram to Kun urging him to issue a decree or land distribution.⁽²⁶⁾

The idea of socialisation met a hostile reception from the peasantry. Socialisation to them meant only a change of landlord and what they wanted was land to satisfy their land hunger and to become, at last, their own masters. An almost instant reduction in marketed agricultural production, and productivity, was the response to socialisation, forcing the regime to resort to a ruthless requisitioning campaign, under the slogan "food to the cities", which was resented by the peasants and almost split town and countryside apart. The aversion of the Hungarian peasantry to land socialisation or collectivisation partly originates from this short period. The regime lost the support of the people. Kun remained unrepentant and a year after the fall of the Commune even tried to convince Lenin that its greatest single achievement had been large-

scale socialist agriculture. It was another 5 years before he admitted that, following Russian practice, eventually "we would have been compelled to redistribute the land as it happened in Russia".⁽²⁷⁾ The many internal attempts to overthrow the regime that followed - revolts of peasants, and of railway workers, among others - added to the serious external difficulties of the government. Political alienation of a large section of the peasantry helped the organisation of counter-revolution in rural areas. Landless agrarian labourers organised themselves into an 'Association of Agrarian Labourers' which at its Congress, in June 1919, turned into an open confrontation with the regime.⁽²⁸⁾ At the same time, anti-bolshevik resistance became organised in Szeged, a city in southern Hungary, and Admiral Horthy - Regent of Hungary until 1944 - assumed command of the national army and began to March on the capital. When the successful 'counter-revolution' came to power on 1st August 1919, it was supported by a large section of the peasantry. The big landed estates were soon handed back to their previous owners. This was a relatively simple administrative operation since under Kun, although socialised, they were kept in large units. The communists, therefore, by obstructing Count Károlyi's 'bourgeois democratic' land reform enabled the new regime to give a new lease of life to the large estates system.

The incipient demands for land reform, however, could not be entirely ignored by the new government. But once the regime was consolidated and the revolutionary ferment receded so did the mood for any substantial and radical land redistribution. Indeed, the lopsided agrarian structure was one of the most important reasons for the remaining social tension in rural areas before the Second World War. The Land Reform Law⁽²⁹⁾, commonly known as the Nagyatádi-reform, was passed towards the end of 1920 and its execution was entrusted to an independent 'National Tribunal for the Regulation of Land Ownership'. The stated aim of this law was not the termination of the large

estate system, but merely to improve upon the existing agrarian structure. The law stipulated that land for re-distribution, and the amount of compensation to be paid, was to be determined on a voluntary basis by individual agreements, without indicating any specific size of holdings above which land was to be re-distributed. The Tribunal, however, retained the power of compulsory requisition and acted as the highest Court of Appeal in disputed cases. Land could be requisitioned from large estates only if it did not endanger their economic viability; land from dwarf or small holdings could not be appropriated. The maximum land to be given was three cadastral yokes to the category of landless peasants and the supplementary land given to small and dwarf holdings could be no more than to bring the size of their holding up the local average, but in no case was it to exceed 15 cadastral yokes. All applications were to be made before 7th December 1925.⁽³⁰⁾ In total 927,000 cadastral yokes of agricultural land were appropriated by the state,⁽³¹⁾ of which some 632,000 cadastral yokes originated from the large estates⁽³²⁾ and the rest from medium-sized holdings. Some of this area was retained by the state in payment of land taxes. The reform transferred 189,000 cadastral yokes to 185,000 landless peasants which represented approximately one-fifth of the total landless agricultural population. Thus, instead of the 3 cad. yokes which the reform law proposed should be given to the landless peasant category, the average area of land distributed was just over 1 cad. yoke. Another 116,000 cad. yokes were given to 114,000 dwarf and small holders to supplement their meagre holdings and a further 110,000 claimants, in various categories, e.g., 59,000 war-disabled and widows, 41,000 artisans, 6000 re-enlisted soldiers, etc. received in total 389,000 cadastral yokes.⁽³³⁾ The overall average area of land distributed was thus approximately 1.7 cadastral yokes per claimant.

On the whole the accomplishments of the reform cannot be considered impressive. Its underlying political motives, as stated by a Western historian,⁽³⁴⁾

are clearly visible and it certainly did not solve either the social or the economic problems of the time. The extremely modest scope of the reform can best be seen if it is compared with the reforms carried out in neighbouring countries, as shown in table 1.4 below: But in some of these countries the reform had a nationalistic content and was aimed at the former Russian, Polish and Hungarian landlords. It can, however, be seen from the above table that Hungary compares very unfavourably with other East European countries. That Bulgaria had such a low reform figure is explained by the fact that its large estates occupied a relatively insignificant area. In the context of Hungary's need the reform was only an apology. It was too lenient towards the large estates and failed to change the character and the excessive inequalities in property ownership. It favoured the giant holdings since in relative terms a larger area was taken from an estate of say 200 or 1000 cad. yokes than from 10,000 or 100,000 cad. yokes - and such size latifundia did, indeed, exist in Hungary. The compensation of the estate owners subjected to expropriation took place between 1925 and 1929, after the settlement of the reform. The actual compensation paid was very low. The state did not intervene in the negotiations, old and new owners were in direct legal relations. The peasants paid about 30 to 40 per cent higher redemption price for the land than its actual market price.⁽³⁵⁾ The reform, although bringing some limited benefits to 185,000 landless farm labourers and 114,000 dwarf and small owners, failed to introduce a general and lasting improvement in the conditions of the peasantry.

Since, for all practical purposes, the reform was completed by 1930 the results of the 1935 Agricultural Census can be used to demonstrate the impact it had on the structure of land ownership at that time. This is shown in Table 1.5 below.

The most striking feature of the table below is that despite the reform 302 giant holdings still owned 22.1 per cent of the total area, while almost

**Table 1.4: Land Reforms in Eastern Europe
in the interwar period**

Country	Year	Land distributed (in hectares)	Percent of total cultivated land area
Hungary	1920-1925	415,000	5
	1942	400,000 (a)	2
Romania	1918-1921	3,630,000	21
Jugoslavia	1919-1933	1,623,000	12
Bulgaria	1921-1922	333,000	6
Poland(b)	1919-1938	2,650,000	10
Czechoslo- vakia(c)	1919-1937	1,300,000	16

Source:

- Földreform 1945 ... op.cit., p.23
 (a) this was related to Jewish holdings which in reality was not distributed but given out on lease.
 (b) figure from T.I. Berend-Gy.Ránki: Középkelet-Europa Gazdasági fejlődése a 19-20 században, Bp. Közgazdasági, 1976, pp. 277-278.
 (c) ibid., pp. 279-280.

1.185,000 holdings embraced only 10.1 per cent. On the one hand, 0.2 per cent of landowners, among them the Church with 825,000 and Prince Eszterházy with 223,000 cad. yokes possessed 29.9 per cent of the land in the form of holdings over 1000 cad. yokes. On the other hand, the 85 per cent of holdings between 0 and 10 cad. yokes counted for only 19.3 per cent of the arable land. To this extent, the post-First World War land reform did not materially improve agrarian conditions in the country. What it did achieve was the creation of a very large number of really uneconomic dwarf holdings, while leaving the economic and social conditions of the landless agrarian labourers unchanged.⁽³⁶⁾ Indeed, perhaps, it could be argued that the reform, by shielding the large estates from being broken-up, achieved almost the opposite of what it set out to do. It created a large number of economically unviable, inefficient and undercapitalised small holdings whose owners were not only unable to compete against the large estates but were unable to make a living from their land and were forced to look for additional work on the large estates. The resultant increase in the supply of geographically immobile workers consequently reduced their wages and incomes even further. The landless agricultural labourers had provided the most forceful impetus for the redistribution of land, but on completion of the reform those who actually benefited from it were relatively few in number.

Although after the Nagyatádi land reform the whole question of reform became closed, towards the end of the 1930s the land question came into prominence again. Further proposals for agricultural reform were put forward by the government. Yet, very little was done. The actual land readjustment that took place up to the end of the Second World War was very limited. It did not, in any way, alter the Hungarian agricultural scene. A 'Law of Settlers', adopted in 1936 by the Darányi administration⁽³⁷⁾, envisaged the redistribution

Table 1.5: Distribution of Agricultural Land by size of holdings in 1935

Size class in cad. yokes	Number in each size class	Area in each size class	Average size in each class
	Number of Farms	Area in cad. yokes	cad. yokes
	Percent of total no.	Percent of total area	
0 - 5	1,184,000	1,631,246	1.38
5 - 10	204,471	1,477,376	7.23
10 - 20	144,186	2,025,946	14.05
20 - 50	73,663	2,172,300	29.49
50 - 100	15,240	1,036,162	67.99
100 - 200	5,792	805,164	139.01
200 - 1000	5,202	2,124,801	408.46
1000 - 3000	768	1,250,599	1628.38
3000 & over	302	3,558,250	11782.28
TOTAL:	1,634,407	16,081,844	9.84
	100.0	100.0	100.0

Source: S. Szakács: Földosztás és agrárfejlődés a magyar népi demokráciában. Bp. Közgazdasági és Jogi, 1964, p. 74.

of some 265,000 cadastral yokes over 20 years and the creation of 150,000 cadastral yokes land reserve to provide small tenancies.⁽³⁸⁾ But due to land price increases and lack of governmental funds to purchase the land, the whole proposal ran into practical difficulties. Still, some 5000 families received small holdings and another 3000 families received tenancies under the provisions of this law. Then, in 1939, a land reform proposal was submitted to parliament by the Imrédy administration.⁽³⁹⁾ Imrédy, in a speech delivered at Kaposvár on 5th September 1938, unreservedly promised a radical land reform.⁽⁴⁰⁾ His speech was promptly attacked strongly by the landed gentry, whose most prominent representative was Count Gyula Károlyi. In a letter to Horthy, he strongly criticised the views expressed by Imrédy on land policy and submitted his own counter-principles regarding land policy. His views weighted heavily when the government finally worked out its land policy proposals. It was proposed that during the next 15 years some 100,000 cad. yokes should be released annually to peasants, not into their ownership but as small tenancies. This modified proposal, omitting completely the words 'land reform', was introduced to parliament on 17th January 1939.⁽⁴¹⁾ In no sense was this, of course, a land reform. It was designed to utilise mostly fallow land, obviously the worst quality land, some Jewish land, land owned by important companies and some entailed land. Large estates could only be considered for distribution when all other sources were exhausted. Even then, although the expropriation was to begin above the 500 cad. yokes limit, the proposal provided so many loopholes, in the form of 'allowances' and 'exemptions' that its real effect on large estates was to be minimal. For example, Prince Eszterházy, who owned some 220,000 cad. yokes would, under the proposal, have been obliged to release only 5400 cad. yokes.⁽⁴²⁾ Parliamentary debate on the proposal was successfully dragged on until the fall of the Imrédy government.⁽⁴³⁾ The elections in May 1939 resulted in the formation of the Teleki government, which had embraced Imrédy's small

tenancy proposals from 16th February 1939 as their own, and re-introduced them to parliament on 19th September 1939.⁽⁴⁴⁾ The proposals were ultimately accepted and became law in 1940, under the 1940 IV.t.c.⁽⁴⁵⁾ Due to increased war preparations and then to the war itself the Law was not implemented. It was considered inopportune, partly due to the possible unrest it could have created among the largely peasant soliders at the front and partly to its possible adverse effect on agricultural production - at a time when German pressure on Hungary to raise her contribution to the war effort was increasing.

The only actual land readjustment was ushered in under the Laws of 1939 IVt.c.⁽⁴⁶⁾ and 1942 XVI.t.c., promulgated in September 1942. As a result of these laws, revived under strong German pressure, altogether 820,000 cad. yokes of Jewish land was expropriated without compensation,⁽⁴⁷⁾ although Nicholas Kállay -the then prime minister - states in his memoirs that the law, in fact, included provisions for compensation.⁽⁴⁸⁾ This, however, could hardly be regarded within the concept of Land Reform. Furthermore, almost all the land so released was distributed as small tenancies. Beyond these nothing more was actually done in this period.

The idea of land reform, however, was revived once more. With the changing fortunes of the war. In January 1943 half of the Second Hungarian Army was wiped out on the Don, and the Prime Minister, Nicholas Kállay, anticipating the eventual outcome of the war, became increasingly convinced that an agrarian reform could not really be put off much longer. His draft proposals, prepared by the Ministry of Agriculture, were to be put to parliament before the end of the war. His views on a 'new agrarian policy' were first outlined in a speech at Szeged, on 27th January 1943.⁽⁴⁹⁾ Kállay explains that the two basic reasons for his earlier deferment of a land reform no longer existed: there were fewer soldiers at the front and with Hungary's increasing reluctance to participate in the war the maintenance of the fighting spirit of the army no

longer mattered. Furthermore, if executed gradually, the adverse effect of redistribution on production could be alleviated. In any case, all surplus agricultural production achieved only had to be surrendered to the Germans.

The reform envisaged the division of about 90 per cent of Hungary's arable land into small holdings of about 85 cad. yokes. Dispossessed owners were to receive compensation in the form of bonds, to the full value of their land - a sort of purchase by installments. Kállay wished to create a system of genuinely economically viable small holdings. Powerful landowners who saw this proposal as foreshadowing total expropriation of their land - very much on the same lines as happened to the Jewish land - were able to block the proposal.

In relation to the post-war years it is, nevertheless, important to note that towards the end of the inter-war period the land question was fully recognised by the pre-war regime and its proposals, judging by the reaction to them, were quite radical.

In sum, the inter-war period ended without any significant changes to the fortunes of Hungarian agriculture. Successive governments, by focusing their attention almost entirely on the rather limited quantitative changes in the structure of land ownership, failed to come to grips with many of the problems that faced agriculture. It would, perhaps, be too strong to accuse the governments of deliberate subservience to the pressures and interests of the landed gentry to the detriment of the peasantry. It was more a case of sheer incompetence, often lack of vision, and a rather disorganised, casual approach towards the real needs of Hungarian agriculture. This was reinforced the shortsighted resistance of the landed gentry to any radical reorganisation. It would also be fair to the regime to say that there were signs of recognition, increasingly, that a radical solution to the country's agrarian problems were needed - after the war ended. For the regime, however, the dilemma at that juncture was real. The limitations on agricultural mechanisation posed by the

wear and industrial underdevelopment were important obstacles. But in a more fundamental sense the regime's failure was that it perceived agrarian reforms solely in quantitative terms. That alone could not have significantly improved the agricultural system. That much had, of course, transpired from the agrarian problems of backwardness which continued to trouble most of the neighbouring countries, all of which, as shown, carried out far more extensive land reforms that were implemented in Hungary.

What Hungarian agriculture needed most was two important and inter-related changes. Firstly, it needed modern agricultural production units and, secondly, a change from the outdated methods of traditional cultivation to become competitive in world markets. Neither of these, however, could have been achieved without a radical alteration in the organisational structure and ownership. This too was becoming increasingly recognised by the regime. Only such changes could have initiated the necessary improvements in production techniques. Improvements in that sphere were of vital importance, irrespective, in fact, of whether agriculture was to be based on a system of small or large farming units. As it was there was very little difference between them, both the small holdings and the heavily subsidised large estates were operating under fairly similar conditions - with 19th century practice and generally outdated, wasteful production methods.

Hungarian agriculture needed efficient farming units. Efficient farming could have been established by the creation of smallholdings, provided that sufficiently large sums of money had been spent on mechanisation, use of fertilisers, improvement of techniques, infrastructure, education and training etc. A large share of the National Income would have had to be devoted to achieving this. Even if the will to do so had been there the country could not afford it. And without developing industries no immediate improvement in world competitiveness could be expected. Any rational further development of the

large estates system also needed a radical change in ownership structure to make them more competitive. But this was a problem the politicians failed to resolve. The redistribution in the interwar period, as shown previously, created a number of small inefficient units, unable to compete against the large estates and force them to modernise. For this the reform as carried out by the regime can be considered to have been a mistake. The solution of Hungary's agrarian problems lay in the creation of efficient, capitalist farming units. What still remained to be done, at some opportune moment in the future, was to break up the large estates into viable units and to consolidate all the inefficient farming units which had been created. This had to be accompanied by greater development of industries, to absorb the surplus agricultural workers. This was recognised by the regime, as shown by its revival of interest in the process of modernisation of agriculture in the late 1930's and early 1940's. It came, however, too late and was too little to produce any important changes in the countryside. It is fair to say that some limited capitalist transformation was taking place gradually but this process was interrupted by the war. It would, however, seem that the problem of modernisation, as posed by Hungarian agriculture itself and combined with the lack of a genuine industrial base - almost throughout the interwar period - could not have been solved, as history would suggest, without a drastic and fundamental change in the country.

1.3 The Economic status of Agriculture and the Peasantry

The strength of the land-owning class naturally implies a complementary strata of the agricultural population - the agricultural labourers. A brief survey of their numerical distribution and their economic conditions will further illuminate the problems left untouched by the reforms. Of the total 4.5 million agrarian population, 2,031,000 were actively engaged in agriculture. In 1930, the landless agricultural labourers numbered 787,000, representing 38.5 per cent of total actively engaged in agriculture, and there were 552,000 land-poor peasants, representing 27.1 per cent of the population actively engaged in agriculture, who owned less than about 1.75 cadastral yokes each.⁽⁵⁰⁾ Together with dependants this group numbered approximately 3 million or 68 per cent of the total agricultural population. The number of landless agrarian labourers decreased somewhat to 746,000 by 1941, as a result of some further land settlement and movement to the cities.⁽⁵¹⁾ This rural proletariat, numbering 1,339,000, i.e., 65.9 per cent of the total active agricultural labour force - a larger proportion than in any other country in Central Europe⁽⁵²⁾, lived under very adverse social and economic conditions - lack of employment opportunities, low living standards and slim prospects for improving their lot. The only way to improve their prospects was land re-distribution. The possibilities of emigration, which had served as a safety valve in the past, were greatly reduced, due partly to nationalistic policy of the government and also to the American 'national quota' system. The category of dwarf owners, up to about 4-5 cad. yokes, were affected in the same way. They numbered approximately 207,000⁽⁵³⁾ and their land, particularly if of below average quality, was insufficient to provide a livelihood, so they too had to join the exodus of rural proletariat in search of periodic employment. But even the small holders, with land of up to 8-10 cad. yokes, numbering approximately 250,000⁽⁵⁴⁾, perceived their future in land re-distribution. Without many reserves, their livelihood was very sensitive to natural disasters, or unfavourable

market fluctuations. They had two choices: either to acquire more land and upgrade themselves to the category of middle peasants, or face impoverishment, if not themselves, than of their descendants. So, in total over 85 per cent of the agricultural working population saw their future prospects in reforms. The ossified land ownership relations and the scarcity of purchasable land, and its consequent high price, effectively excluded almost any possibility for mobility between small, medium and large holdings. The desire to obtain land, however small, was so great that peasants were willing to put all their life saving into the purchase of land. This subsequently drove up land prices, particularly in the smaller land category. The price indices, in 1938, calculated per cadastral yoke in the various categories are shown, for comparative purposes in Table 1.6 below, taking the 1-5 category = 100. Not only were land prices higher in the smaller categories but so was the interest rate for credits. In any case, the turnover in buying and selling of land did not materially affect the existing property distribution since estates were mostly sold in integral units, which automatically eliminated the chances of poorer peasants. It was more usual for large or medium holdings (or Banks through indebtedness of holders) to purchase land from bankrupt, often new, small holders. Between 1926 and 1938 some 67,000 holdings were auctioned⁽⁵⁵⁾. A large number of these were from the new small holders who gained possession under the most adverse circumstances; about two-thirds of them had no animals and a correspondingly low level of agricultural equipment. This, combined with the effect of the Depression years, imposed a great burden on them and for some it proved to be beyond their resources.

Due partly to the extremely high proportion of agricultural labourers within the agrarian population and partly to the extensive type of farming mostly pursued in Hungary, employment opportunities in agriculture were seriously limited. Intensive farming with high employment prospects was not very

Table 1.6: Price Indices of Land Categories in 1938
(per cadastral yoke)

1-5 cad. yokes	10-20 cad. yokes	50-100 cad. yokes	500-1000 cad. yokes	over 1000 cad. yokes
100	81	68	60	52

Source: B. Fazekas: Mezőgazdaságunk a felszabadulás után, Bp. Mezőgazdasági Kiadó, 1967, p. 37

widespread in Hungary. Generally, almost 75 per cent of the total arable land was devoted to the production of cereals, which implied both a low demand for labour in relation to the area of land cultivated and high seasonal labour requirements during harvesting and planting. With such a system of farming labour utilisation was extremely inefficient. An agricultural labourer could normally find employment on medium and large estates for only 150 to 180 days on average in a year and for the rest of the year was unemployed, resulting in a 50 per cent labour utilisation.⁽⁵⁶⁾ This cyclical pattern of employment was further reinforced by the relatively low level of mechanisation, making large estates dependent on seasonal employment for their operation. Since most of the land was owned by giant and large estates capital equipment, draft animals, etc., were concentrated on these holdings. This only meant, however, that they were relatively better equipped than small and medium holdings. Large estates did not base their production on well-developed mechanised farming, having had no incentive to mechanise because of the existence of cheap labour. Although some progress was made over the years, mechanisation of agriculture was still at a fairly low level. Before the First World War, only the threshing operation in Hungarian agriculture was mechanised and tractors were, as yet, hardly used. By 1925, 1189 and by 1929, 6800 tractors were registered. This increase in the number of tractors stopped after the Great Depression, indeed, their number temporarily declined and by 1938 it had just surpassed the pre-Depression peak of 6957.⁽⁵⁷⁾ Theoretically, on 9.7 million cad. yokes of agricultural land this meant approximately 1400 cad. yokes per tractor, but more in practice since during the 1930s only about two-thirds of the tractors were in operation since to employ the rest was simply uneconomical under the unfavourable agricultural conditions. The impeding influence of large farms on agrarian development is confirmed by the fact that about half of the tractors were concentrated on peasant farms smaller than 100 cad. yokes, which rented them out for ploughing

or for other work to small farmers who could not afford to buy their own. Such peasant farms' share of tractors was considerably greater than their share of agricultural land. Apart from tractor utilisation the technical development of agriculture can also be observed in the modernisation of threshing machines. Here too development occurred largely up to 1939. Mechanisation in other branches of agricultural operations hardly progressed. In 1935 only about 3.3 per cent of agricultural operations were carried out by machines.⁽⁵⁸⁾ The development of mechanisation was prevented by the extremely cheap, large and underutilised labour force.

Besides mechanisation, the initially fast increasing use of artificial fertilizers improved the productive capacity of the soil. The use of artificial fertilizer just made its appearance before the First World War. By 1913 on average 12 kg of different kinds of artificial fertilizers were used per cadastral yoke of agricultural land. After a temporary decline in the immediate post-World War I years, by the end of the 1920s it reached the figure of 15 kg/cad. yoke. During the Depression years it declined drastically again to 2 kg/cad. yoke, never to recover to its previous height during the inter-war years. In 1938 only about 6 kg/cad. yoke were used on average and none at all was used on smaller peasant family farms.⁽⁵⁹⁾ The extremely moderate progress of field crop production, which essentially stagnated, could have been balanced by changing the composition of crops grown, supplementing the traditional ones with the development of vegetable and fruit growing. In a sense, all the major economic indicators pointed towards the development of labour intensive cultivation. During the 1930s it became a widely held view, a view which came into prominence again in the post-1945 period, that one of the most important preconditions, to increase National Income and Living Standards was the promotion of labour intensive crops. That Hungary should concentrate on vegetables, fruit, industrial crops, dairy products and livestock farming. The

intention was to transform Hungarian agriculture on the Danish pattern.⁽⁶⁰⁾ Animal husbandry, however, presented an even more unfavourable situation than land cultivation. Livestock numbers declined after the First World War and did not succeed in recovering to their previous level during the inter-war years. Even at the beginning of the Second World War the number of livestock was lower than prior to World War I.⁽⁶¹⁾

The relatively low level of industrialisation also limited the employment opportunities for labour outside agriculture. An increase in the rate of industrialisation could have provided the solution to the problems. First of all, it would have drained off surplus agricultural labour and increased its purchasing power. Also, it would have created an increased internal market for agricultural products, with higher prices resulting in higher agricultural incomes.⁽⁶²⁾ The necessary capital requirements for industrialisation, however, were not forthcoming due mainly to the low level of savings and investments, which in turn was the result of the low purchasing power, productivity and real income of a large section of the population. Hungary was no exception to the theory of the 'vicious circle of poverty' as discussed in development economics by many scholars.⁽⁶³⁾ Increased rural purchasing power would have given a stimulus to industrial development. Nurkse has given a concise statement of the problem, fully applicable at that time:

The trouble is this: there is not sufficient market for manufacturing goods in a country where peasants, farm labourers and their families, comprising typically two-thirds to four-fifths of the population, are too poor to buy any factory products, or anything in addition to the little they already buy. There is a lack of real purchasing power reflecting the low productivity of agriculture.⁽⁶⁴⁾

The loss of territories, discussed above, also further aggravated the situation by reducing the size of the internal market for manufacturing goods even more, putting yet another brake on industrial development. Agriculture, previously in a

favourable position, due to the Monarchy Agricultural Tariffs Agreements, was now exposed to strong international competition and to low agricultural world prices. Reduced demand, both in domestic and foreign markets, resulted in a drastic slump of the agricultural price level, which further reduced the agricultural population's purchasing power.⁽⁶⁵⁾ On the other hand, industrial prices, because of the new high tariff protection, did not decline - thus the terms of trade became very unfavourable for agriculture - 'widening of the agrarian scissors'.

Beginning in 1929, the world economic crisis ushered in a period of general depression affecting all strata of the peasantry. The richer peasants were unable to sell their products - mostly grain, which was extensively produced in Hungary and worst affected on world markets - and the large surplus that developed pushed prices down; the agrarian 'scissors', compared with 1913, were only 6 per cent in 1928, but by 1930 had become 47 per cent and in 1933 70 per cent.⁽⁶⁶⁾ The peasants were forced to pay high rates for servicing their credits and increased taxation. The use of credits by the less wealthy peasants meant, in the majority of cases, complete bankruptcy. The increase in debts fell mostly on the peasant holders. In 1932 half of total debts fell on farmers with less than 20 cad. yokes but their share in land was 31 per cent.⁽⁶⁷⁾ For the landless and land-poor agricultural labourers, who owned no property and lived from day-to-day, the crises brought further intensification of their misery, increased unemployment. While previously on average they worked for 150 days per year, now in many places this dropped to no more than 80 to 100 days per year.⁽⁶⁸⁾ The rural difficulties in employment were further increased by those who left the towns and went back to the villages where they could find no employment. All this caused a further increase of tension within the country.⁽⁶⁹⁾ Particularly badly hit were those who received land under the land reform. Many of them had begun with debts and were forced out of business. In many instances the middle

peasants bought up their land. The series of droughts and heavy frosts between 1928 and 1935 caused severe losses and added further to the burdens. Agrarian conditions worsened everywhere, but some regions were more adversely affected than others.

The general economic life began to show some fluctuating improvements in the second half of the 1930s. The influx of German capital stimulated limited industrialisation, mostly in food and light industries, but also to a lesser extent in heavy industry. In 1937-1938 the government's 'Györ Programme' (which will be discussed more fully in the next chapter) allocated 1000 million Pengö for investment over the next 5 years.⁽⁷⁰⁾ Hungary began the transformation of the country's economy to meet military requirements by expanding industrial production.⁽⁷¹⁾ Agriculture had recovered from the various shocks by 1940, reaching outputs higher than during the late 1920's. Still, the exceptionally high rate of rural unemployment was not reduced. Even in the late 1930s unemployment remained at about 15 per cent of rural workers.⁽⁷²⁾ Wages, too, increased but remained almost 30 per cent lower than before the Depression. The record harvest in 1938 gave a special boost to the purchasing power of the peasantry.⁽⁷³⁾ But real improvements for the rural areas came only after the outbreak of the Second World War, when Hungarian agriculture was pressed to produce the food requirements of Germany and Italy, and to satisfy the increased food needs of the enlarged country, creating a process of slow expansion. The maintenance of high agricultural production was in the interest of Germany throughout the period, up to the end of the war. Imports from Germany, mostly manufactured goods, doubled between 1934 and 1937 and exports to Germany, largely agricultural produce, trebled. When Hungary entered the war in June 1941 the whole economic life of the country became geared to the war effort, thus obviating most of the problems. Growing economic dependence on Germany gave a boost to agriculture and helped manufacturing industries, at the price of

imposing a war economy on them. Unforeseen international events enabled the government to shelve the agrarian problems of the country once again until the end of the war.

The internal market for industrial goods was also increased because of the territories annexed by Hungary under the two 'Vienna Awards'.⁽⁷⁴⁾ These territories were industrially less developed than Hungary and the needs of their population for industrial goods had to be satisfied by Hungarian industry. In the economic sphere, in the short-run, especially regarding agriculture, the gains proved something of a mixed blessing. These awards nearly doubled Hungarian territory and added over 5 million people - 2 million not Hungarians - to her population.⁽⁷⁵⁾ It is true that Hungary's economy was reinforced by the newly acquired reserves of raw materials, new supply of labour and, undoubtedly, the acquisition of important food-growing areas. But, for the short term these changes were not necessarily advantageous for Hungary, especially in respect of agriculture. Firstly, they increased Axis demands for deliveries. Secondly, in all the returned areas smallholders predominated, their farms largely under-mechanised, relying on family labour and generally in some financial difficulties. Thirdly, the ratio of arable land area to total cultivated area declined by nearly 11 per cent and the share of forests increased by an equal amount.⁽⁷⁶⁾ The state of agriculture in the returned areas was generally worse than in Hungary. The Czech, Romanian and Yugoslav regimes were not particularly keen to invest in the areas which were inhabited by Hungarians who were generally regarded as second-class citizens and potential political troublemakers. Roads and transport too were in a worse condition than in Hungary, which in turn increased the distribution problems on the poor rural roads in the countryside.

Notes

In Hungarian usage the surname precedes the given name, but the more familiar English order has been adopted here.

PART ONE

Chapter 1

1. Magyar Statisztikai Szemle, 1923, p.289
2. Hungary's Problem and her Agriculture, Agrarian Research Institute of the Hungarian University of Agricultural Science, Bp. 1946, p.1
3. I.T. Berend - Gy. Ránki: A magyar gazdaság száz éve, Bp. Kossuth, 1972,p.184
4. Ibid., pp.185-186
5. Ibid., pp. 168-169, note: all figures are projected to unchanged territorial area
6. The last full census before the First World War
7. Some 2 million cadastral yokes were redistributed during this period mostly to holdings located on the periphery of the country's old boundary.
1 cadastral yoke = 1.42 acres = 0.575 hectare
8. the Table relates to arable land only; it excludes holdings possessing no arable land within its holdings, which in addition to arable land, owned other land areas as well. This undoubtedly reduces somewhat the value of the statistics presented in the table, but it is considered that it will be suitable to establish the main tendencies that prevailed after the territorial changes. Furthermore, the whole social structure of agriculture can not be seen from the table since those without land are, by definition, excluded.
Péter Gunst, A mezőgazdasági termelés története Magyarországon 1920-1938, Bp. Akadémiai, 1970, p.53
9. Ibid., p.55
10. Magyar Statisztikai Szemle, 1923, pp. 292-293
11. Ibid., p. 293
12. Ibid.
13. Much of the credit was used to pay off past debts or used for social expenditure, or simply for consumption rather than put into productive use. (40% to cover debts, 33% to towns etc., for urban development, infrastructure, hospitals etc.) Ibid., p. 293
14. I.T. Berend-Gy. Ránki: A magyar ... op. cit. p.128
15. Ibid., P.129

16. Ibid., p.130
17. A. Lewis, Theory of Economic Growth, G. Allen & Unwin, 1965, pp. 129-133
18. János Ölvedi, 'Álom országról', Katolikus Szemle, Róma, No. 3, 1976, p. 239
19. The reform became law on 16th February 1919, under Public Law XVII of 1919 and was named the 'Buza Barna Landreform Law'; his first proposal, on 9th December 1918, has created discord among the parties and had to be revised. See: Imre Nagy, Agrárpolitikai Tanulmányok, Bp. Szikra, 1950 pp. 237-241
20. Földreform 1945: Tanulmányok és Dokumentumgyűjtemény, Bp. Kossuth, 1965, p.14
21. Ibid., p. 14
22. Péter Gunst (ed.) Magyar Történelmi Kronológia, Bp. Tankönyvkiadó, 1968, p. 324
23. R.L. Tökés, Béla Kun and the Hungarian Soviet Republic, Hoover Institution Publication, FA Praeger, 1968, p. 186
24. F.Borkenau, The Communist International, Faber & Faber Ltd, London, 1938, p.113
25. A magyar munkásmozgalom történetének válogatott dokumentumai, (Selected Documents from the History of the Hungarian Workers' Movement). Vol. 6a, Bp. Kossuth, 1959, p.48
26. R.L. Tökés, Béla Kun and ... op.cit., p. 186
27. Tibor Hajdú, A Magyarországi Tanácsköztársaság, Bp. Kossuth, 1969, pp. 382-383
28. Andrew C. János, The agrarian opposition at the National Congress, in Andrew C. János & W.B. Slottman (eds.): Revolution in Perspective: essays on the Hungarian Soviet Republic of 1919, Berkeley: University of California Press, 1971, pp. 85-108
29. Public Law. 1920 XXXVI. enacted on 7th December 1920,; the reform was named after the name of the Minister of Agriculture as 'Nagyatádi Land Reform'
30. C.A. Macartney, Hungary, London, 1934, p. 241
31. Iván T. Berend-György Ránki, A magyar gazdaság ... op. cit., p. 150
32. Földreform 1945 ... op.cit., p. 16
33. Ibid., p. 16

34. H. Seton-Watson, Eastern Europe Between the Wars 1918-1941, Cambridge University Press, 1945, p.79
35. Iván T. Berend-György Ránki, Közép-Kelet Európa Gazdasági fejlődése a 19-20 században, Bp. Közgazdasági és Jogi Kiadó, 1976, p.281
There were various further reform measures and follow-up laws but these did not alter this general picture, e.g., in 1921 confirming ownership, in 1924 further strengthening the reform in 1926 provision of loans for the purchase of tractors which in 1927 was extended to include various other mechanical equipments (these loans were provided if collateral existed, hence they were not extensively used by the peasants).
36. The reform also created numerous large estates, given to the 'Order of Heroes', a Hungarian knighthood, officially to Hungarians who fought in the war 1914-1918.
37. Imre Nagy, Agrárpolitikai tanulmányok ..., op.cit., p.241
38. Mihály Kerék, A magyar földkérdés, Bp. 1939, p.216
39. Béla Imrédy served, since 1933, in the various governments in the capacity of Minister of Finance and President of the National Bank. He enjoyed greatly the trust of the financial world and the Landed gentry. He came to power in 1938 with the commencement of rearmament 'Győr Programme' since it was believed by the regime to be opportune to put a financial man at the helm of government who enjoyed the trust of the financial circles. His proposal, therefore, came as a great surprise to all concerned especially to the conservative landed gentry, who never forgave him for it.
40. Miklós Szinai és László Szücs eds., Horthy Miklós Titkos Iratai (Secret Documents of Miklós Horthy), Bp. Kossuth 4th ed., 1972, p.188
41. Ibid., pp. 213-215
42. Imre Nagy, Agrárpolitikai ..., op.cit., pp. 241-242
43. the government fell on 14th February 1939. His original land reform proposal played an important role in his fall. But the ostensible reason was his Jewish origin.
44. this proposal, with some reservation, also had the support of the Independent Smallholders' Party.
'Független Kisgazda'. 2nd April 1939
45. Magyar Törvénytár (Corpus Juris), 1940, pp. 7-42
46. The 1939 IV.tc. was the first anti-Jewish law, limiting Jewish economic activities. It also had agrarian connections, Jewish land owners were compelled to surrender their land to create small tenancies.
47. Tanulmányok a Horthy korszak Államáról és Jogáról (Studies concerning the State and Law of the Horthy era) Bp. Közgazdasági és Jogi Kiadó, 1958, p. 156

48. N. Kállay, Hungarian Premier: a personal account of a nation's struggle in the Second World War, Oxford University Press, London, 1954, p. 71
49. Ibid., pp. 194-197
50. This compared to other East European countries represented a high proportion: Romania 8.9%; Yugoslavia 9.3%; Bulgaria 5.1%
Földreform 1945 ... op.cit., p. 24
51. L. Thirrig, 'Foglalkozási eltolódások 1930 és 1941 között', Bp. Magyar Statisztikai Szemle, January-February, 1947, p.3
52. Comparative figures for selected South European countries are: Romania 16.4%; Yugoslavia 15.9%; Bulgaria 9.5%
see: The agricultural economy of the Danubian countries 1935-1945, Stanford, 1955, p.50
53. Földreform 1945 ... op.cit., p.24
54. Béla Fazekas, Mezőgazdaságunk a felszabadulás után, Bp. Mezőgazdasági Kiadó, 1967, p. 34
55. Iván T. Berend-György Ránki, Közép-Kelet Európa Gazdasági ... op.cit. p.281
56. Iván T. Berend-György Ránki, A magyar gazdaság ... op.cit. p.189
57. Ibid., p.152
58. Ernő Csizmadia-László Dankovits and László Udvari, A magyar mezőgazdaság, Bp. Kossuth, 1968, p.28
59. Iván T. Berend-György Ránki, A magyar gazdaság ... op.cit. pp. 153-154
60. Imre Kovács, Agrárpolitikai feladatok, Bp., 1946, p.33
61. Iván T. Berend-Gy. Ránki, A magyar gazdaság ... op.cit., p.157
62. R. Bićanic, 'Excess Population', Advancement of Science, Vol II, No. 6, 1942, p.144
63. Ragnar Nurkse, Problems of capital formation in underdeveloped countries, Oxford, Blackwell, 1957
64. Ragnar Nurkse, Patterns of trade and development, Stockholm, 1959, pp. 41-42
65. The price index for agrarian products taking 1925-1927 = 100, declined to 46.5 by the end of 1933. See C.A. Macartney, Hungary ... op.cit., p. 359
66. Pál Zsigmond Pach (eds.), Magyarország Története 1918-1919, 1919-1945, (The history of Hungary ...), Bp. Akadémiai Kiadó, 1976, Vol. 8, of the series, Magyarország története 10 kötetben, p. 601

67. Ibid., p.602
68. Ibid., p.603
69. The index of real wages of agrarian labourers taking 1929 = 100 was 46.4 in 1936. There was a limited increase in real wages in 1937-1938, which resulted from war preparations and an increase in the number of conscripts which affected labour supply; but even then real wages were 30 per cent lower than in 1929.
Mátyás Timár, Gazdasági fejlődésünk, Közgazdasági és Jogi Kiadó, Bp. 1968, p.15
70. It was financed by the state, with the burden falling on the wealthy classes; 600 million Pengő - wealth, tax, and 400 million Pengő by internal borrowing
P.ZS. Pach, Magyarország története, Vol. 8 ... op.cit., p.1008
71. In one year industrial production increased by 20 per cent
Iván T. Berend - Miklos Szuhay, A tőkés gazdaság története Magyarországon 1848-1944, Bp. Kossuth, 1973, p.254
72. Parasztsors-Parasztgond, Bp. Kossuth, 1960. p.78
73. P.ZS. Pach, Magyarország története ... Vol. 8, op.cit., p.1010
74. On 2nd November 1938, the first Award reannexed Southern-Slovakia, some 12,400 km² with over 1 million people. After the destruction of Czechoslovakia, Carpatho-Ukraine was occupied. On 30th August 1940 the 2nd Vienna Award returned parts of North-Eastern Transylvania, some 43,000 km², with over 2.5 million people (of whom 1 million were Romanian) to Hungary from Romania. Also, in April 1941, by participating in the liquidation of Yugoslavia, Hungary occupied the Bácska-Baranya triangle, Muraköz with an area of some 11,500 km² and about 1 million people, 60 per cent of whom were not Hungarians. For these, Hungary rendered diplomatic and military help for the Axis powers. Note, however, that in 1945 Hungary lost again all the territories she had gained during the Second World War.
75. Iván T. Berend-Gy. Ránki, A magyar gazdaság ... op.cit. p. 205
76. T. Surányi-Unger, 'Az országgyarapodás gazdasági hatásai', Közgazdasági Szemle, No. 8, 1940, p. 685

Chapter 2: The Politics of Agriculture up to the end of World War II

The stagnating agricultural scene of the interwar period was, in many ways, a reflection of the political impotence of agrarian movements, especially until 1930. The peasantry, particularly the lower strata, during much of the period, as will be shown, had no genuine representation, either inside or outside Parliament. The fact that the 'National Peasant Party' representing the interest of farm workers was founded - even then largely on paper - as late as 1939, perhaps demonstrates this. Parliamentary opposition did exist throughout the period, confined mainly to three parties, but their activities among the agrarian population were severely restricted by the government.⁽¹⁾ A number of other small groups or parties, some of them quite radical, existed throughout the country, but they were mutually antagonistic and also carefully watched by the police. Any incipient organisation on the part of the peasantry was soon declared illegal and official opposition parties were not allowed to canvas in the villages. Socialists and industrial workers were effectively 'discouraged' from establishing contacts with them. It is always a hard task to organise a pragmatic and conservative peasantry, dispersed geographically in small units over the country, but these measures effectively isolated the peasantry from any political involvement. The General Election in 1922 set an enduring pattern which was to last until the end of the Second World War. Throughout that period the 'Government Party' under various names and compositions maintained a firm grip over the political life of the country. The restricted new electoral law, linked everywhere to fairly harsh property and educational qualifications, passed on 24th January 1922, reduced the electorate by about one third, to about 22.5 per cent of the population. In addition the law also stipulated that elections were to be held by secret ballot in the towns but openly in the countryside.⁽²⁾ By this measure the agrarian masses of the country were, in effect, completely

disfranchised. Not until 1939 was this law relaxed and secret balloting introduced, by which time, paradoxically, Hungary was strongly in the economic orbit of the German war machine, semifascism was prevalent and conditions were far from normal. Candidates in the countryside were often the local landowners and it was ill-advised for the local peasant to vote openly against him. In urban areas instead of the 5000 signatories normally required for nomination, about 25,000 were often needed for a worker nominee because the police frequently declared signatories invalid. The regimes between 1920 and early 1944 were non-dictatorial, but strictly conservative with authoritarian leanings. The government, in effect the Regent, Nicholas Horthy, had almost total power but he used it on rare occasions and therefore he appeared a constitutional ruler. It was even possible for some mildly leftist opinion, at times, to emerge and exert some modifying influence. The government permitted, often apportioned, a modicum of liberalism and social democracy to take on the role of opposition. As in the pre-1918 period there was a multiparty system which included the Social Democrats and only the Communist party was strictly outlawed. The experience of Kun's Soviet Republic in 1919 resulted in an almost total ideological rejection of ultra-left-wing values. Indeed, generally most Hungarians remained insensitive to the baits of political extremism, whether from the left or the right.

2.1 The Smallholders Party

One, perhaps the most interesting characteristic of the period regarding the rural area, was the fact that although the peasantry had a huge superiority in numbers it was unable to exercise power or even any important influence on the administration. The peasantry in Hungary had a rather special sort of existence, and differed from any other category of people. They were praised, enthusiastically for their service to the country and, at the same time, they were

oppressed and exploited. A number of booted, tieless, wealthy - and healthy - looking farmers, calling themselves 'smallholders' were pushed into parliament for rural representation under the aegis of the Government Party and Independent Smallholders party, the latter of a moderately progressive party, with rural support and the most important party among the opposition. This party, initially called 'National Independence & Smallholders' Party' was founded by I. Nagyatádi-Szabó in 1910 before the First World war, but had very little impact on the political scene.⁽³⁾ For its time the party had a fairly radical land reform programme, adopted at Szentgál, in which it demanded the nationalisation of the 'latifundia' and the land owned by the Church. The party also advocated political democracy, universal suffrage, secret balloting - endorsing the Social Democratic Party's struggle for democracy - and improving the social conditions of the agrarian proletariat. Its land reform proposal, however, made no provision for the distribution of land to the peasantry. The party was not widely accepted by the land-owning peasantry, most of who remained loyal to traditional parties.

After the First World War the party had three distinct and more or less independent periods of political existence. After the old regime was swept away it participated in the 1918 'Bourgeois Democratic Revolution' of Mihály Károlyi. The party wanted a quick and effective solution to the land question -by the development of a healthy farmer class instead of the old-fashioned large estate system - which Károlyi's revolutionary ministries promised to do. During this time Nagyatádi-Szabó was Minister of Agriculture which was hoping to gain the support of the better-off peasants.

When Károlyi was replaced by Kun, Nagyatádi-Szabó and his party, frightened by the disintegration of the traditional individual agrarian order and disappointed in its hopes, turned against the Hungarian Soviet Republic.

The brief, interim administration formed by I. Friedrich on 15th August 1919 offered the agriculture portfolio to I. Nagyatádi-Szabó again and he and two of his colleagues from the Smallholders' Party were included in the government. For the first time in history it looked as if the peasantry, at last, had succeeded in getting a share in political power. Indeed, on 17th November 1919 the government passed the famous Degree No. 5987/M.E. 1919 which established universal franchise and secret balloting.⁽⁴⁾ Political democracy had been achieved. But under the Károlyi Húszár government formed on 23rd November 1919 Nagyatádi-Szabó was dropped from the Ministry of Agriculture in response to demands from the entente powers to counterbalance ultra-left pressure for total dictatorship and the post was given to the more moderate Gyula Rubinek to confirm, in a sense, that interest in radical land reform had receded. At the same time, a new post of Minister of Smallholders was created.

The first post-war National Assembly, under the new electoral laws, was completed, together with the supplementary elections in the Trans-Tisza region when the Romanians withdrew, by June 1920. The Assembly re-established the old constitutional Kingdom of Hungary and appointed Nicholas Horthy as Regent and head of state. The by then merged 'Smallholders and Farmworkers Party'⁽⁵⁾ won 91 seats at this election and became the largest party in Parliament. However, since it included some dissidents from the Christian Party, a number of independents and some who had joined not out of conviction but merely because it was fashionably 'progressive', the Party was internally fairly divided. One of its great handicaps, perhaps, was that there were only about 12 members who could claim authentic peasant origin.⁽⁶⁾ The second largest party, the Christian Party, won 59 seats. When the sovereignty of Parliament was under threat of a white-terrorist military coup d'etat, Count I. Bethlen, promising Nagyatádi-Szabó land reform, took the initiative on 12th June 1920 for the two parties to amalgamate. They published a common 'Programme Declaration' in which they

demanded, inter alia, a land reform, drawing on the proposals of both Nagyatádi and Rubinek. Disagreements, however, about the composition of a Bethlen government made Horthy finally decide to appoint Count Paul Teleki as prime minister. Nagyatádi-Szabó was given the Ministry of Agriculture in Teleki's coalition government on 19th July and retained it in the reshuffle on 16th December 1920.⁽⁷⁾ The land reform proposal submitted to the Assembly in August 1920 was in fact worked out by the moderate Gyula Rubinek but it was left to Nagyatádi-Szabó, when he replaced him, to put it into effect after it was passed, in a much diluted form, by the Assembly in November 1920. Nagyatádi's only achievement was the passing of the 'Land Reform Decree 1920, XXXVI.t.c. Amendment on 7th December 1920, improving the land distribution; this eventually became known as the 'Nagyatádi Land Reform Law'.⁽⁸⁾ Because of internal disagreements the Christian and the Smallholders Parties agreed to separate on 10th February 1921, leaving the latter still the largest party in parliament, with 90 seats.

After the first attempt at Hapsburg restoration, the compromised Teleki government was forced to resign and, on 14th April 1921, Horthy nominated Count I. Bethlen, a large landowner conservative from Transylvania, to form the next government. The new government was dominated by the large estates and big capital. Since Nagyatádi-Szabó and his party were against both, and the landed aristocracy dominated the 'Upper House' after its reshuffle, on 3rd December 1921, Bethlen dropped him from his second cabinet. In consolidating his government Bethlen's policy priority was, first, to normalise relations with labour and the Social Democratic Party. This was achieved, as shown elsewhere, when he concluded, on 21st December 1921, the famous Bethlen-Peyer Pact in which the government made important concessions to the SDP in return for an undertaking, inter alia, not to agitate among the rural population. Bethlen's second objective was to settle relations with Nagyatádi-Szabó which he achieved

when the two parties, the Christian and Smallholders Parties, concluded an agreement on 20th February 1922 to merge, yet again, to form a new party under the name 'Unitary Party'.⁽⁹⁾ The submergence of the Smallholders Party meant that the peasantry lost its independent political representation for the next ten years. Indeed, the absence of an independent peasant party in Hungary during the 1920s was a unique phenomenon compared with neighbouring Central European countries, where these parties played an important role in the political process. But Nagyatádi-Szabó remained desperately, almost obsessively, interested in a through-going land reform and was promised this by Bethlen; he was to give away a lot for this: he agreed to the abolition of the new universal franchise and secret ballot in rural areas and to submerge the identity of his own party when the two parties were united. The cunningly devised process of political consolidation in which no major role was allowed to either labour or the peasants - which was, in fact, begun under Teleki - was now completed by Bethlen. It was not long now before the landed peasants, too, were excluded from the political life of the country, and with it the scene for a lasting, consolidated Bethlen era was set. The new elections, in May 1922 were conducted under the new franchise law. The 'Unitary Party' won an absolute majority. A large number of Nagyatádi-Szabó's peasant smallholder candidates were replaced by aristocrats and large estate owners.⁽¹⁰⁾ With labour pacified and restrained, the peasantry absorbed and neutralised the character of the 'Unitary Party' and the Bethlen government, after the election, differed very little from the pre war ancien régime it replaced, and parliament was now ready to carry through Bethlen's consolidation policies. For years to come, the absorbed Smallholders Party cooperated closely with the government and its activity rarely went beyond registering occasional dissent. In order to strengthen his position further, on 16th June 1922 Bethlen had reshuffled his government, filling a number of the posts with his own supporters.. Nagyatádi-

Szabó too was, again, given the Ministry of Agriculture.⁽¹¹⁾ Some extreme-right factions, dissatisfied with their political influence, launched an attack on the conservative, Bethlen wing of the government, using land-reform demagogy and nationalist incitement. To prevent the formation of unified anti-government bloc Bethlen concluded an agreement with a fraction of the Smallholders Party and decided to modify the 1920 Land Reform Law by increasing the authority of the Ministry of Agriculture at the expense of the National Land Commission. This was gradually put into effect between May 1923 and 31st March 1924.⁽¹²⁾ Ultimately, the land reform that the government permitted fell desperately short of what had been envisaged by Nagyatádi-Szabó. Indeed, it might be argued that in the early 1920's democracy was, for the first time, within the grasp of the peasantry. Their leaders, however, having traded all democratic rights for no more than the promise of a thoroughgoing land reform, lost the opportunity and the means to carry out a radical reform. This finally became clear to Nagyatádi-Szabó too and, dissatisfied with the progress and vigour of the land reform towards the end of 1922, he threatened to withdraw his party from the coalition and re-establish the Smallholders Party in opposition. Bethlen's response was to make some nominal improvements as a tactical move to pacify him. But nothing of substance happened, the government continued to hinder the land reform to which it was supposedly committed, and Nagyatádi-Szabó had to fight hard for any concessions. In August 1924, he finally gave an ultimatum to Bethlen demanding inter alia, a more dynamic implementation of the land reform, improvements in the conditions of the poor peasantry and a move towards a more democratic form of government.⁽¹³⁾ He warned Bethlen that unless his demands were met in full he would resign. Bethlen agreed to make concessions only on points of minor importance and Nagyatádi-Szabó, at long last realising that Bethlen had never intended to fulfil his promise and undertakings, resigned in October 1924.⁽¹⁴⁾

Since the party was largely based on the support of the better-off peasant farmers, the poor peasants had not really figured in his policies and he was later often accused of betraying the interests of the dwarfholders and the rural poor. The latter, as will be shown, became a special concern of the populists later. Having accepted a cabinet post in successive conservative administrations and let his name to the meagre land reform permitted by these administrations, Nagyatádi-Szabó effectively denied himself and his party the right to lead and influence the rural masses for almost ten years after the turbulent early 1920s. When the government reached a settlement with labour and allied itself with capital and the large estate system Nagyatádi-Szabó found himself out-of-step with it. Having been manipulated into some dubious exports corruption scandal, abandoned by the government, frustrated in his hopes, he died soon after his resignation, a broken political figure. From that time on until the end of the decade the party's leadership floundered and its influence was slight.

The second period of the Smallholders' party was from 1929, when the political and economic consolidation of Bethlen's government reached its peak, to 1933.⁽¹⁵⁾ The discontent and misery generated by the World Depression, combined with the increased desire for change by those who were getting tired of Bethlen's political manoeuvrings, led to growing political opposition among the landowning peasantry. In January 1930 an important meeting was organised at Felsőnyék,⁽¹⁶⁾ in the county of Tolna, which led to the emergence of a new peasant party a few months later. The meeting was also important because the three basic creeds of the new party's programme - nationalism, anti-socialism and interest in moderate land reform - were determined there. The ideological and agricultural orientations of the party, established there, remained until after the Second World War. On 12th October 1930, representatives of the new 'Independent Smallholders Party' met, at Békés, for their founding congress.⁽¹⁷⁾

Békés, a traditionally radical region of Hungary - commonly known as the 'stormy corner' (Viharsarok) was selected to witness the birth of the new party to give greater credence to it and to its policies. The congress approved the election of its leaders - Bálint Sziij, a life member of the 'Upper House' became the Chairman, Zoltán Tildy the executive chairman, and Ferenc Nagy the general secretary. It also established its weekly paper, Magyar Föld (Hungarian Soil). The congress approved its official platform which became known as the party's 'Békés Programme'. It was largely based on Nagyatádi-Szabó's "Szentgal Programme".⁽¹⁸⁾ The new programme, although a fairly impressive and lengthy document, both in terms of politics and as regards agriculture, was more moderate than its predecessor. It was on the conservative side. Its political demands stopped short of universal suffrage, contenting itself instead with a broader but still restrictive electorate. It asked, however, for the introduction of secret balloting in rural areas. Its demands in respect of agriculture were so moderate that, in its programme, it used the term 'national land policy' instead of 'land reform'. Its content, correspondingly, was rather moderate: it demanded the expropriation of all entailed land, the abolition of other restrictions on land, the authorisation of the state to buy land for distribution, a cheap credit policy, the elimination of rural unemployment by 'appropriate land policies' and improved rural education. The programme was loaded in favour of the better-off peasants; the poor peasants did not figure much in it. Still, for Hungary of the 1930s it was a moderately progressive programme. Its attempt to neutralise the poor, rather than mobilise them, was also similar to Nagyatádi-Szabó's programme. Soon after its founding congress a politically more influential figure, Gaszton Gaál, a landowner of some 1000 cad. yokes standing, was invited in December 1930 to become party leader on the suggestion of Zoltán Tildy. Gaál, from 1926 the leader of the 'Agrarian Party', which was supported by a few large estate owners, merged his party with the Independent

Smallholders Party. He led the party, rather uneventfully, until his untimely death in 1932.⁽¹⁹⁾

This upsurge in political activities, in which the middle and the better-off peasants played a dominant role - although support was forthcoming from poor peasants in some regions too - could not really develop strongly. The reasons for this were, partly, the government's increasingly hostile attitude and, partly, because the new party soon came under the influence of landed estates. Still, even with its proposed minimal reform programme the party exerted quite a strong influence among farmers and also on some members of the agrarian section of the 'Unitary Party'.⁽²⁰⁾ The major obstacle facing any agrarian party attempting to establish an effective representation was the great differences that existed between the various layers of peasantry. In practical terms, no such thing as a 'policy of the peasantry' could be established. When the economic situation was stabilised after the Depression and improved after the mid 1930s, the influence of the party began to decline. The party, however, managed to carry on and it did provide a platform for political activities, mostly at the local level.⁽²¹⁾

After the death of Gaál on 7th December 1932, Tibor Eckhardt was invited to lead the Independent Smallholders Party.⁽²²⁾ As was to be expected it turned out to be an unwise choice, to say the least, which had important internal and external implications for the political fortunes of the party during the 1930s. In the end, he proved to be the least distinguished leader of the party. The choice was, presumably, influenced by two major factors. One was the rising anti-semitic, right-wing political tendency in some parliamentary quarters. The other was that after the resignation of the Bethlen government a number of rightist members of parliament, together with the agrarian bloc of the 'Unitary Party' began to draw closer to the Independent Smallholders Party, especially to Eckhardt, with a view to forming the next coalition government by means of a

Gömbös-Eckhardt alliance. Eckhardt's credentials to fulfil such expectations were unquestionable. He had been in right-wing politics since the war and was widely known for his anti-semitic, ardently anti-socialist views. Indeed, with Gyula Gömbös he had founded a number of racialist oriented parties in the past and was a leading official of various racialist societies. Parliament, however, was unwilling to tolerate a strong, independent peasant party. His political jockeying, in the end, proved in vain despite the fact that he was not shy of changing his political principles, and sides, in pursuit of power. After he took over, the party's parliamentary representation and its popularity declined. This, in part, was due to the character of his political leadership.⁽²³⁾ The agrarian part of his social programme was very conservative. He was far from radical on land reform and was certainly not for agrarian democracy. Even the relatively moderate 'Békés Programme' was put in cold storage. His main objective was to secure partial peasant representation within the given political framework. Under increasing pressure to recover some of the party's dwindling influence, and not to be outdone by the Imrédy government's own land reform proposals, in December 1938 he too submitted a land reform proposal to Horthy.⁽²⁴⁾ The full text of this was published in the party's weekly, called now the 'Independent Smallholder' but not much interest was shown in it either by parliament or the government and it was soon completely forgotten. Under both leaders, Gaál and Eckhardt, the party had a fairly large number of followers among the peasantry but this was not reflected in parliamentary strength.⁽²⁵⁾ One other important reason for the party's continued political weakness was the fact that the 'government party' too, as we have seen, was a sort of agrarian party. Apart from the representation of large landowners, it had almost more small-holder members than the Independent Smallholders Party itself. Furthermore, there were a number of other small opposition parties which included some nominal agrarian element and, together with the challenge of the agrarian wing of the

Social Democratic Party, as will be shown below, they split the peasant movement.

The party's failure at the May 1939 general elections and the organisational challenge posed by the formation of the National Peasant Party in June 1939, to represent genuine peasant interests, exerted an important stimulus to the Independent Smallholders Party to change both course and leadership. A more representative peasant wing, led by Zoltán Tildy and Ferenc Nagy, successfully attempted to regain a say in party affairs. After the resignation of Tibor Eckhardt the party's executive committee elected Tildy and Nagy as President and national general secretary respectively. Control over the party was fully established after the Anglo-Saxon oriented Eckhardt was sent to the USA by Horthy in the summer of 1940 to represent Hungarian interests there. (26)

Although the change in leadership initiated a shift towards a more genuine peasant representation at the top, it did not arrest the declining fortunes of the party. It was still losing influence and prestige due to the disappointment with Eckhardt's leadership and policies, until at least the turn of 1942/1943, when with the rising fortunes of the Red Army were making the outcome of the war more and more predictable. After the outbreak of war in June 1941 the party suspended its operation, stopped all organisational work and withdrew into the security of Parliament. It relinquished open opposition to the government but at the same time did not lend its support to the government's war effort. Instead, the party began to focus all its energy on preserving itself unblemished for its perceived 'historic mission' when international and domestic political factors permitted a more effective opposition. The party's leadership, perhaps, never believed in the possibility of an ultimate German victory. After the German setback in the autumn of 1942 and the spring of 1943, the influence of the party's left-wing, under Bajcsy-Zsilinszky, led it to decide to give up its

passive attitude and it began to emerge gradually from semi-obscurity.⁽²⁷⁾ From that time on it participated more and more in the political life of the country. One of its main preoccupations was the search for a way out of the war; to try to find a way to avoid a total catastrophe, to stop the unnecessary bloodshed and, perhaps more importantly, to stop the sufferings of the peasantry who, during the war, bore a larger burden on their shoulders than any other section of society. The party was beginning to see that in the post-war period a historic mission was awaiting all democratic parties and that it could play an important political role in solving, at least, the agrarian problems of the country. It began to prepare seriously for that role by establishing the moral basis, in order to be ready when the time came.

The first signs of attempts to rejuvenate the party came in the spring of 1943. First, on 11th February it was decided to convene a meeting of the Permanent National Committee, composed of delegates from the counties, to discuss how political activities by the party could be revived. The meeting resulted in a circular requesting local party activists to close ranks and assist the party in its efforts. The response was, according to Tildy, overwhelming. Of the 2400 local organisations some 1280 replied most encouragingly.⁽²⁸⁾ Secondly, on 27th May for the first time during the war, the General Assembly, the highest organ of the party, was convened and after a keynote speech by Tildy, the party adopted a new programme - in effect reviving the original 'Békés Programme' - and also redefined the political direction the party should take.⁽²⁹⁾ The programme remained the party's platform, in principle if not in practice, during the remaining years of the war.⁽²⁹⁾ After this, the party increased its organisational and political work, not only in the countryside but also in urban areas where it had hitherto had few followers. From the middle of 1943 the strength of the party increased rapidly and it made important gains in rural areas. Its efforts in urban areas, however, proved less successful.

The aim of the party's new programme, after an interval of several years, was twofold: (i) to try to extradite Hungary from the war, and from German tutelage, in such a way as not to loose the territories received from the Germans under the two Vienna Awards, and (ii) to begin the process of democratisation of the political administration and to prepare for the most urgent social reforms within the legal framework rather than in the form of a revolt or by a shift to the extreme-right. The full text of the programme, for understandable reasons, was not published. It ommitted, e.g., the section referring to the party's view on withdrawal from the war; also its domestic political demands were modest. It did, however, reject the idea of a republic in favour of a 'constitutional monarchy'. But the party pledged itself to make both upper and lower houses of parliament more democratic and generally it wished to establish a pluralist, equalitarian, society. Towards this end it began to cooperate with the Social Democratic Party. As regards agriculture, the programme rated land reform as the most urgent social problem and the party made this its first priority. The leadership, however, committed itself in general terms only to land reform, with full compensation, but it did not elaborate on the details beyond saying that they would liquidate the large estate system and base agriculture on healthy medium-sized peasant holdings as well as on church land. It was an attempt to take the wind out of the revolutionary sails of the landless agrarian workers either on the left or the right. Apart from land re-distribution, the programme contained a number of other points regarding the financial improvement of the condition of agrarian workers and poor farmers; it put continued emphasis on the development of agricultural production; proposed the continued development of industries, on a decentralised basis; aimed to close the 'agrarian scissors', which was considered important from a social point of view; and, for the first time, it made a notional reference to the large scale development of cooperatives, primarily in the fields of production, consumption and marketing.⁽³¹⁾

2.2 The Populist Movement, the 'March Front' and the National Peasant Party

The 1930s witnessed the rise of the Hungarian Populist movement.⁽³²⁾ It represented a reaction to the conservatism that generally permeated the political culture. The peasantry found good allies on the one hand, disillusioned young intellectuals, concerned with rural problems and, on the other, populist writers, ranging from poets to agronomists. Their attention was focused particularly on the life of the poorest rural proletariat and dwarfholders, the most illiterate strata of Hungarian society. Some called themselves 'Village Explorers' and it was a 'back-to-the land' movement which produced numerous sociographical works⁽³³⁾ exposing the sufferings of the peasantry, their social stratification and the problems and differences that existed among them. By their writings they tried to lift the peasantry out of their economic and cultural depression. The movement opposed the large estate system and demanded a land reform to restructure agriculture on the basis of medium-sized peasant farms. And with convincing power they argued, and proved, the need for radical land reform. The movement also exercised some influence on the 'progressive' intelligentsia and opened the eyes of many townsmen to the misery of rural areas. On the whole, the movement had a leftist political conviction but it also included members with rightist sympathies. Politically, it was a rather perplexing movement. Three main groups within it can be identified clearly. One strand was peasant romanticism and nationalism verging on fascism. The second group leaned towards a marxist ideology and arrived ultimately at the Communist Party, with which it initially cooperated.⁽³⁴⁾ The third, a rather loose intellectual coalition, remained true to deeply rooted populist traditions and ideas, never accepting either the marxist or the rightist alternative. The populist-communist dichotomy, never really resolved, becomes of great interest later.⁽³⁵⁾ The activities of the movement were carefully watched by the

authorities, partly because there were signs, between 1935 and 1937, that the left populists were moving closer to the Communist Party, which wished to politicise the movement. In 1937, in an atmosphere of growing fascist political ferment, the left populists, influenced by the communists, decided that the time was ripe to strengthen the forces of the left and to become politically more active than they had been before. After long debate, agreement was reached on the formulation of appropriate reforms, which were proclaimed by the movement on 15th March 1937, a national holiday commemorating the 1848 revolution - after which the movement became known as the 'March Front'.⁽³⁶⁾ The March Front proclamation delivered by the populist writer Imre Kovács in front of the statue of Hungary's 1848 revolutionary poet - Sándor Petöfi - at a mass meeting in the gardens of the National Museum, contained 12 points and was, unquestionably, the most clearly stated progressive appeal for democracy and equality, not only for the peasantry, but for the entire nation. The programme demanded: the democratic transformation of the country; freedom of speech, press and association; universal, equal franchise and secret ballot; the prohibition of conflicts of interest for members of parliament; the expropriation of all large estates above 500 cadastral yokes; the abolition of the power of banks, cartels and monopolies; the introduction of progressive taxation; job opportunities for all and a 40 hour working week for industrial, agricultural and office workers; an acceptable minimum wage; freedom for economic organisation of labour; better access to secondary and higher education for the working classes and on the basis of ability; a Hungarian revision - a free choice for the people of Danubian countries to establish a Danubian Confederation to enable them to resist pan-German and pan-Slav imperialist expansion.⁽³⁷⁾ The communists were quick to associate themselves, publicly, with the demands of the March Front once they were published. Particularly active support came from the communist group in the provincial town of Debrecen, under the leadership of Ferenc Donáth, and its

'University Circle', largely under communist influence. The communists tactically endorsed the demands, except for that referring to 'pan-Slav imperialism',⁽³⁸⁾ but they insisted that an 'intellectual movement' could only transform itself into an effective 'popular movement' and become the spokesman for the masses if it involved itself in current politics. But they warned at the same time that this did not mean the transformation of the March Front into a political party.⁽³⁹⁾

As the populists became more involved in rural politics - because of their sociographical writings and the numerous meetings organised in rural centres throughout the country - and also to counteract communist agitation calling for the radicalisation of the movement towards a 'popular front', it was decided to convoke a grand meeting to elucidate the ideological position of the movement, to demonstrate its determination and to expound its programme further. A good opportunity presented itself on 6th October 1937, a national holiday, when a mass meeting was organised in the radical provincial city of Makó. The meeting passed a resolution, the 'Makó Manifesto'⁽⁴⁰⁾ which reiterated the basic 12 Point Programme. It rejected Marxism, with its theory that all socio-political problems and the liberation of all oppressed people can only be accomplished by the Soviet Union and communists. It reaffirmed its faith in the Hungarian people who, it declared, were quite capable of achieving the democratic transformation of their country on their own. The manifesto also rejected the Leninist thesis regarding the primacy of industrial workers as the only revolutionary class, to which all other classes were subordinated, and called for cooperation between them as equal partners.

In addition, the meeting discussed two other important points which had rather serious implications later. Firstly, the question of 'movement' versus 'party' was raised for the first time. The majority of participants, including most populist writers, opposed the idea of a party, promoted and favoured by both

Imre Kovács and Ferenc Erdei.⁽⁴¹⁾ Opposition to transforming the movement into a party was voiced by Géza Féja, Gyula Illyés and Péter Veres, on the grounds that it would result in certain political failure. Others, like Ferenc Donáth, opposed a party because they believed that a 'popular front' organisation was needed, which all could join without the framework of a party. Since no consensus was reached, the whole idea was, for a while, pushed into the background, only to re-emerge, with force, a few months later. Secondly, at the Makó meeting Ferenc Erdei advocated the need to organise, or at least prepare for, a revolution. His call, however, was promptly rejected by a substantial majority on the grounds of irrationality, that the approaching war situation excluded the possibility of such a forceful solution. Moreover, the extreme-right, too, was attracted to the idea of a revolutionary solution.⁽⁴²⁾

The rapid advancement of the 'Front' by the turn of 1937/1938, however, could not continue and it should be regarded as the peak of the movement. The year 1938 brought a series of difficulties for the movement. By the end of 1937 the authorities looked upon the 'Front' as a movement 'in the service of communism'⁽⁴³⁾ in spite of the Makó meeting, because communist influence was becoming increasingly evident in certain groups within the 'Front'. The regime began to show signs of nervousness about the successes of the 'Front' and worried about the possibility that populist ideas might sweep through the country. So, from early 1938 the authorities began to obstruct and prevent planned meetings of the Front and some writers, too, were brought to trial for alleged political incitement in their sociographical writings.⁽⁴⁴⁾ The last proclamation of the 'Front' was delivered in March 1938, a year after the declaration of its programme, at a mass meeting organised, under the shadow of the Anschluss, by the Budapest 'University Circle' in the sanctuary of its own gardens.⁽⁴⁵⁾ After a lengthy debate about the desirability of communist influence, the original 12 point programme was revised, by Ferenc Erdei, and published in the movement's

journal.⁽⁴⁶⁾ The revised programme remained, in substance, unaltered. Most of the points, however, were explained in greater detail. In terms of agriculture, the only alteration was that it now envisaged that agricultural production would be organised and developed further on a cooperative basis. The influence of the left, perhaps, could be seen in the adaptation of the whole programme, calling for politically more active propaganda and a change into a political movement, and also in the rejection of the idea of a pan-Slav imperialist threat, which created so much controversy.

The revised programme, however, again attracted the attention of the authorities. Repressive measures were soon to follow: some communist-infiltrated student and youth organisations were suspended; five prominent populist writers were taken to court and given short-term prison sentences; and, perhaps most importantly, their theoretical journal Válasz was banned in the middle of 1938, thereby depriving the movement of an information and canvassing medium. Under the prevailing conditions the eventual dissolution of the Front, in July 1938, could not be prevented. Indeed, from the early spring the Front existed only in theory. Its rise to prominence in Hungarian intellectual and political life in the spring of 1937 was as quick and spectacular as its end was quiet, almost to the day a year later. Its members, however, did not disappear completely from public life. Some, already attracted by the great surge in anti-Semitism and semi-fascism, moved to the right; others, including some communists, joined the communist-run Social Democratic 'National Youth Committee' (OIB) or went to work on its daily Népszava.⁽⁴⁷⁾ Yet another group, the most interesting for the present study, remained committed to the principles of the 'March Front' and succeeded in acquiring the much respected weekly Szabad Szó, promoting the interests of the agrarian proletariat. Soon a new political force was organised⁽⁴⁸⁾ around this weekly, and the organisational efforts of this leftist group led in a short time the foundation of the 'National Peasant Party'.

The dissolution of the 'March Front' naturally revived interest in the question of 'movement' versus 'party', first raised in 1937 at the 'Makó meeting. The populist writers who gathered around Szabad Szó had created a direct political forum to expand the sphere of operation of the movement by transforming a basically intellectual and literary movement into a social and political one. This debate resumed around the turn of 1938/1939, and was an almost complete re-run of the earlier debate, with previous divisions still very much alive within the populist movement. Some expressed the desire to remain an economic and cultural oriented movement, some, led by Erdei and Kovács, advocated the establishment of a political organisation at the earliest possible moment, relying on the support of the agrarian proletariat. However, almost all the populist writers, on various grounds, opposed the foundation of a new party.⁽⁴⁹⁾ They could not decide between the need of a new party or whether to revive the Independent Smallholder's Party. Many argued that, on the one hand, a new party would create a climate of criticism of the Smallholders and, on the other hand, would have to gain support from both Smallholders and Social Democrats, from small and middle peasants, otherwise it could not be organised. This was untimely, they argued, owing to increasing right-wing pressure in the country, and would seriously weaken the democratic opposition forces. This view was, of course, supported by the communists, who did not want the establishment of a rival party. Those in favour believed that without a new party their political programme could not be carried out. Since no consensus was reached in this protracted debate, the group around the Szabad Szó did not put up independent candidates for the forthcoming general elections, in May 1939, but used their paper as vehicle to popularise and support the candidates of the Smallholders' Party.⁽⁵⁰⁾

The general election, held in May 1939, brought the rather unexpected advance of the extreme-right, Arrow Cross, political forces as the main radical

challenge to the regime. It was an electoral defeat for the democratic forces, both the Smallholders' Party and the Social Democratic Party showing a sharp decline in both seats and popularity. It was this defeat which tipped the balance of the debate within the populist movement, leading to recognition of the need to change the relations between Szabad Szó and its members and the Smallholders' Party, and also of the need for a new party, since the Smallholders' Party had lost its appeal. It was now fully recognised and acknowledged that a new party had to be formed to replace, or to supplement, the unpopular Independent Smallholders' Party.

The founding meeting of the National Peasant Party was held on 29th June 1939, in the provincial city of Makó.⁽⁵¹⁾ No permission was granted for the meeting by the authorities, hence the party was formed under 'illegal' circumstances. The new party adopted Szabad Szó as its official newspaper, through which it was able to reach a relatively large number of peasants. It made its platform public in July in the columns of Szabad Szó, closely following the March Front's 12 point programme and the Makó Manifesto. In its 10 point - programme⁽⁵²⁾, insofar as agriculture was concerned, it demanded: the complete liquidation of feudalism, the expropriation of all estates of more than 500 cadastral yokes, the commassation of land or the establishment of producer's cooperatives, the modernisation of agricultural production and a systematic increase in the standard of living of agricultural labourers. The other points demanded an independent Hungary, Hungarian leadership, popular democratic rule, equitable taxation, recognition of the value of work, restriction on the power of monopoly capital, industrialisation, and universal education. On the whole, all points stipulated by the previous programmes. The innovative demand was social security for disabled workers, the old and the unemployed, and the establishment of minimum working hours. Its political aim was the welfare state, within the framework of a free enterprise, but not laissez-faire system.

Following this policy declaration the party called its first leadership conference on 20th August 1939, where organisational matters were debated and the conference elected its leadership, with Pál Szabó as its first President.⁽⁵³⁾ Its leadership included, inter alia, Imre Kovács, the heavily left-leaning József Darvas and Ferenc Erdei, both with strong links with the underground communists, and Ferenc Iliás, an active member of the illegal Communist Party.

From its inception, however, the organisational work of the party was hampered by the authorities and, for all practical purposes, it ceased to function by the end of 1939. There was certainly no time for the development of a local organisational network. Organisational contact, however, between Szabad Szó, the radical populist writers and the agrarian proletariat was not completely severed. Under difficult circumstances, on average twice a year, under the pretext of editorial discussions, conferences were called, often lasting a few days, to which writers, politicians, and provincial peasant correspondents were invited to discuss current problems and things to be done. Many of the most prominent representatives of the peasantry, from all provinces of the country, travelled to Budapest to attend these conferences. Also, many members of the illegal Communist Party participated in the discussions. Furthermore, their official organ, Szabad Szó, continued to be published. It basically retained its left-wing political bias gave an opportunity to other leftist writers, very often communists, to publish in its columns. Illegal communists, e.g., Ferenc Iliás, Lajos Fehér and Ferenc Donáth, often actively participated in its editorial work and used these conferences at Szabad Szó for political indoctrination of peasants attending them.⁽⁵⁴⁾ In the Spring of 1941 Szabad Szó and its editor, Imre Kovács, joined in the debate conducted in the columns of Népszava regarding the Worker-Peasant Alliance.⁽⁵⁵⁾ Together with the party, the need for the Alliance was accepted but, initially, the leading role of the working class movement was denied. From the Spring of 1941, the journal also became the semi-official organ

for the Hungarian Independence Movement around which all the left, including the communists, gathered. Since much of the party's work was conducted under the aegis of its paper, Szabad Szó, the Communist Party increased its pressure in an attempt to make it conform more closely to communist views and interests. For this reason the paper and its editorial board were often reconstituted and 'radicalised'. On the whole it remained supportive of the communist cause and played an important role in establishing the 'Peasant Alliance' - with government approval - under the chairmanship of Ferenc Nagy, in September 1941.

2.3 The Arrow Cross Party

Another principal feature of the second-half of the 1930s was the rise of right-wing extremism. The main expression of the extreme-right could be found in the 'Hungarist' movement, initiated by Ferenc Szálasi. The basic ideology of this movement, which was formed in 1936 and, by uniting the various extreme-right-wing parties, eventually became the 'Arrow Cross Party' comprised of a huge dose of nationalism, reinforced by the idea of taking on the role of guardian of the agrarian strata and traditions, plus a small dose of national socialism. In any event 'Hungarism' received marginal support from the general public, and very little indeed from the political establishment. The social and economic programme of the movement was really unimportant in comparison with its ideology. From the various party publications and statements it would seem that the party did not actually have a detailed programme for the direction of the economy. ⁽⁵⁶⁾ Some reference was made to the nationalisation of, or central control over, the industrial sector. They were, perhaps more influenced by the Italian corporate principle which they wished to transplant into Hungary. For electoral purposes the party campaigned, largely in vain, with three main demands: (i) to expell Jews and Jesuits from the country, (ii) total collaboration with Germany and Italy, (iii) land distribution to the landless

peasants. Naturally, its land-distribution electioneering propaganda had great appeal among the peasants. But contrary to this propaganda the party was not really for land reform and it often declared its support for the 'better-off' peasants and boycotted parliamentary discussions on the land question.⁽⁵⁷⁾ The party's attitude to the economy, especially to agriculture, was often confused. On the one hand it needed peasant support, hence it promised them land; on the other hand, the sheer necessity to fulfil and increase export obligations to Germany caused it not to interfere too much with the large estate system since it did not wish to jeopardise agricultural yields and production. In effect, this was the same reason given by Horthy to the Germans for not extending the 1940.IV. Land Reorganisation Law any further. It is, of course, impossible to say whether, if they had achieved power, they would have taken land from the large estates and distributed it among the landless peasants. Reflecting on history, the same thing had been promised in Germany by the National Socialists but was not carried out after the attainment of power. If the Hungarian peasants knew that, they did not seem bothered about it. They were desperate and ready to grasp at any straw of hope. The party had a relatively small following. At its peak, its membership was about 300,000. After Hungary joined the war it declined to below 100,000 by December 1943.⁽⁵⁸⁾ The party's relative initial popularity among the peasants was related to the rather moderate political success achieved by other opposition parties in the second half of the 1930s, especially that of the Smallholders' Party, when it lost much of its rural support.

The 'Arrow Cross Party' remained in political limbo until October 1944 when, after the German occupation of Hungary, for a few months it became the Government.

2.4 The 'Peasant Alliance'

To protect the small and medium peasant farmers from the growing extreme right-wing, fascist influence among the peasants, and to regain its rural support, the Independent Smallholders' Party, under the new leadership, with the full approval and support of the government, founded the 'Peasant Alliance' in September 1941.⁽⁵⁹⁾ Its membership was restricted to peasants and the declared aim was to serve the economic, cultural and social interests of the peasantry. At its founding convention it was stated that the 'Alliance' was not a political organisation. The authorities envisaged that the Alliance could provide a bridge between the Independent Smallholders' Party, which in fact dominated it, and the National Peasant Party which wanted an organisation that served the interests not just of the better-off peasants. The authorities also intended it to be a mass organisation which could provide the instrument to control the peasants' democratic and land reform demands.

Contrary to the authorities' intentions, the 'Peasant Alliance' provided a good opportunity for the radical left, and the illegal Communist Party, to use the Alliance as a cover for their political activities.⁽⁶⁰⁾ Together with the populist writers, the illegal Communist party, with the support of the agrarian poor and Szabad Szó, decided at their editorial conference in March 1942 to promote the development of the new organisation, but emphasised that all peasant strata should join the 'Alliance'. It was also proposed that an independent representation for the poor, rural proletariat, should be established, within the Alliance, a proposal that was strongly supported by the illegal Communist party. Such a special section, it thought, could provide the opportunity to gain control of the mass peasant movement from within.⁽⁶¹⁾ The first attempt by the left, however, was frustrated by the Smallholders' Party. But when, early in 1943, Szabad Szó, supported by the left, waged an intensive campaign demanding the immediate establishment of the section, threatening otherwise to pull out the

entire poor peasant masses, victory was finally won by the left and an 'Agricultural Labourers' Section' was established in May 1943. Its president was István Dobi, on the left of the Smallholders' Party and a crypto-communist, and the secretary was Ferenc Iliás a member of the Communist Party. Its official paper was Szabad Szó. (62)

Because of its predominantly leftist conviction, and with the changing fortunes of the war, the Smallholders' Party reviewed its relations with the Alliance and decided that it was more important for it to attempt to rejuvenate the party and extend its organisational structure rather than to keep the peasants in a passive state during this transitional period, ready for a clean start after the war. Accordingly, it slowly withdrew from the Alliance, leaving it to the left and the communists, who remained in close contact with it until the end of the war.

The 'Agricultural Labourers' Section' subsequently achieved important influence. Many left-oriented peasants joined and there was a rapid expansion of its activities to create a local organisational network. It held its first National Congress, attended by some 1500 delegates, in Vésztő in February 1944.⁽⁶³⁾ at which it debated its future tasks, demanded improvements in the life of the peasants and voiced its support for withdrawal from the war. Its further development, however, was cut short by the German occupation of Hungary in March 1944 when, together with other centre-left parties, e.g., the Smallholders' Party and the Social Democratic Party, the 'Peasant Alliance' too was dissolved and banned, its assets confiscated and its paper silenced.⁽⁶⁴⁾ Since its organisational work was incomplete its dissolution was easy and, having no experience of clandestine activities, as the Communist Party had, it lost its effective power.

With a view to organising a united opposition against the war and German occupation, contact between the now illegal Peasant Alliance, the

Smallholders' Party, the Social Democratic Party and the Communist Party, by now renamed 'Peace Party' was re-established in April-May 1944, not only in the capital but in rural areas as well. Underground political activities finally resulted in the establishment of the 'Hungarian Front' in the middle of May 1944 in the name of the anti-Hitler national unity. This was joined ultimately by all centre and ultra-left wing parties. The Communist Party, to counteract the growing cooperation between the Smallholders' and Social Democratic Parties, argued in favour of accepting the National Peasant Party into the 'Hungarian Front' as the representative of the poorer section of the peasantry.⁽⁶⁵⁾ This, after initial resistance by both the Smallholders' and Social Democratic Parties, was accepted. Both of these parties had been suspicious of the intentions of the National Peasant Party from the early days of the establishment and both often displayed hostile attitudes towards it. The Social Democratic Party was critical of its nationalistic attitude, while the Smallholders' Party, believing that the entire peasantry should be united under one umbrella, feared its disunifying effect. The Communist Party, right from the beginning, openly indicated that it wished to absorb the Party in order to establish strong radical support in the rural areas where it had few followers. Objection was also raised by the Smallholders' Party regarding the 'leading role' the Communist Party automatically expected in the resistance movement of the 'Hungarian Front'. Presumably, too, the Smallholders' Party foresaw the possibility of important Soviet influence on the post-war political scene when it finally joined the underground 'Hungarian Front'. Soon after this, the 'Hungarian Front' began its activities by distributing pamphlets and urging people to sabotage production and compulsory deliveries and generally obstruct, any way they could, the German war effort. This war-time cooperation with the communists in the Hungarian Front was continually overshadowed by mistrust. All the democratic parties hoped to establish a pluralistic political system after the war. They were only

too aware of the possibility that the eventual presence of the Red Army might assist the communists to introduce 'proletarian dictatorship'.

2.5 The Hungarian Communist Party

The disintegration of the Hungarian Communist Party following the collapse of Kun's Soviet Republic in 1919 was noted earlier. Of the dispersed leadership and members, some went to Vienna, some to Masaryk's Prague and some remained in Hungary, where many perished between 1919 and 1920 during the 'white terror'.

It was largely from Vienna that the party attempted to organise and establish itself secretly in Hungary. But, being illegal and under close surveillance and persecution by the police, it faced great difficulties and was not really able to establish a tightly-knit organisation. During the early 1920s a few isolated groups of communists inside Hungary were undertaking low-profile political activities, e.g., distribution of leaflets, but their more serious activities were marred by internal disputes and communication difficulties with communist emigrés in Vienna. The main feature of the exiled group's activities, apart from personal squabbles and discontent with their leadership, was factional infighting and sectarianism leading to complicated manoeuvrings, with the locus of power tilting often imperceptibly from one group to another, to settle eventually in Moscow. This factional infighting that went on intensively until the party's first Congress in 1925 in Vienna, and in some important aspects even beyond, was not over basic policies but over theoretical debates regarding strategy and tactics and organisational problems. All agreed on the fundamental programme - to fight against the regime in Hungary for the success of a new proletarian revolution and a second dictatorship of the proletariat. They differed, however, on how to achieve this. Much disagreement was also fermented by the Comintern, which neither trusted nor approved of the activities of these Hungarian emigrés.⁽⁶⁶⁾

The party was split, fundamentally, into two groups, led by Béla Kun and Jenő Landler respectively. The first wished to establish a clandestine mass party in Hungary, sending back emigrés to run it; the second opposed this, asserting that so soon after the abortive revolution in 1919 it was premature and totally unfeasible, and favoured infiltrating the Trade Union movement and the Social Democratic Party to carry-out communist propaganda and subversive activities from within. In the end, since these two views could not be reconciled, both tactics prevailed and operated.⁽⁶⁷⁾

The first important gathering of the exiled Party, after its foundation on 24th November 1918, and its subsequent dispersion in 1919⁽⁶⁸⁾, was its First, Reorganising, Congress, which took place on 18th-21st August 1925, in Vienna. The declared main purpose of this gathering was to resolve, at last, the rampant factional disputes. The Congress was attended by 22 delegates of whom 14 came from the underground organisation in Hungary. The long agenda included several reports: on the international situation and the Comintern, on the illegal activities in Hungary, on the recently established 'Socialist Workers Party of Hungary', on trade unions, on party organisation - by Mátyás Rákosi - and on the Communist Youth Movement. The two most important items on the agenda, however, were related to the general political situation in Hungary and the main tasks to be performed by the party, and secondly, the peasant question. The main speaker on both these items was Béla Kun. It was stressed that the party's general strategic objective should remain the 'revolutionary dictatorship of the proletariat, in close alliance with the poor peasants'.⁽⁶⁹⁾ But, for tactical reasons it was emphasised that this did not mean the complete abandonment of their campaign for partial political and economic reforms, though not for bourgeois democracy. The latter was to be advocated by the newly established Socialist Workers Part of Hungary, which was under total Communist influence.

The second urgent business on the agenda was to review the party's agrarian thinking in the light of the 1919 experience and to establish an agricultural programme.⁽⁷⁰⁾ The major points of what was referred to as the 'minimal' programme adopted included:

- a) the liquidation of the large estate system: state expropriation, without compensation, of holdings above the size of 100 cadastral yokes, complete with implements and their distribution to landless and poor peasants free of charge. The party was not totally averse to state compensation of the land owners, but it was to come from the revenue collected from highly progressive taxation of the wealthy classes.
- b) to reorganise the agricultural tax system by giving total exemption to peasants with land below the size of 5 cad. yokes; a significant reduction in tax for peasants with land between the size of 5 to 10 cad. yokes; and to increase significantly - approx. ten times that of the previous group - the tax for the large estates.⁽⁷¹⁾
- c) to improve conditions and pay for the agrarian labourers; the regulation of working hours and a general increase in the welfare of agricultural workers.

The Congress acknowledged that no revolutionary situation existed and that the Commune's policies were tactically inappropriate. The main task now was defined as to attempt to win the support of the masses.⁽⁷²⁾ And this could only be achieved if the party joined in the struggle for their interests. To secure a foothold in the countryside greater attention had to be devoted to winning the support of smallholders and the lower-strata of the middle peasantry. The wealthy peasants were viewed as strong supporters of the regime. And although many smallholders were won over by the limited land reform of the regime, their leaders were considered not radical enough by many to challenge the regime. These, and the dwarf-holders were viewed as potential allies of the proletarian revolution, while the landless and the dispossessed agrarian labourers were believed to feel a close affinity with their urban proletariat brothers and to be susceptible to political radicalisation.⁽⁷³⁾ Closer cooperation with the Social Democratic Party was also attempted, largely in vain; a number of attempts to

establish a common platform failed. Notwithstanding its decision, in the 'minimal' programme - of expropriation without compensation, the party decided that for tactical reasons in the short-run it would be wrong to reject the concept of land reform totally. There was indeed a need for the party, at this stage, to join other opposition forces in demanding the revision of the ongoing land-reform - that all land above 200 cad. yokes should be distributed and that the redemption price to be paid for land should be officially set at a low minimum, with payment over a period of at least 50 years and at low interest rates.⁽⁷⁴⁾

The party's participation in the struggle for democratic liberties and social and economic reforms - alongside the bourgeois democratic forces - meant a modification in tactics designed to gain the support of the masses. It did not mean, nor did it result in, a permanent change in the party's strategic direction. There is no doubt that the small party unit, so soon after a defeated revolution and in factional disarray, totally overestimated its potential ability to win the support of the masses. Even its, more restricted, objective of fighting not for immediate power but to win the support of the majority of the working class and to build the foundations of a worker-peasant alliance were unrealistic since it overestimated the degree of discontent among the workers and the peasants in the country.

Since the party was outlawed in Hungary and could not openly operate and voice its demands, prior to the Congress, in April 1925, communists, with the help of left-wing socialists - joined by expelled members of the Social Democratic Party and the trade union movement - established the 'Socialist Workers Party of Hungary'.⁽⁷⁵⁾ This was partly made possible by the Hungarian government's relaxation of control over the left at the end of 1924, particularly, of course, over the Social Democratic Party, and its toleration of the formation of new parties.⁽⁷⁶⁾ The government may have wished and hoped to weaken the Social Democratic Party. This newly formed party, ostensibly an off-shoot of

the Social Democratic Party advocating 'bourgeois democracy', in reality was under the complete control of the communists. It was created to provide a legal front for the illegal Communist Party. To avoid automatic dissolution it did not join the III. International.

The agrarian programme of the 'Hungarian Socialist Workers Party' published in 1926 was a replica of the 'minimal' programme of the Communist Party.⁽⁷⁷⁾ This was the first open agrarian programme of the left. Indeed, the indifferent attitude of the Social Democratic Party to the rural areas, no doubt due largely to the Bethlen-Peyer Pact, played an important role in the foundation of the party. During 1926, the Hungarian Socialist Workers Party frequently criticised the SDP on this account. The party, after some initial gains among the rural landless and poor peasants had, on the whole, a brief and unsuccessful existence. Its history was crammed with arrests, trials and persecution by the government. Indeed, any upsurge in political activities against the communists resulted in an increased level of harassment of all parties of the Left.

Comintern 'offensive' tactics had many followers among the extremist Hungarian emigrés. Like the Comintern leadership, the Hungarians too nourished great hopes, in 1926, of an upsurge in the revolutionary mood of the working class movement, not only in Hungary but in the whole of Central Europe. Preparations for this expected development began earnestly. The decision was taken at the Plenary Session of the Central Committee of the Communist Party, in December 1926, after re-examination of the Hungarian situation, to withdraw some of the slogans employed by the Hungarian Socialist Workers Party (HSWP) because they were deemed unsuitable for the changing situation. It was argued that the expected future revolutionary upturn required a more radical approach to slogans, instead of the types that were legally permissible within the framework of the HSWP, some of which - as a cover party - made political

overtures to the Social Democratic Party (SDP). The 1926 general election, which the HSWP entered with slogans calling for a new land reform and a Republic led by a worker-peasant government,⁽⁷⁸⁾ resulted in an overwhelming victory for the government party and was a great disappointment for the socialists. The SDP lost some 40 per cent of its previous members of parliament and the HSWP - with which the SDP refused to run joint candidates - fared even worse, losing all the seats it contested.⁽⁷⁹⁾ This was largely because its independent election campaign was paralysed by official harassment. This election debacle, among other factors, initiated a thorough investigation into the relationship between the HSWP and the Communist Party and the activities and the usefulness of the HSWP in the form in which it then existed. Reflecting also on the anticipated increase in the intensity of attacks and harassment against the left as a result of the government's election victory and subsequent economic consolidation, on the one hand, and on the new Comintern view that cover parties were a right-wing deviation, on the other hand, the Communist Party decided that there was no further advantage to be gained from the legality of the HSWP. The sentiment was expressed at the conference that, contrary to expectations, the illegal operation of the Communist Party was adversely affected by the existence of the HSWP; that the Communist Party relied far too much on operating within the legal framework of HSWP; that it overestimated its election chances; that it was generally a mistake not to have operated openly; that the party's slogans were ambiguous and had been diluted by the existence of the HSWP. In sum, radical, undiluted communist slogans would have produced better results and the ambiguous 'duality' of the Communist Party had to be terminated. There could be no independent and different slogans and demands in the party's legal and illegal operations. The legal operations of the HSWP has to be connected to the Communist Party's overall strategy and plan for the struggle of the 'dictatorship of the proletariat' - to prevent the possible development of

'democratic illusions'.⁽⁸⁰⁾ Within a short while, however, the Comintern changed its view on the emerging revolutionary situation in Central Europe again and the over-zealous Hungarian communists were discredited for their reading of the Hungarian political situation; Comintern now called upon them to keep the HSWP alive as a cover party, with different slogans and tactics of its own.⁽⁸¹⁾ This advice went largely unheeded in reality and the Hungarian communists managed only to cover up their extremism for the next two years.

In accordance with this new concept, the Communist Party reviewed the agrarian programme of the HSWP. Its programme, it declared, was a 'social democratic deviation' and it insisted on returning to its own original, undiluted, communist concept of land expropriation without compensation and free redistribution to peasants instead of a land reform, and the 'dictatorship of the proletariat' instead of a 'democratic republic'. The main drawback of this resolution was, of course, that it made the functioning of the HSWP considerably more difficult. In the period after February 1927, when some 72 communists were arrested⁽⁸²⁾, the HSWP found itself more and more harassed, its meetings broken-up, or prevented, by the police. Indeed, for all practical purposes the party ceased to exist and was eventually dissolved by the Communist Party in 1928.⁽⁸³⁾ Having lost its legal base, in the period to follow the Communist Party turned increasingly towards the Trade Unions, organising many effective strikes and fermenting discontent among the workers. After the disintegration of the HSWP the Communist Party soon found that its connection and influence in the villages had declined considerably. Members of the former HSWP either moved back to the SDP or, in the case of the most militant, formally rejoined the Communist Party.

In July 1928 an important debate, which radically changed the party's policy, took place at the Plenary Session of the Central Committee of the Communist Party, which met in Prague.⁽⁸⁴⁾ It was convoked to discuss the

message from the VI. Comintern Congress which had devoted a considerable part of its time to discussing the distinctive types of revolutions that were applicable in different countries at different stages of social and economic development. For example, in Hungary feudal remnants still remained in agriculture, bourgeois development was incomplete, but the minimal basis necessary for the building of socialism was already there. The Congress duly endorsed a resolution that some countries could, possibly fairly quickly, progress from bourgeois democratic to socialist revolution, while in others proletarian revolution was possible where the revolution could play an important role in providing solutions to bourgeois democratic problems. Thus, under the first instance, it was possible that the 'dictatorship of the proletariat' could occur at a later stage, after the 'democratic dictatorship of workers and peasants',⁽⁸⁵⁾

The resolution at the Congress had initiated a heated debate in the Hungarian Communist Party. What should happen in Hungary? Should proletarian revolution as a direct strategical objective of the Communist Party be retained? The divergent interpretations of the new Comintern line managed to split even further a Hungarian Communist Party (HCP) already dominated by factional dissent. At the end of 1928 György Lukács prepared a draft discussion paper, commonly referred to as the 'Blum Thesis'.⁽⁸⁶⁾ In this, on the basis of the Comintern resolution, he advocated that the Central Committee of the HCP should adopt a new policy direction for the party's programme. The essence of his thesis was that, instead of proletarian revolution and the 'dictatorship of the proletariat' as an immediate objective the party should adopt the 'democratic dictatorship of workers and peasants'; that in Hungary the bourgeoisie had grown together with the landowners and the latter could only be destroyed by the destruction of the bourgeoisie. In the event the Blum Thesis was not adopted by the HCP. It was rejected on the grounds of 'right-wing opportunism' and 'appeasement'. The party stated that the 'dictatorship of the proletariat' could

be replaced only by a 'socialist' and not a 'democratic' revolution. Had the Blum-
Thesis been adopted, it might have changed the course of Communist Party
politics in the post-second world war years, when ideology, strategy and tactics
were all thrown into the melting pot.⁽⁸⁷⁾

In 1929 an 'open letter', prepared by Béla Kun et al., was sent to the
Central Committee of the HCP.⁽⁸⁸⁾ It accused the party of permitting
opportunist elements to attempt to divert it from its correct 'proletarian
revolutionary' stance and persuade it to adopt the incorrect 'democratic
revolutionary' concept. It reaffirmed that no transitional stage existed in the
party's struggle for proletarian revolution. This restatement of the strategical
objective against the 'sectarian' standpoint seemed to be justified and was
undoubtedly supported by the unfolding World Economic Crisis in 1929, which,
the letter said, showed that stability was temporary and contradictions in
capitalism were leading to sharpening class struggle.

After such antecedents the 2nd Congress of the HCP was held, in
Aprilovka in the Soviet Union, between 25th February and 15th March 1930.⁽⁸⁹⁾
There were 22 delegates of whom some came from Hungary. The numerous
reports delivered included Béla Kun on the political situation in Hungary and
József Révai on agricultural questions. After protracted deliberations, reflecting
in the main, on the crisis of capitalism, the Congress added very little that was
new. On the whole, the party adhered to its rigid sectarian and utopian line,
ignoring the social, political and economic realities in Hungary. Regarding
agriculture and its main political slogans it returned, in effect, to the position
that prevailed at its first Congress, in 1925, and confirmed the 'open letter' of
1929.⁽⁹⁰⁾ The Congress endorsed the view that the World Economic Depression
would soon lead to revolution; but the rich and better-off peasants were beyond
redemption; the main slogans adopted were: 'overthrow of fascism', reduced
taxation for the peasantry, expropriation, without compensation and

redistribution of large estates among the poor peasants and landless agricultural workers.

The years of the Great Depression, as everywhere, hit the Hungarian economy generally and the agricultural sector especially badly. It increased social tensions in the country and presented the HCP with a golden opportunity to intensify its political agitation among the growing pool of unemployed industrial and agricultural workers, who were organised, with the help of the communists, in the 'National Unity Committee of Unemployed' which had some 2000 members in 1930 and increased to 4000 by 1932.⁽⁹¹⁾ The party had actively participated in organising demonstrations and strikes in various parts of the country. Its slogans, too, were gradually becoming more militant, trying always to outdo the Social Democratic Party in agitation etc. In spite of the favourable circumstances offered by the Depression, as the Plenary Session of the Central Committee in March 1932, which has also issued what is called the 'Militant Programme',⁽⁹²⁾ regretfully acknowledged because of the inadequate party structure and, it can be added, because of ill-conceived, ill-timed operations on the instructions of the Comintern, ignoring local conditions, the party failed to create unity amongst organised, unorganised and unemployed workers. It also failed to establish a united front with the SDP in spite of many offers, including one within the 'Militant Programme' framework in 1932 and the attempt in 1933 on Comintern instructions. These failures were due partly to opposition by the divided trade union movement and partly to the fact that the SDP did not wish to conclude any deal with the HCP, partly, perhaps, for fear of jeopardising its legal status. But even the alliance offer in 1934, with a convenient 'legal protection' clause, failed to attract the SDP.⁽⁹³⁾ Competition and often direct hostility between the two parties grew over the years and it was only in 1935 that the HCP changed tactics to attempting to establish a left-wing group sympathetic towards it within the SDP.⁽⁹⁴⁾

The 'Militant Programme', on the whole, reaffirmed the revolutionary demands of the 2nd Congress. A special section was devoted to agriculture. The expropriation of large estates, without compensation, and free redistribution, remained the principal goal, in line with the resolution of the 2nd Congress. Apart from this, a number of piecemeal demands were added: funds put aside for compensation of 'optional' landowners (those whose lands had been confiscated by neighbouring countries after the Trianon dismemberment) were to be used to alleviate the economic hardship of the poor and the unemployed; wages were to be improved and better employment opportunities created by public works; land rented by smallholders, to supplement their livelihood, was also to be expropriated, without compensation, and redistributed to the tenants; total tax exemption was demanded for poor peasants and a 75 per cent reduction for middle peasants - who were now also included along with poor peasants. Furthermore, martial law, proclaimed in 1931, which had substantially restricted the clandestine operation of the party, was to be suspended.⁽⁹⁵⁾ Against this background, care must, however, be exercised not to give the impression that the HCP, by managing to instigate demonstrations and strikes, was a political force to reckon with. In reality the party had a low membership, its organisation was inadequate and its activity was often reduced to propaganda in the trade unions and the SDP. Its membership in 1931-1932 amounted to no more than a few hundreds and its direct influence extended to a few thousands.⁽⁹⁶⁾ The party faced great difficulties in recruiting new members. This was partly due to its basic lack of appeal, particularly in the villages where religion was especially strong, and naturally, Kun's Soviet Republic of 1919 was still vividly remembered - people disliked communists and Russians. Also it was difficult for anyone to join the party. In a sense, the party had to join any aspirant. These aspirants could only hope that by playing an active role in the trade union movement they would come to the notice of the clandestine party organisation.

Throughout the 1930s and up to the end of the Second World War, the party was in a state of permanent crisis. Its brief history was characterised, on the one hand, by persecution, arrests, trials and executions, on the other hand, frantic attempts at constructing a 'popular front'. Both of these trends became more and more intensified as the internal political climate moved increasingly towards the 'right'. The introduction of martial law in 1931 created many difficulties for the party. Although the party became more cautious and careful not to engage in actions detrimental to its weak organisation, the zeal with which the police pursued it nevertheless claimed many victims. The party could hardly recover from the systematic attacks by the police authorities, e.g., in 1932, 1935, 1940 and 1942, which inflicted heavy losses on it.

The VII. Congress of the Comintern was convoked in the summer of 1935, in Moscow, in the face of rising fascism. Indeed, the Congress identified fascism as the most immediate danger to communism and a threat to bourgeois democracy. To combat this development the task facing international communism was to create a 'popular front' in defence of communism and, tactically, of bourgeois democratic liberties. To put this into practice, the 'sectarianism' and 'instant proletarian dictatorship' adopted at the end of 1928, when the Blum-Thesis was rejected, and which were characteristic of Comintern policies, were now rejected in favour of creation of a broad democratic front against fascism and re-adoption of the transitional stage theory to provide time for the working classes to prepare for a socialist revolution. The Congress used local communist parties to establish a united front with workers' parties, especially with the SDP.⁽⁹⁷⁾ The new line transformed the Social Democrats almost overnight from 'social fascists' into acceptable, even coveted, allies. Although aimed largely at the socialists, the spin-off effect of the new line was to appease the peasants.

The result of the Comintern resolution in Hungary was to condemn at the same time the rigid, sectarianism, revolutionary dogmatism and constant infighting that raged among the Kun leadership - hindering the party's development. Although, after the resolution, Kun acknowledged his error in clinging to the old theory of establishing a 'second Soviet Republic' he showed little liking for, and attempted to delay the application of, the Comintern instruction requiring a popular united front policy. The Comintern therefore dismissed the entire Central Committee of the HCP in May 1936.⁽⁹⁸⁾ Concurrently, Comintern's cadre department ordered the home party to suspend its operation pending a reorganisation and to present a clean slate for the 'united front', to be established for the 'common interests of all working people' for an anti-fascist, anti-capitalist alliance. The dissolution in 1936 had a lasting effect on the fortunes of the party, marking the beginning of a period of almost total dislocation which was to last until 1944.

The complete reorganisation of the party and the preparation of a new programme, in the summer of 1936, were entrusted to a newly appointed Provisional Secretariat with its headquarters in Prague.⁽⁹⁹⁾ And to advance the 'united front' policy the new programme now accepted the 'transitional stage' theory and called for a common fight for a democratic Hungary. Since, however, a united, popular front policy could not possibly be successful without the support of the majority of the peasants, the party also had to modify its tactical standpoint on the worker-peasant alliance. As shown earlier, the party treated the agrarian question as an integral part of the struggle for the dictatorship of the proletariat. But, while it openly and decisively championed the liquidation of the large estates, without compensation, it showed less enthusiasm for the free distribution of land to the peasants. Now the new programme clarified and reaffirmed some points when it declared that it was in favour of a universal democratic land reform and of making the land the peasants' inalienable

property. In order to lay the foundation for a successful popular front policy the party decided to steer clear of the concept of an agrarian revolution, which would have achieved the mobilisation only of the lower strata of the peasantry and the landless agrarian workers.⁽¹⁰⁰⁾ The new programme also included strengthening the trade unions and cooperating with the SDP, within which it was to fight for the adoption of the 'correct' proletarian policy, so as to turn that party into a 'true party of the proletarian class struggle'.⁽¹⁰¹⁾ This in effect represented, on the ideological plane, the last major deliberation of the party on agriculture prior to Hungary's entry into the war on 26th June 1941. With a Provisional Secretariat in Prague and disbandment and confusion in the ranks of the home based communists, the party had little time to spare for pragmatic policy statements. It was distracted by its own internal organisational problems.

During subsequent years the party continued its precarious 'clandestine' activities amid confusion and distrust created by the 1936 Comintern dissolution and the Moscow trials and purges. Several attempts were made to revive the movement in Hungary. First, in March 1937, the Comintern instructed the HCP to reconstitute an illegal party centre, in Hungary, and also to re-launch a new underground paper, Dolgozók Lapja, printed in Prague. Its distribution network, however was destroyed within a year by the police authorities and the party centre failed to materialise.⁽¹⁰²⁾ Communists in Hungary for some years to come intensified their activities, mainly outside the formal party network, within workers' organisation, especially in the SDP and the trade union movement. Their influence there, particularly among the left factions, increased but the establishment of a 'united front' eluded them. At the same time the party directed its attention more and more towards certain groups of the illigentsia and its relations, especially, when the populist movement and the 'March Front' were growing stronger. Second, after a lapse of three years, in

January 1940, a small directing organ, the 'Organ of Political Direction' was established on the initiative of Hungarian communists operating in Paris. A number of other units also operated informally and separately among various groups of workers. To consolidate these groups the Comintern had called on the HCP in September 1940 again to set up a central leadership in Budapest, though without the old activists, so as to avoid detection. But because of the outbreak of the war the order only reached Hungary, via the Czech Communist Party, in 1942, and in any case was ignored as unrealistic.⁽¹⁰³⁾ Third, in January 1941, after the formation of a new Comintern Secretariat, a reorganisation and the reconstruction of a new Central Committee were attempted - first from Paris, then from Moscow - but it only lasted for a short time. It was argued that with the two Vienna Awards, the territories annexed from Carpathian Ukraine, Romania and, most importantly, Czechoslovakia, contained thousands of militant communists, whose return to Hungary now offered a new political dimension and possibilities for action for the HCP.⁽¹⁰⁴⁾ The party, however, failed to come up with a coherent programme that was capable of gaining support in the country.

With the outbreak of the Second World War, and Hungary's entry on the side of Germany against the Soviet Union, the HCP's communication with international committees, and with Moscow especially, came to an end. Their relations were only resumed after the arrival of the Soviet Armed Forces in 1944.

At the turn of 1942-43 alerted and reinforced by the decisive and successful offensive of the Red Army, the party began to recognise its ranks and revived the question of participation in an independence front among the socialist left to consolidate the anti-fascist forces. In April 1943 the reconstituted home Central Committee issued its own, second, 'Militant Programme' - on similar lines to the one developed, and broadcasted, by the Hungarian emigres in Moscow.⁽¹⁰⁵⁾ Containing 12 points, the programme

expounded the urgent need for a national collaboration effort and a common programme in the struggle for national independence and called for preparations to extradite Hungary from the war effort by means of a separate peace. The focus of the programme was not on how to organise this struggle but rather on the question of democratic transformation of post-war Hungary. All parties of the left agreed on the necessity, indeed the inevitability, of introducing social reforms after the war ended. They were to be accomplished without the active participation of revolutionary masses, a lesson learned from the mistakes of 1919, in order to avoid disruption and revolution and within the framework of bourgeois democracy, in which the HCP was to participate. Because of this the party renounced mass mobilisation and disapproved of any national collaboration plan from which it was excluded. The programme also included an independent industrial policy, and, on agriculture, a land reform -expropriation and redistribution of estates above the size of 300 cadastral yokes, free of charge for those who actually worked the land and to families whose breadwinners had perished during the war or became prisoners of war. In May 1943, just before the dissolution of Comintern, a final attempt was made to reach understanding with the socialist left. Discussions, however, ended without arriving at an acceptable agreement, largely because the HCP was unwilling to abandon the use of illegal methods. Rejected by other political groupings, the Central Committee of the HCP engaged in a heated debate in June about changing the illegal party into a legal political unit. As a result, in July 1943, the Budapest branch of home communists publicly announced the formal dissolution of th HCP - the fourth time in its history, but this time by its own volition - and it reconstituted itself under the name 'Peace Party'.⁽¹⁰⁶⁾ The liquidation of the HCP was, of course, a mere formality without any change in substance and previous policies were readopted without modification. There were several reasons for this tactical step. Firstly, it was argued by the party that after the dissolution of the

Comintern the HCP lost the *raison d'être* to continue under its existing name and organisational form, which prevented the party from pursuing the anti-fascist struggle. Secondly, it was to permit cooperation with other opposition parties in the underground 'Hungarian Front' established shortly after the German occupation in May 1944 - in order to enable them to create a common front against the war and fascism, and to help the organisation of a national resistance movement. The 'Hungarian Front' was eventually created by the underground leaders of the Smallholders' Party, the SDP and the HCP. Later the incipient NPP was, on communist instigation, also invited to join. Fourthly, it was hoped that this tactical step would divert police attention and make persecution less efficient. Two waves of arrests, in 1940 and 1942, had decimated the party's membership and its existence was hardly more than symbolic, and the C.C. leadership saw this tactic as the only way for the hard-hit party to survive. However, the move failed since the police authorities soon knew that the 'Peace Party' was a communist front and did not relax their persecution. Nor did the opposition parties, incidentally, change their attitude towards the communists. The tactical dissolution succeeded, however, in creating confusion and uncertainty among the party's own followers. When the war ended, and the 'Muscovite' branch of communists returned from the Soviet Union they expressed their displeasure to the 'Budapest' leaders about this dissolution and accused them of misjudging the logic of why the Soviet communists had sacrificed the Comintern to the interests of the anti-fascist struggle.⁽¹⁰⁷⁾ Some, e.g., János Kádár, paid a heavy penalty for this act during the post-1949 period. The Central Committee of the 'Peace Party' issued calls for armed resistance and sabotage, through thousands of propaganda leaflets, also calling on peasants to hold back their produce from Germany. The party's activities proved somewhat ineffective, its call for action was largely ignored and retaliation by the authorities, with arrests and the destruction of its illegal press, were soon to follow.⁽¹⁰⁸⁾

The last official act of the party after the German occupation, when the 'Peace Party' had run its course, was to reconstitute itself under its old name 'Communist Party' - but dropping the words 'of Hungary'. During the German occupation, when all opposition parties were dissolved, the party made some progress in coordinating a modicum of resistance movement and in consolidating the anti-fascist forces in preparation for a democratic post-war period. The communists, of course, - much more than any other party - were accustomed to operate under clandestine conditions. The 'Hungarian Front' increased its activities, proclaiming a new struggle for freedom, a new 'popular war' against the Germans, for the foundation of a free democratic Hungary. It modified its previous standpoint, that it was possible to extricate Hungary from the war by relying on the Western powers and stated that 'the Soviet Union does not endanger, rather it defends our national independence.'⁽¹⁰⁹⁾

The new leadership of the reorganised Central Committee attempted once again to forge the elusive Hungarian Front into an effective political alliance. To achieve this the initial plan prepared by Gyula Kállay and László Rajk in September 1944, anticipating a 'unified workers' party combining the SDP and CP -postponed eventually to peacetime - and calling for the establishment of a 'radical people's democracy' was tatically diluted to win the support of the entire SDP and Trade Union Council. Soon after this the Smallholders' and National Peasant Parties joined the Hungarian Front. The democratic parties - which believed in a pluralistic democratic system after the war - remained suspicious of the communists, fearing the ominous possibility that the CP would deploy the support of the Soviet Union and, of course, the presence of the Red Army to establish a 'dictatorship of the proletariat'. To alleviate these suspicions, Gyula Kállay and László Rajk prepared a 'Draft Programme of the Central Committee of the Communist Party' in October 1944⁽¹¹⁰⁾ in order to explain the communist version of democracy. After discussions it was to be

submitted to the parties grouped around the Hungarian Front. However, because of the coup d'état by the Arrow Cross Party on 15th October 1944, imposing a nazi-style totalitarian government, and the subsequent arrest of László Rajk, these discussions did not take place. This stillborn document consisting of 17 points was conciliatory in tone and could not be called over-radical. The broad premises it suggested were as follows: declaration of a people's republic; all working strata to participate in the ruling of a democratic state, founded on a worker-peasant democratic government; rejection of total expropriation, but support for radical reform of capital and private property relations to prevent exploitation, speculation and the creation of unemployment by capitalist classes. Point 6 of the programme dealt with agriculture. Here the programme reiterated - and to some extent expanded - the party's previous policy demanding a radical solution to the problems of the peasantry by: cancellation of all except a narrow concept of private and personal debts; expropriation of all estates over 200 cadastral yokes, complete with implements, without compensation and their distribution to the peasants - with the exceptions of state studs, model estates and forestry - to be carried out by democratically elected committees; interest free credit to those receiving land, to enable them to contribute to agricultural production as soon as possible.

In Moscow, meanwhile, under the direction of the Soviet Union, those Hungarian communists who survived the Stalinist purges also began to prepare for the post-war period. At roughly the same time, in September and early October 1944, the External Committee of the HCP was meeting in Moscow to discuss the proposals submitted by József Révai and Ernő Gerő regarding the policies to be adopted in Hungary after the war.⁽¹¹¹⁾ Conscious of Hungarian mistrust of communism, the prolonged debates resulted in the adoption of a gradual transformation strategy. It was widely believed that conditions in Hungary were not ripe for an immediate declaration of the 'dictatorship of the

proletariat'. All other parties, to differing degrees, were in favour of reforms on a wider front but none were in favour of proletarian dictatorship, nor of a socialised economy.

After protracted debates a document - prepared in Moscow but revised finally by Révai and Gerö after they arrived in occupied Hungarian territory - was published in the Debrecen 'Néplap' on 30th November 1944 under the title 'Programme for the Democratic Recovery and Reconstruction of Hungary: the HCP's Proposal' (112). Since it was accepted at the general meeting of the Szeged 'National Committee' - composed of the HCP, SDP, SHP, NPP, Bourgeois Democratic party and the trade unions - it was commonly referred to as the 'Szeged Programme'. With the publication of this programme the earlier 'Draft Programme', prepared by Kállay and Rajk - which was designed to serve a similar purpose - was superseded. The difference between them, as well as the programme itself, will be discussed later in greater detail. For the moment it suffices to say that the new programme was more radical in tone and already clearly showed the tactical divergence between the 'Muscovite' and the indigenous Home communists, reflecting radically different political realities, thinking and environments.

By this time, of course, the Red Army had already penetrated far into Hungarian territory. The population began to worry deeply about a Soviet version of 'liberation'. The 'Muscovite' communists, after years of Stalinist fears, humiliation, imprisonment and exile, intoxicated by the prospect of power, began steadily to filter home. The domestic communists were eagerly awaiting them. Fervent political activities immediately began in the 'liberated' territories when the two communist centres merged. But it did not take long to see the 'writing on the wall', that the 'Muscovite' communists would dominate the post-war political scenario.

2.6 The Hungarian Social Democratic Party (HSDP)

Some reference had already been made to this old, and complex, party in relation to the HCP, its main rival, and within the context of other parties. It is now attempt to trace, in some detail, the political profile of the SDP, its ideological stance, its aspirations and achievements, largely in the sphere of agriculture but also to provide a framework for the political life and main trends during the period.⁽¹¹³⁾

The Hungarian Social Democratic party' began its life in May 1880, under the name of Hungarian General Workers' Party.⁽¹¹⁴⁾ The programme of the party was, in many ways more socialist at this earlier time than later. It advocated universal franchise, nationalisation of finance and the key sectors of the economy. In agriculture, it favoured the establishment of producer's cooperatives.⁽¹¹⁵⁾ Although much troubled by internal strife and militant tendencies from its more revolutionary members, the party survived to participate in the founding Congress of the Second International. Satisfactory resolution of internal strife and growing labour militancy contributed towards increased socialist confidence and led to the formation, in 1888, of the SDP in the Austrian half of the empire. Over the years to come this party exerted a great influence on its Hungarian sister party and working class movement, resulting in the latter's adoption of the name Hungarian Social Democratic Party (HSDP) in December 1890.⁽¹¹⁶⁾ The new party came into existence with a bourgeois democratic programme which was in effect more of a statement of principles than a programme. It foresaw the eventual liquidation of capitalism by the proletariat. But in view of the problems facing the party in reality under the prevailing political and socioeconomic climate in Hungary it perceived its immediate task as not the liquidation of capitalism but to organise and develop the working-class movement, seeking improvement in the working conditions of labour and often reiterated goal of widening the franchise. Like its Austrian

bretheren it did not attempt to devote its energies to agrarian problems or to deal with peasant demands. It considered that the Socialist Workers' Movement was too under-developed and weak to include agricultural demands in its programme of democratic transformation.⁽¹¹⁷⁾ The growing difficulties created for the rather inefficient agriculture by overseas competition together with rural unrest and the increasing problems of underemployment and unemployment, however, forced the party to raise the problem of agriculture at its Congress in 1894. The main aim was then seen as the development of a brotherly alliance between workers and peasants. It also advocated the socialisation and the development of large-scale operation of industrial and agricultural production units. This was not, however, linked to a demand for the break-up of large estates, nor did the party support the demands of poor and landless peasants for land redistribution. On the whole, the party expressed its desire to socialise church and entailed land, in order to establish modern farming units to be managed - as industrialisation progressed - by the agricultural workers themselves.⁽¹¹⁸⁾ Thus, by this time the party seems to have modified its earlier concept - set out in 1880 - of establishing agricultural producers's cooperatives. It remained, however, committed to modern large-scale farms but without the necessity of democratic, radical land redistribution.

The increasingly effective socialist agitation among the workers and poor peasants in the mid 1890s resulted in growing government repression and police persecution. This presented the party with a dilemma, causing a split at the party's 4th Congress in 1896, regarding the respective merits of compromise and militancy. Differences deepened further by its 5th Congress in 1897 on ideological and policy questions in respect of agriculture. After protracted, and often heated, debate the Congress rejected the demands of its more radical left-wing members who were subsequently expelled from the party. A new largely agrarian-oriented party was formed in September 1897 by these expelled

members under the name of 'Independent Socialist Party', led by István Várkonyi, a former agricultural worker expelled from the HSDP because of his insistence on the land redistribution question. For a while this new party commanded a modicum of support, mostly among the more radical elements of the agrarian workers.⁽¹¹⁹⁾ For the first time in Hungary's history it drew a programme for land reform, which was particularly strongly supported by agrarian labourers in the Trans-Tisza regions. A predictable response from the authorities was attempts to restrict the activities of this party, by police persecution leading to arrests and the imprisonment of its leader, the banning of its newspaper and its eventual outlawing by the authorities.⁽¹²⁰⁾ So, at the turn of the century socialism in Hungary was ideologically rather weak, splintered, with a narrow basis of still rather cautious industrial workers and growing pockets of militant agrarian workers.

In the face of increasing internal difficulties the HSDP reorganised itself in 1900 and the adoption of an agrarian programme at its 10th Congress in 1903 led to a considerable diminution in the influence of the 'Independent Socialist Party', especially after 1906 when increasing peasants' discontent and growing unemployment brought about the formation of the 'Hungarian Peasant Party' - essentially a regional party - under the leadership of András L. Achim, a peasant politician.⁽¹²¹⁾ This new agrarian party gained many - but by no means all - of its supporters from disillusioned members of the 'Independent Socialist Party'. The recruitment of members of the Hungarian Peasant party was particularly strong and successful in the South-East of the Trans-Tisza region, commonly known as the 'stormy corner' (Viharsarok) of Hungary, a province of great agrarian discontent. At its Congress in Békéscsaba in 1908 this newly formed party adopted an agrarian programme opposing the landed property system, which went beyond the proposals of the HSDP. It demanded, inter alia redistribution of all estates above the size of 1000 cadastral yokes, the

nationalisation of all church and entailed land, the provision of cheap credits to farmers and increased and more progressive taxation of the richer farmers.⁽¹²²⁾ Its leader, András L. Achim, was re-elected to Parliament in 1910 where he constantly, and heatedly, argued the case for land reform and against the large estate system. Because of this, he was continually harassed by the authorities, his party was under constant police surveillance, leading to his eventual assassination, in 1911.⁽¹²³⁾ After his death the Hungarian Peasant Party disintegrated and its place was partly filled by the other new party, the 'Independent Smallholders' and Husbandrymen Party' led by István Nagyatádi-Szabó. Still on the agrarian front, a 'National Association of Hungarian Agricultural Workers', under the leadership of Gy. Nyisztor, was established in January 1906.⁽¹²⁴⁾ Its existence, however, was extremely short; because of its radicalism and its attempt to organise the agrarian proletariat official persecution soon destroyed it. About this time many peasants, the more radical elements, were sent to prison under the law promulgated in 1906 which placed all farmhands below the age of 18 at the complete disposal of the land owner. This law extended in 1907 to limit the personal freedom and geographical mobility of all farmhands.⁽¹²⁵⁾

The economic recession which spread across Europe between 1900 and 1903 had a much less serious effect on Hungarian industry than in some of the more advanced European countries. Its adverse social and economic impact was, however, quite important in the sphere of agrarian employment, in a country where about two-thirds of the labour force was still actively engaged in agriculture and where only a small number of workers could be absorbed by industrial development. The bottom of the recession was reached in 1903 and was followed by stagnation until about 1906, after which a slow recovery set in lasting until 1913, only to be followed by a new downturn. The effect of this uncertain cyclical pattern on agricultural employment was devastating. Between

1900 and 1914 some 1.5 million workers emigrated overseas in search of employment. About 70 per cent of these emigrants came from rural national minorities of Slovaks, Romanians, Ukrainans and south-east Slavs.⁽¹²⁶⁾

It was against this background that the 10th Congress of the HSDP was convoked in April 1903. The Congress elaborated a long overdue programme for agriculture in which, inter alia, it proposed the nationalisation of church land, the prohibition of the sale of state and communally held land and its renting to workers' cooperatives, the abolition of the entire system of entailed land to make way for the 'revolutionising force of capitalism' to take the place of feudalism.⁽¹²⁷⁾ While ideologically the programme was, perhaps, more socialist than previous resolutions, on the whole it was very narrow and the party, very cautiously, declined to support peasant demands and rejected the concept of land redistribution on ideological grounds in preference for a functional reform in agriculture.

To this extent, from the point of view of the peasantry, the party's proposals were modest and cautious. It was following, rather than leading the other bourgeois liberal parties on the question of agriculture, which was not the focal point of interest for the party. In the period up to and including World War I, the principle goals of the party remained the organisation of industrial labour, recruitment into and consolidating the trade union movement and, most importantly, the continued and partially successful political struggle for universal suffrage and secret ballot.⁽¹²⁸⁾ This was perceived as a rather indirect way to obtain, in the end, some of the land owned by gentry.

The party tailored its tactics in such a way as to avoid upsetting the ruling elite, who feared the consequence of democracy that would permit the participation of the urban and rural proletariat. For this reason measures to inhibit the growth of industrial and agricultural labour organisations multiplied. As a result, even the more acceptable HSDP became more and more inward

looking, preoccupied primarily with trade unionism. A limited success was scored by the party in 1912 when the new franchise reform law extended voting rights, subject to qualification and wealth, from 6 to 10 per cent of the potential electorate.⁽¹²⁹⁾

The radicalisation process in the country, initiated by the war, was enhanced by the Russian Revolution and gained added impetus after the disintegration of the Dual-Monarchy. Anticipating major political changes, the HSDP convoked an extraordinary Congress on 13th October 1918, to discuss the principle goals the party should adopt, and the way to achieve them, under the changed conditions. The main theme of the Congress was 'Peace and the Future of Hungary.'⁽¹³⁰⁾ It concerned itself only marginally with the question of agriculture. It left the question of land reform deliberately open and vague, made no recommendation regarding, e.g., the limits of estates above which land was to be redistributed, the question of compensation or, indeed, if it was to be paid by the recipients of the land. The main speaker at the Congress, representing the centrist leadership of the Kautsky tradition was Zsigmond Kúnfi. In his address he dismissed the strategy of 'all power to soldiers', workers' and peasants' councils' as inapplicable to Hungarian conditions. He argued that the party was not strong enough to impose a programme unilaterally and proposed a renewed alliance with bourgeois liberal parties. He believed that in that new alliance, under the new political climate, the HSDP would lead rather than follow.⁽¹³¹⁾ This view was challenged by a vocal left-wing faction which presented a more radical political programme, demanding the 'liquidation of the vestiges of feudalism in Hungary' and that 'in the future workers and peasants should have a decisive voice in running their affairs', redistribution of all land which could not be worked by the owner and his immediate family on their own and the setting up of agricultural producers' cooperatives on the expropriated land. This view, however, was not endorsed by the Congress. Nor

was the view of another left-wing speaker, József Landler -later to join the Communist Party - who challenged Kunfi's assessment that the party was too weak to go it alone without any alliance. But he rather cautiously did not reject outright possible collaboration with other bourgeois liberal parties but introduced an amendment, which was in the event endorsed by the Congress, that the HSDP should fight all parties which did not accept its programme.⁽¹³²⁾

The beginning of 1919 saw a decisive increase in the spontaneous occupation of land by the agrarian landless in several provinces. Increasingly, the question of land reform became the focal point in the countryside. The HSDP's leadership accepted the concept of compensation for dispossessed landlords but was not enthusiastic about land redistribution, favouring instead using the land to develop a cooperative movement. This was in line with the Kautsky tradition of favouring large-scale farming. In the final analysis, however, the party accepted the wishes of the other bourgeois liberal parties, which proposed to transfer the land to private farming. The Budapest Workers' Council discussed the question of land reform as early as 13th December 1918. This Council was dominated by the HSDP, but was also well infiltrated by the communists. The HSDP's leadership, at that meeting, agreed to a compromise of limited land redistribution with compensation, in the form of bond issue. The upper limit of land proposed was 200 cadastral yokes, above which it was to be distributed, but a maximum of 500 cad. yokes could be owned, as usufructuary, either in private hands or by companies.⁽¹³³⁾ This was also the policy of the other bourgeois liberal parties regarding agriculture, and was accepted by the HSDP. The communist view expressed at this meeting was different. While making tactical concessions for the retention of private farming, which they believed under the circumstances politically could not be refused, they advocated the expropriation of large and medium-sized estates. A National Congress, composed of the representatives of the organisations of the rural

proletariat, should then decide if farming was to be based on large-scale communal or small-scale private farms.⁽¹³⁴⁾ After long debate, the proposal of the HSDP was accepted, with the proviso that under the prevailing power relations that was the maximum attainable. In response to increasing communist attempts to manipulate the political scenario and sow the seeds of discontent among the returning, demobbed soldiers and the unemployed, reinforced by manifestations of labour unrest in other European countries, the communists came under increasing attack from the authorities and were subject to police raids from the first months of 1919. Once again, the HSDP convoked an extraordinary Congress, on 9th February 1919, which discussed and endorsed a resolution calling for a purge of communists from the party and trade union movement.⁽¹³⁵⁾ The ensuing campaign against them was a painful blow to the recently established HCP, since in many provincial places it still lacked organisational units of its own. The Congress rejected the proposal to establish a 'socialist society' led by a Social Democratic Government as inapplicable under Hungarian conditions. The Congress, again, failed to deal specifically with land reform, surprisingly perhaps, since by then it had become the central issue in the internal political life of the country. This was once again left to be resolved by other bourgeois liberal parties.⁽¹³⁶⁾

The struggle for Soviet power by the left inside the HSDP, and by the communists, continued unabated. As economic conditions worsened, the aggravation and dissatisfaction created by the land reform decree widened and the HCP further intensified its agitational work, spreading radicalism and discontent. It undoubtedly contributed to the rapid leftward shift in the political climate. The progressive occupation of Hungary by the French and allied armies, Károlyi's attempt to obtain a tolerable peace settlement to contain the growing internal dissent and pressure by conservative politicians appalled at the spread of anarchy also contributed to the destabilisation of the political power of the government.

With gathering momentum through the months of February and March 1919 the political influence of Councils increased. The Budapest Workers' Council and the Soldiers' Council acquired particular influence but in many other cities the Workers' Councils seized power and challenged the government. The survival of the coalition government increasingly depended on how successfully the HSDP could contain the growing communist influence. But the left inside the party, dominated by future communists, gradually prevailed over the centrist leadership. At its meeting on 7th March, 1919 the Budapest Workers' Council overwhelmingly endorsed Jenö Varga's proposal, hotly opposed by the HSDP, to establish a select committee to investigate the possibilities of socialising industry.⁽¹³⁷⁾ In the ensuing weeks the international situation deteriorated further, the march of the left inside the HSDP continued so successfully that the HSDP's leadership, which until then had rejected the communists' overture for joint action, was moving towards the conclusion that anarchy could not be stopped without some understanding with the communists. Several tentative contacts were made between the two parties during these weeks. On 11th March 1919 Béla Kun, at the request of the left within the HSDP, drafted a letter, in prison, containing 10 points in which he set out the ideological position of the communists. With regard to the land question it proposed state expropriation, without redistribution of all land which could not be cultivated by the owner and his family. On the expropriated land it proposed the establishment of agricultural producers' cooperatives as a short-term, transitional, measure.⁽¹³⁸⁾ Kun's proposal upset the increasingly isolated moderate leaders within the HSDP and in reply they denounced the communists in their electoral proclamation on 13th March. The socialist plan called for a government exclusively by the SDP to carry on and complete the land reform and to introduce extensive nationalisation.⁽¹³⁹⁾ It was to be supported, from the outside, by the liberal parties of the coalition. This, it was believed, was the only way to contain the

spread of proletarian revolution and to strengthen the bourgeois-liberal political system. On 17th March, the Council of Ministers met to discuss the grave political situation. At this meeting, Vilmos Böhm, a moderate social democrat, announced that the SDP could not, on its own, accept the political responsibility of defending law and order and the authority of the government when, in reality, the influence of the left, demanding a change to a socialist governmental system was dominant in the party.

The harsh and unacceptable ultimatum by the allied powers on 20th March, to withdraw more Hungarian troops from specified territories, created the conditions under which a unified socialist movement could conceivably take over power. Faced with the hopeless international situation the government collapsed, leaving a political vacuum which was, at once, filled by the revolutionary, communist, Kun regime. The abdication of the government left the HSDP in a predicament. At its meeting on the afternoon of 20th March, Vilmos Böhm suddenly proposed that it should assume power. But, due to strategic necessity, and to secure wide support in the country, he also proposed that the HSDP should at once begin to negotiate an alliance with the communists in which the HCP would undertake to support the HSDP passively.⁽¹⁴⁰⁾ Representatives from both parties met to discuss the conditions required for the communists to collaborate. A day of busy negotiations ensued on 21st March.⁽¹⁴¹⁾ During the negotiations the HSDP indicated its willingness to form a government with communist backing. The proposal, however, was for a collaboration agreement between the two parties, rather than a merger, so that each party would retain its organisational identity. This proposal, however, was defeated by the joint forces of the left-wing of the HSDP and the HCP. Ultimately, after long negotiations, the differences were reduced to what the name of the new party should be. The HSDP's proposal to drop the word 'communist' from the new party was eventually accepted, and 'The Socialist

Party of Hungary' was born. A draft agreement, drawn up afterwards, declared that the new party would, 'without delay', assume all powers in the name of the proletariat. ⁽¹⁴²⁾ With this agreement the historic moment had arrived and 'The Soviet Republic of Hungary' was declared. ⁽¹⁴³⁾

This merger, however, could not give even an outward impression of ideological unanimity. The moderate and revolutionary orientations of the two parties continued to be expressed, later to be exploited by the entente powers. The First Congress of the unified party was convened on June 12th-13th, 1919. The Congress, after discarding the 1903 party programme of the HSDP, presented a new programme, modelled on the Russian Communist Party's 8th Congress. It also hailed the agrarian reforms already in progress with tremendous pride. At its closing session the Congress finally compromised and adopted the new name of 'Hungarian Party of Socialist-Communist Workers'. ⁽¹⁴⁴⁾

After the demise of the Hungarian Soviet Republic on 1st August, 1919 the leaders of the HSDP hurriedly began to disengage their party from this ruinous alliance with the communists. Their propaganda machine was entrusted with the task of trying to minimise the party's role in the Soviet Republic. The old HSDP was also speedily reconstituted at the extraordinary Congress convoked on 24th August, 1919. At this Congress the party resurrected its 1903 programme and the participants unanimously refused to identify themselves with the communists and 'the acts committed by the dictatorship of the proletariat'. ⁽¹⁴⁵⁾ Indeed, at this Congress the social democrats adopted a staunch anti-communist stance from which they did not deviate for the next 20 years. The declaration was genuinely supported and clearly represented the feeling of the membership. It was, of course, also a prerequisite for their political survival in a climate of emerging conservatism, in which socialism was merely tolerated within very strict limits.

During the Nagyatádi-Szabó land reform debate, initiated by the new regime in the early 1920s, the HSDP hardly offered a word on agrarian questions. Although the party's participation in Parliament and the seats it gained tended to put pressure on it to expand its activities into rural politics, it was prevented from doing so by the Bethlen-Peyer Pact, signed in December 1921.⁽¹⁴⁶⁾ This Pact, concluded between the regime and the HSDP, accorded the party the rights to assembly and freedom of press, restored its confiscated properties and released all internees, except communists. In return, however, the party promised not to attack the government but to cooperate with it. This Pact proved to be a serious handicap for the HSDP throughout the 1920s. During this period the party was searching for a way out of the impasse and its political voice remained rather uncertain and often contradictory. Indeed, as mentioned earlier, this indifference of the social democrats to agrarian questions played an important role in the establishment of the Hungarian Socialist workers Party in 1925.⁽¹⁴⁷⁾ The formation of that party initiated a change in the attitude of the HSDP to the land question. In that year the party established a committee with the task of drafting an agrarian programme. The committee, however, progressed very slowly. Stimulus to prepare an agrarian programme came also from the SDPs of Europe, all of which between 1922 and 1929 began to draw up agrarian programmes. But apart from the constraint placed upon the party by the Bethlen-Peyer pact, its historical experience of being attacked by the landlords and police persecution every time it engaged in agrarian politics acted as a brake on its readiness to get involved in agrarian questions. Thus, referring to the inappropriateness of the time and the prevailing political climate - which prevented a wide ranging debate - the party decided to take the agrarian question off its agenda altogether,⁽¹⁴⁸⁾ so during the 1920s no definite agrarian programme emerged from the HSDP. What it had amounted to no more than a declaration of principle on land reform, without any clear commitment. Because

of this it was unable to extend its influence among the poorer strata of the peasantry.

At the end of 1929 the Ministry of the Interior allowed the HSDP to expand its organisational activities in rural areas.⁽¹⁴⁸⁾ This change in governmental attitude had important consequences for the party's policy towards agriculture. It occurred, also, at a time when the Great Depression was adversely affecting the peasants and significantly increasing the social tensions in rural areas. Accumulated debts, on average equal to nearly three years' income, and drastically reduced prices combined with high taxation levels shook the very existence of the working peasantry, especially the smallholder. Many who had recently received their land under the land reform could not survive and had to sell their land to the better-off landowners virtually for pennies. The landless could find no employment.⁽¹⁵⁰⁾ Under these conditions, from about the spring of 1930, political activities and demonstrations by agricultural workers increased, soon to be followed by smallholders. Countrywide meetings were held, opposition groups of smallholders were formed and the relationship between them and the regime deteriorated considerably. This rural unrest compelled the HSDP to review its agrarian policies and to begin work on an agricultural programme.

The occasion for announcing a new approach to agriculture was provided by the 27th Congress of the party, which met on 7th September 1930. It resulted in the adoption of the new agrarian programme, the first concrete one since 1903: regarding land reform, it demanded the expropriation of all land above 200 cad. yokes in single ownership, with compensation; the expropriation of all church and entailed land, without compensation, and their 'redistribution to those who till it'.⁽¹⁵¹⁾ The Congress, however, remained silent on the question of the price basis of compensation, and on whether the recipient peasants would have to pay for the land. Thus, after decades of delay, initiative finally came from the

HSDP and it represented a radical change in its agricultural policy. The party now abandoned the idea of socialisation of the land. It scarcely needs to be stressed that the new programme was anti-Marxist and pro-bourgeois, and was particularly damaging to the Smallholders' Party, which became concerned that the HSDP would take the wind out of its sails with a programme very similar to its own - a result the regime had undoubtedly, wished to see. It hoped that the more radical elements emerging within the Smallholders' Party would split the peasant movement and make confrontation between the two parties inevitable. Indeed, the Smallholders' Party's denunciation of the HSDP was soon to follow.⁽¹⁵²⁾ The increasing strength of the HSDP prompted the Smallholders' Party to renew its interest and publish their own revised agrarian programme in 1930.⁽¹⁵³⁾ After the publication of the HSDP's new agrarian programme the party increased confidence among the agrarian poor and by tapping existing, and latent, discontent, especially during 1930 - 1932, social democratic party cells in rural areas sprung up like mushrooms. Even middle peasants moved closer towards the party, indicating that the activities of the Smallholders' Party in opposition did not entirely satisfy the land-owning strata of the peasantry.⁽¹⁵⁴⁾ In the early 1930s the HSDP became the strongest democratic opposition, published its own peasant newspaper, Föld és Szabadság, and was engaged in a struggle for rural influence with the Smallholders' Party until early 1943, when during the war they sunk their differences and joined forces in the 'Hungarian Front'. Regarding the question of land reform, this 1930 programme remained the HSDP's last and most comprehensive programme until after the war.

Meanwhile, the regime was becoming more and more concerned, and embarrassed by the success of the HSDP, both in elections and in rural recruitment. In the Spring of 1932 the Ministry of the Interior finally issued a strictly confidential directive to rural authorities to suppress this rapidly growing social democratic rural movement.⁽¹⁵⁵⁾ The energetic restrictive

measures that followed put the SDP in a dilemma: it had to decide, either, to continue its rural organisational work and accept the ensuing attacks, or, to submit to government pressures. In the end the 'reformists' in the party carried the day and 'peace' was chosen but not before, under increasing government pressure, the left of the party had combined forces with discontented workers and peasants sharply critical of the passivity of their party to cajole the leadership into counteraction. After mass demonstrations and strikes scheduled for 7th April 1932, the Government responded by further police intimidation of the party and by briefly suspending its newspaper, Népszava, thus crushing the protest. The HSDP finally capitulated, accepted the offer to negotiate and retreated. ⁽¹⁵⁶⁾ Soon after this it began to withdraw from rural activities. It was at this time that some disillusioned poor peasant SDP members began to turn to the HCP, while others continued the struggle for a more acceptable democratic solution. The 29th Congress of the party in January 1933 heard many peasant complaints and cries for help. The urgently needed help, however, was not forthcoming; although there was some protest in parliament, and in Népszava, against the authorities for trying to paralyse organisational activities in the villages and dragging some SDP members away from village meetings. ⁽¹⁵⁷⁾

By the middle of 1934 it had become clear to the HSDP that if their influence were not to be lost for ever in the rural areas their stance must change and help must rapidly be provided. The party, therefore, set up an official Commission of inquiry to investigate the rural conditions and the state and mood of party organisations, and to assess and define the tasks facing the party. The ensuing report was very discouraging for the SDP. The pessimistic testimony of the report revealed extremely bad rural conditions, continuing misery and unemployment, and rising debts. Impatience and growing radicalism, according to the report, were widespread among the working peasantry. This, in the opinion of the Commission, could not easily be changed by peaceful democratic

means. Many rural party cells were distrustful of its leadership and the view prevailed among them that they were neglected and inadequately represented in parliamentary fractions. Local leaders accused the national leadership of being anti-province and anti-peasant.⁽¹⁵⁸⁾

Signs of a growing split within the SDP became increasingly evident. This was first clearly reflected during the preparatory discussions regarding the inclusion of the motion in favour of a 'working programme' at the next party congress, in a similar vein to other West European SDPs, which were also preparing such programmes, at the same time. This programme, however, was to differ from that of other West European parties since, in Hungary, the focal point of such a programme was to be agrarian reforms. Those in favour believed that to achieve a democratic transformation of the country, the extension of the sphere of influence of social democracy and the broadening of the alliance camp against rising fascism must, increasingly, be the basis of SDP policy. The discussions that were taking place repeatedly emphasised the need to win over the peasants, to 'captivate' them for social democracy.⁽¹⁵⁹⁾ In Hungary, it was stated, the land and the peasants were not merely social and economic questions but, fundamentally, they were questions of politics and power - agrarian reforms and the liquidation of large estates were an indispensable condition for democratic development.⁽¹⁶⁰⁾ These were most urgent, not only because of the accumulated unresolved peasant problems, but also because of the regime's proposals regarding entailed land, the resettlement policy of the Gömbös government, the exceptionally severe drought and, most important, the steady decline in the number and influence of rural party organisations. All these facts tend to confirm why the peasant and the land question became the focal point of discussion at the party's 30th Congress in September 1935. At this Congress the HSDP openly expressed its opposition to the regime's corporatist overtures and in response to the earlier appeal of the HCP to the HSDP leadership, it continued

to reject any idea of collaboration with the communists, to join them in a 'united front'.⁽¹⁶¹⁾ Generally, in this respect, the history of the HSDP during much of this period could be characterised as a constant struggle against losing its own identity and being absorbed, and to prevent communist infiltration into the party and the trade union movement.

One of the main speakers at the Congress was the freshly elected member of Parliament, Ferenc Takács. He was the first MP for the HSDP with a genuinely rural origin, someone who really knew about the problems of rural life.⁽¹⁶²⁾ With a highly critical speech, in rural dialect, he attacked the leadership for their neglect of rural areas, for failing to provide a lead in the fight for the improvement in rural conditions and for doing very little about increasing the rural representation in the party's leadership. With his vivid description of the desperate social and economic plight of the agrarian workers and his strong attack on the regime for its continued police harrassment of rural party organisations, he inspired the sympathy of the delegates and almost turned the mood of the whole party gathering into a peasant Congress.⁽¹⁶³⁾ The Congress, on the whole, reaffirmed the party's existing agricultural programme. As far as the national leadership was concerned, after the sharp criticism it showed greater interest in agricultural problems, became more sensitive towards the needs and the complaints of the working peasants, and raised its voice in their defence more often in Parliament. Visits to local party organisations too, for a while, became more frequent and systematic. Apart from raising the peasant question at the Congress, Ferenc Takács also delivered a speech at the meeting of the 'Országos Mezőgazdasági Kamara' where his demands regarding peasants' working hours, wage rates and insurance were accepted.⁽¹⁶⁴⁾

The renewed general interest in agriculture was also reflected at the MFOSZ (Magyar Földmunkások Országos Szövetsége) meeting in the Spring of 1936, where the land question was again debated and the meeting reiterated that

the ultimate solution to the problems of Hungarian agriculture could only come with land-redistribution.⁽¹⁶⁵⁾ And as the land question and the peasants were becoming the centre of discussion this revived an ideological debate within the working-class movement regarding the rationale for the liquidation of large estates: was it because small holdings were more productive or was it because big holdings were an obstacle to further social development? The HSDP openly declared that it considered it necessary, primarily, on political grounds, but qualified this by stating that small holdings were also more productive; this second argument was disputed by the communists, while they agreed on the first count.⁽¹⁶⁶⁾

The growing concern with the problems of agriculture and the need to combat the rising fascism made the HSDP membership more receptive to the need for a worker-peasant alliance. The leadership, however, wished to limit this to the framework of the social democratic movement. The party, therefore, rejected all attempts in which local party organisations proposed to take a common stand on topical questions with other local party organisations. This was greatly influenced by the Spanish and French political developments where joint action in the form of a 'united-front' or 'People's Front' policy was followed. The communists and radicals in Hungary continually pressed for this and it was also supported by the communist and extreme-left members of the HSDP. The party leadership, however, opposed any such proposals. It maintained an 'anti-communist' and 'anti-Soviet' conviction and fought against views which tended to lump together the HSDP and HCP. It publicly stated that 'the HSDP is simultaneously anti-fascist and anti-communist'.⁽¹⁶⁷⁾ In the debate regarding the People's Front policy between Mónus of the social democrats and Révai of the communists in the columns of the SDP's theoretical journal Szocializmus, the former clearly expressed the view that in Hungary the conditions for a people's front did not exist: there were no bourgeois parties with strong traditions; the

urban bourgeoisie, the most important element of a People's Front was small; no left-agrarian parties with appropriate traditions existed. To this extent, the SDP declared that:

our stage is still the stage of bourgeois revolution in which, according to the laws of social development, the role of the working class is only secondary.⁽¹⁶⁸⁾

While neither the intellectual offensive, nor the working programme, nor the party's attitude to the land question furthered the cause of anti-fascism, some fighting spirit was injected into the working-class movement as a whole. It did not, however, help to demolish the 'dividing wall' between the two workers' parties.

The pressure by the ruralists within the HSDP after the 1935 Congress was sustained for the next few years. The influence of Ferenc Takács, later in his capacity as regional secretary for the Trans-Tisza Region, was growing within the SDP, particularly amongst the rural party secretaries and activists who supported him for his extreme views. At this stage, however, it was not clear whether he represented a 'left' or 'right' wing brand of extremism. That his sympathy lay with 'right-wing' extremism was to become clear only later.⁽¹⁶⁹⁾ Together with István Erdei, they organised new rural party organisations, party centres, and revived old ones. By 1937-38 this group had gained some popularity not only in rural Trans-Tisza but also in other rural and urban areas in the country.

After the 1935 general election the HSDP and SHP agreed to cooperate more closely with one another. The SHP's influence in the Trans-Tisza region, however, increased so much that the HSDP's leadership periodically had to warn the regional membership not to establish too close and strong ties with local organisations of the Smallholders Party and to stop their mutual support at local

elections. The 'populists' and the 'March Front' were similarly an important influence on the HSDP's and SHP's regional rural membership and were observed with apprehension by the national leadership. This was why, after a brief period of cautious support, the HSDP's leadership viewed the birth of the 'March Front' in 1937 and its expanding rural organisational activity, together with the 'Populist Movement' with disapproval. The party was apprehensive regarding its political ambitions, especially its strong left-wing representation, and sought to limit it to a purely intellectual movement.⁽¹⁷⁰⁾ The membership, however, at every possible opportunity expressed solidarity with the 'March Front', often 'cheered' them at meetings. This too had shown clearly the conflict of views between the national leadership and the rural grass-roots membership.⁽¹⁷¹⁾ Some evidence suggests that at the beginning of 1938 the Populist movement and the 'March Front' approached the rural 'socialist' leaders, amongst them Ferenc Takács, to join the movement to establish an independent Peasant Party.⁽¹⁷²⁾ No data exist to confirm this but it appears that the 'March Front' organised much more successfully in the areas controlled by Takács and Erdei.

The second half of the 1930s saw a dramatic increase in anti-Semitism in the country, particularly strong in the Trans-Tisza region. The general dissatisfaction with the national leadership because, of its neglect of rural questions, was gradually augmented by the development of anti-Semitic sentiments within the HSDP directed against its leaders. The leadership failed to have the courage to oppose such developments because it was worried about the possibility that some eminent people might leave the ranks of the party, taking others with them, and also that it could leave the party open to attacks from both inside and outside. Moreover, the argument, already in progress, around the question of 'populism' and 'nationalism' in the rural section of the party could widen dangerously. The 'Arrow Cross Party' was also represented in the extreme right-wing section of that movement and with open right-wing

propaganda slogans it could further disturb the membership.⁽¹⁷³⁾ Any development of that sort was regarded as highly undesirable by the HSDP since it could have initiated a disintegrating process, not only amongst the ruralists but also within the party itself.

When the 31st Congress met in April 1937 anti-fascism, anti-war sentiments and the question of voting rights were the main problems that concerned the party.⁽¹⁷⁴⁾ Against expectations, the party hardly considered the question of an alliance of democratic, anti-fascist forces. The party did not propose to negotiate collaboration with other bourgeois opposition parties and even the question of cooperation with other parties in the struggle for voting rights was passed over in silence, in the main, by the Congress, for two reasons. Firstly, the leadership subordinated the solution of all the basic questions brought up during the discussions to the settlement of the franchise. This single issue was regarded by the party as the most important task and it fought against all who attempted to repudiate the reform of the franchise. The party based the fulfilment of the numerous democratic social demands, e.g., land reform, wages, working hours, progressive taxation, full employment, right of association, right of assembly - on a satisfactory solution to the question of the franchise. Secondly, the party wished to avoid the embarrassing situation in which it would be faced with the problem of having to take a decision regarding the sensitive issue of the 'March Front'. The leadership, in its official statements and reports to the delegates, carefully avoided any reference to welcoming the activities of the 'March Front', nor did it express support for them. This calculated omission, however, was quickly remedied by several speakers who demanded a positive policy towards the Front. Especially strong demands were registered by the communist-oriented youth movement of the HSDP - the 'Országos Ifjúsági Bizottság' (OIB), the National Youth Committee, which was reconstituted in the Spring of 1936. Faced with this situation the leadership could no longer ignore

the question entirely and had to acknowledge officially 'with delight' the successful campaign of the 'March Front' in rural areas and the fact that many OIB members were joining the movement. It also commended the 'March Front' for its courageous anti-fascist attitude, but stopped short of satisfying the demands from the rank-and-file to endorse or encourage any collaboration with the Front.⁽¹⁷⁵⁾ Soon after the Congress the communists reconciled themselves to the fact that they had little hope of successfully bringing together an 'alliance of democratic forces' within the HSDP. After this failure the communists stepped up their clandestine infiltration of the HSDP in order to work from within to achieve their aims.

The Spring of 1938 saw the rapid strengthening of German influence in East and South-East Europe, culminating in the Anschluss with Austria. The appearance of Nazi Germany on the Hungarian frontiers created great anguish and apprehension among a wide section of the population. To calm people's nerves, Regent Horthy, in a radio speech, reassured the public that he would not allow the transformation of the form of government into a nazi-style one.⁽¹⁷⁶⁾ While his speech, assisted by heated protests from the ruling political circles, achieved, temporarily, the intended result - of limiting the direct effects of the Anschluss on Hungary - the legislative work, especially in the areas of electoral reform, anti-Jewish law and restrictions on socialist organisations - either proposed or already in process - were accelerated by the events. The growing identification of the government of Darányi with the extreme-right, its pressure on the HSDP and attacks on the Trade Union movement, elicited protests from many quarters in the form of strikes and demonstrations. May the 1st was, perhaps, the most militant in the interwar history of Hungary and chantings of 'long live democracy', 'down with fascism' and 'down with war' echoed in the streets of Budapest.⁽¹⁷⁷⁾ More importantly, pressure and objections to the government's right-wing policies came from sources near to the Regent and also

from an important group of industrialists.⁽¹⁷⁸⁾ In mid-May the government was forced to resign and a new administration, headed by the former finance minister Béla Imrédy, was formed.⁽¹⁷⁹⁾ In his programme speech, on 14th May 1938 he stated his government's intention to slacken Hungary's commitments to the Germans and regarding internal policies - showing little sympathy for either the Arrow Cross or the Socialists - he promised to make determined efforts to deal with provocations from the extreme right and to take a firm stand against all underground organisations. The HSDP's leadership greeted this policy with some relief and began to prepare terms of negotiations on cooperation with the new government, a move which was opposed not only by its own left but also by the entire socialist movement. The leadership expected that the party's responsible and disciplined behaviour in domestic politics would be rewarded by some concessions from the new government. This, however, was not to be. It soon became quite clear that the government's promised measures to restrain the extreme right were also to be used against the left. The government's Decree No. 3400 soon came into force, prohibiting civil servants with extreme political views, whether on the 'right' or the 'left' from holding office. For the first time since the Bethlen-Peyer Pact, the government placed the extreme right-wing Arrow Cross and Social Democratic Parties under the same political umbrella, to the great surprise and annoyance to the HSDP, seriously affecting its leadership.⁽¹⁸⁰⁾ While the government's allegation of being 'antinational' was promptly denied and rejected by the party it nevertheless provided the pretext for an extreme right-wing campaign and propaganda against the HSDP, especially against the Jewish members of its leadership.⁽¹⁸¹⁾ The aim of the regime was, partly, to precipitate internal dissent between the Jewish and non-Jewish factions creating, in turn, a wider discontent amongst the general membership, so as to render the movement politically as ineffective as possible. It was hoped that this would lead to a more stable political and a better

industrial climate, greater harmony between capital and labour, to aid the uninterrupted rearmament programme of the government.

By the end of 1938 the HSDP found itself in a difficult position and under attack from two directions: the Arrow Cross Party dramatically increased its propaganda campaign, labelling the HSDP as anti-national and pro-Jewish, and on 12th November carried out raids on socialist premises, prompting the party's leadership to the government to maintain law and order.⁽¹⁸²⁾ Attacks also came from the government itself, demanding - as a basic condition for the continued operation of the party - a change in its ideology from a fundamentally international outlook to a national one. After the First Vienna Award, powerful passions of 'nationalism' swept Hungary, affecting all political persuasions. The influence of the nationalists within the party increased, uniting the various extreme groups around a common programme, giving rise to the brief appearance of a group commonly referred to as the Takács-Bresztovszky-Erdei group, which presented a serious challenge, attempting to take over the leadership or, at least, to secure some important posts within the party's hierarchy. A petition on 16th November 1938, drawn-up by the opposition group within the HSDP and submitted by Takács, called for the resignation of the leadership and the handing over of power to a 'Provisional Governing Committee' made up of five members.⁽¹⁸³⁾ The struggle for power now went beyond the original demands for greater representation of rural interests, as shown earlier, to a call for a 'change of guards', a change in the nature of the party. An appeal published after the petition called for a break with the past; a new framework, with greater and fresher ideological content, for all strata of workers; severance of the party's links with internationalism and a change in its cosmopolitan attitude, demands which were founded on the anti-Semitic, right-wing, tendency of the group attempting to reduce the Jewish prominence in the press and in the party's leadership.⁽¹⁸⁴⁾ The petition called upon the 'Provisional Governing Committee'

to convoke, after its own election, a Congress to discuss, inter alia, the proposal included in the petition, to change the name of the party to 'Hungarian Socialist Worker's and Peasant's Party' or, better still, to 'Hungarian Workers and Peasants Party', to give expression to the party's increased commitment to and interest in agriculture and rural workers. At the same time, to put the party on a more national orientation, it requested withdrawal from the Second International. The offensive mounted against the party leadership by Takács et al., was not, however, long lived. The leadership took up the challenge and decided that for the sake of party unity it had retreated far too often, made too many concessions in the recent past and tolerated too much unacceptable and anti-socialist rhetorics. The time had come, it decided, to stand up and fight, if need be by involving the entire membership, for the principles of social democracy, and to bring into the open the serious split that existed within the party's leadership and to reveal the real objectives and aspirations of the opposing group. The first counter attack was delivered by the party's National Steering Committee, which met on 25th November to discuss, inter alia, for the first time, the various proposals listed in the petition.⁽¹⁸⁵⁾ The opposition attempted to persuade the closed session, firstly, to change its attitude on the fundamental ideological question and, secondly, to 'weed out' the leadership. These attempts remained unsuccessful. The petition was rejected by a majority of the session and the opposition, temporarily, was forced to retreat. But, since the view of the leadership was divided, instead of liquidating the opposition, a compromise solution was reached, whereby the dispute was not to be made known to party organisations and no official documents were to refer to it - in spite of the fact that party organisations up and down the country were becoming more and more aware of and preoccupied with the continuing quarrel in the upper echelons of the party.⁽¹⁸⁶⁾ Charges against the group, prompting them to deny accusations of being 'fascist infiltrators' and 'anti-party', and demands from local party

organisations to involve the whole membership in attempts to resolve the intra-party leadership disputes were growing throughout the country. In addition to these protests, a more definite proposal came from the communist influenced 'National Youth Committee' (OIB), in an 'Action Programme' designed to solve the intra-party problem. Interestingly, in many ways this proposal raised similar issues to that of the opposition group, but characteristically it saw their solution in the need for a shift to the 'left' rather than to the 'right', without surrendering any socialist principles.⁽¹⁸⁷⁾ Thus, on the eve of the party's 32nd Congress pressure both from the right and also, increasingly, from the left could be observed within the party. The leadership, however, continued to focus its attention on the opposition group of rightists and redoubled its efforts, determined to resolve the leadership issue and some of the other issues raised prior to the Congress. During the weeks before the Congress leading members of the Takács-Bresztovszky-Erdei group were invited to attend, separately, a meeting arranged between the party executive and its Parliamentary faction. At this meeting Bresztovszky, perhaps the most extreme in the group, was the first to be called in. He was first suspended from the editorship of Népszava and then expelled from the party.⁽¹⁸⁸⁾ The meeting, not completely free of opposition, was tactically more lenient towards Takács and Erdei, hoping thereby to create disunity within the ranks of the group. These tactics did in fact pay off. The group became unsure of itself, feeling that its endeavours might not on the whole command the approval and support even of its members' own local party organisations. As a consequence the group began to moderate its demands. Takács et al., abandoned their demands to put the party on a 'national' principle and to change the entire leadership. Instead, the group modified its proposal to increase the size of the leadership from 13 to 21 members in such a way as to increase the proportion of rural representation within it.⁽¹⁸⁹⁾ The final confrontation came, shortly after this meeting, at the Preliminary Conference of

the Congress.⁽¹⁹⁰⁾, which decided to hold a debate on the issue of changing the party's name. There were two proposals before the Conference: (i) a proposal by the party leader, Károly Peyer, advocating a compromise solution suggested by the party's chief secretary, Árpád Szakasits, to adopt the name 'Social Democratic Party' and (ii) the opposition group's motion to adopt the name 'Hungarian Socialist Workers' and Peasants' Party' or 'Hungarian Workers' and Peasants' Party'. The meeting was marked by prolonged and heated debate with some difficulties in reaching an agreement. But in the end the meeting passed a resolution accepting the leadership's proposal. To pre-empt the possibility of further debate on the issue at the Congress, which might have reproduced the same difficulties and embarrassments, the meeting also proclaimed that the conference decision was final and binding. The opposition motion itself was received with great indignation and outraged the conference delegates. They accused the opposition of 'treachery' and demanded their removal from the party. With this, the leadership had achieved what it had set out to do, namely, to paralyse and isolate the opposing group. And in the final analysis its defeat was achieved by democratic pressure from the conference delegates. For all practical purposes this defeat was the end of the group as a political force to reckon with. Although, after the Congress its members attempted to close ranks and remain together as a group, their efforts were unsuccessful. Gradually, during the war, the group dispersed and eventually, both as a group and as individuals, they disappeared from the political scene. The significance of this opposition group, within the context of HSDP history was twofold. First, as an indigenous agrarian reformist group, composed in the main, of rural party secretaries, it attempted to change the basic urban, internationalist orientation of the party to embrace and meet the challenge of growing radicalism among the peasantry, who disliked both liberalism and international socialism. The group believed that the HSDP's influence could only be increased through rural

extension, reaching out to the more radical peasantry so as to pre-empt a move towards an independent peasant party, or a tendency for the peasants to turn to a right-wing party. In this the HSDP failed and shortly after, in June 1939, the 'National Peasant Party' was established; the peasants also now turned more to the extreme right-wing 'Arrow Cross Party'. The second way which the opposition group was important was that by attempting to influence the HSDP to understand and accept the 'changing times', to adopt a dose of nationalism, in its platform, especially after the 'First Vienna Award', which gave a great boost to nationalism in Hungary - it put the HSDP and the Trade Union movement in a weaker position vis-à-vis the increasing fascist pressures.

The 32nd Party Congress was convened, after two postponements, on 29th January 1939 ⁽¹⁹¹⁾ and was attended by 334 delegates, with a stronger leftist representation than at any previous Congress. In his keynote speech, calling for the preservation of Hungarian independence and sovereignty, in a subtly designed nationalist undertone, Peyer protested, on the one hand, against the growing German economic and political influence and, on the other hand, against the Arrow Cross Party. This was warmly welcomed by the delegates. In accordance with the decision taken at the Preliminary Conference, in order to reduce the differences in the party in the fact of the upsurge of nationalism, he proposed to delete the adjective 'Hungarian' from the party's name, which was thought to emphasise that the party was a branch of the international labour movement, in order to stress that it was purely a national party. ⁽¹⁹²⁾ This proposal was carried by a majority of the delegates. The most significant contribution that emerged from the Congress regarding agriculture was the introduction of a proposal by the communist secretary of the HSDP's National Youth Committee (OIB), Gyula Kulich, for a more positive 'Action Programme', relating to the questions of national independence and land reform. The focal point of this land reform was the demand for immediate expropriation and

redistribution of all entailed and tied land, and all other land above the size of 200 cad. yokes within the next 5 years.⁽¹⁹³⁾ This proposal remained within the framework of the party's agrarian programme but the setting of a time limit made it more concrete. Fearing that this would lead to further confrontation with the authorities and provoke more repressive measures against the party, the Congress declined to discuss and take a vote on this proposal and referred it to the Council of the Party for further consideration within the context of the party's own Action Committee's proposal for an action programme.⁽¹⁹⁴⁾ Finally, to reduce the chance of further attacks the Congress agreed to recall some of the Jewish members of the leadership committee, to confirm Arpád Szakasits in his new post and to replace the Jewish Illés Mónus as general secretary and chief editor of the party's daily Népszava.⁽¹⁹⁵⁾ His appointment, however, did not reflect the intra-party power balance but, rather, the results of political developments in the country.

Intra-party debate and dissent came to an end after the Congress partly because it was effectively discouraged by the leadership and partly because the Jewish repression within the party and its bad electoral showing had a stifling effect on the activities of the party. The General Election in May 1939 was conducted under a new electoral law which gave the vote, by secret ballot, to 2 million citizens.⁽¹⁹⁶⁾ It was perhaps the most democratic of pre-war elections. The campaign posed great difficulties for the SDP. Many of its sources of finance were either significantly depleted or disappeared altogether because the regime's Second Jewish Law bankrupted them.⁽¹⁹⁷⁾ The election results were disastrous for the SDP; its parliamentary representation was drastically reduced from 11 to 5, representing 2 per cent of the total votes cast, while the sudden advance of the extreme right brought it 49 deputies.⁽¹⁹⁸⁾ Much to the dismay of the SDP, a large section of organised labour switched its support to the Arrow Cross Party in this great upsurge of nationalism; Arrow Cross membership, in

fact, increased until 1940, but rapidly lost ground after that. In the aftermath of the disastrous election two opposing trends could be observed with the SDP. Firstly, great uncertainty and dis-spiritedness - some members even left the party. Secondly, the increasing strength of the left brought demands for a shift in policy and stronger cooperation between the communists and the social democratic left. The communists or communist sympathisers began to gain more leading posts and dual membership, of SDP and CP, too was increasing.

As regards agriculture, the party made no important pronouncements in the next few years. In its search to resolve the post-election problems, the left resurrected the 'Action Programme' promised but shelved by the Congress some months before. Communist influence, both in its resurrection and in its content, was important. Due partly to renewed obstruction by the moderate leadership, and partly perhaps, to the outbreak of World War II, no discussion on the programme was ever initiated. Its importance, nevertheless, was that the spirit, the ideological declaration in this document - e.g., the aim of not giving up the concepts of a 'genuine and full socialism' and 'class struggle' - and the concrete demands embodied in it - e.g., the concepts of a planned economy, a just land reform, without compensation, the development of producer's marketing and consumer's cooperatives - made it ideologically suitable for the communists and the left of the SDP as a rallying document for collaboration until the end of the war, perhaps even after.⁽¹⁹⁹⁾

The document, however, failed to reflect one important question that developed during the summer of 1943 in the form of a debate in the democratic press and at various conferences on, firstly, the need for national unity against the internal and external enemy and, secondly, the respective roles of working class, middle class and peasantry.⁽²⁰⁰⁾ The debate initially focused on the definition of national unity by cautiously emphasising the leading role of the working class in the event of cooperation. A contribution to the debate by

József Darvas, in an article entitled 'Further by one step', brought the peasantry into the argument as a previously neglected but interested party which should not be left out of such cooperation.⁽²⁰¹⁾ In this regard, meetings were also organised by the National Youth Committee (OIB) to discuss cooperation for joint action between workers, peasants and intellectuals. Before, however, any of this 'theoretical debate' could be translated into real achievements an unexpected event, the German-Soviet non-aggression pact signed on 23rd August 1939, created ideological confusion amongst the socialist rank-and-file, leading to anti-Soviet sentiments within the SDP. No further progress in the area of cooperation occurred until the second half of 1941, after Hungary's entry into the war, when the whole idea of national independence and unity was rekindled, in similar vein, by the democratic parties in the press.

When Hungary entered the war on 27th June, 1941 the entire internal political scene changed drastically. Firstly, it ushered in a period of accusations against the SDP, demonstrations with slogans saying 'out with the social democrats'⁽²⁰²⁾ and questioning of its legality. The threat of dissolution by the regime as a sword of Damocles hanging over the party's head resulted in extremely cautious relations with the regime throughout much of the period. It was, however, allowed to operate, within strict limits, until the occupation, but many of its members, mostly on the left, were periodically arrested. The party often had to show its will to purge itself of communists and to demonstrate that it would not allow communist agitation in the trade union movement. The party's leadership remained unreceptive to communist proposals for anti-war agitation, fearing risking its existence.⁽²⁰³⁾ The regime, in the end, wisely decided that since there were no production problems due to disruption, labour unrest, strikes or sabotage, a ban on the party could create more problems with disorganised workers, who could also become an easy target for the communists. The SDP suffered also because of a significant decline in its membership by

1942, from its 1939 peak, due to the development of war industries, where unionisation was officially discouraged and also because workers change affiliation from the 'left' to the 'right' and joined the Arrow Cross or were called up for military service, which especially affected the peasants. Secondly, in the political arena, the party initiated the main theme in wartime Hungary of 'national independence', 'popular front' and 'cooperation'. A press debate through the summer rekindled the theme of 'national unity' and developments in the winter of 1941 significantly increased the anti-war, anti-German feeling in the country, generating widespread, purely nationalist reaction, which unwittingly helped the communist organisers of the 'Independence Front'. Covert communist manipulations resulted in a series of tactical non-ideological articles by a team of writers in the Christmas issue of Népszava in which the emphasis was on patriotic solidarity and national independence. This represented a brief first move, made jointly by workers, peasants and progressive intellectuals, towards the formation of a 'Popular Front'. Apart from creating a stormy press debate amongst conscious intellectuals, however, it achieved very little impact on the mass of people, who were delighted at the territorial gains and the war against the generally disliked Soviet Union.⁽²⁰⁴⁾ Another manifestation was the creation of the 'Magyar Történelmi Emlék Bizottság' (MTEB) - Hungarian Historic Memorial Committee - in January 1942 by communists and communist sympathisers, supported by the democratic press and for a while by some misguided, but important personalities from all walks of life, with the ostensible aim of propagating the ideals of the 1848 revolution. This committee organised patriotic demonstrations against the war and against Hungary's dependence on Germany, calling on the people to resist Germany's threat to national independence. Although secret negotiations between the HCP and SDP for a 'Joint Committee' to direct these independence activities and industrial sabotage failed, for the same reasons as before, the 'Popular Front' idea had taken another

step forward.⁽²⁰³⁾ Official harrassment and the SDP denunciation of the demonstrations perhaps induced by government pressure, and the arrest of its President, Imre Kovács, led to the early demise of the Committee.⁽²⁰⁶⁾ A police sweep in April 1942, arrests of communists in Népszava, the SDP purges of communists and sympathisers within the party and a decree, prohibiting young people from joining political associations led to the disbandment of the 'National Youth Committee' (OIB), and to the disintegration, for a time, of the 'Independence Front' policy for national cooperation. The SDP leadership firmly opposed continuing the policy of national cooperation on the grounds that communists were involved in the 'Independence Front'. Thus, from the summer of 1942 the SDP reverted to its previous passivity, its daily Népszava devoted itself almost exclusively to the problems of industrial workers and did not even mention the issue of cooperation between workers, peasants and other social classes. But by October 1942 the idea of an 'Independence Front' was resurrected, with the old slogans of cooperation between the classes. The revival was led initially by the press, especially the daily Magyar Nemzet, and the bourgeois members of the fateful 'Historic Memorial Committee', but soon the communists regained their control over the movement. Also, in November 1942 the HCP in a general policy statement to party members and to the socialist left, reiterated the party's advocacy of a 'national fighting front', led by the working class, but including also the peasantry, the progressive intellectuals and indeed anyone willing to cooperate in bringing about the downfall of the government. To achieve this, it would need the mobilisation of the leftist elements within the SDP, TU, SHP and its affiliated Peasant Union.⁽²⁰⁷⁾

The SDP was in a difficult position regarding national cooperation. The non-socialist, bourgeois democratic parties insisted that cooperation must be genuine, sincere and based on democracy, and the socialists must, therefore, abandon the principles of 'class struggle' and 'dictatorship of the proletariat'.

After long internal debate the SDP accepted these terms and, in early November 1942, concluded an agreement which provided for cooperation between the parties on that basis. The communists, at this stage, had little influence. After this agreement the SDP and the SHP remained in regular contact.

Meanwhile, preparations for convening the 33rd Party Congress, the first and last during wartime, for 13th December 1942, were completed. The Ministry of the Interior gave permission for the Congress but for one day only.⁽²⁰⁸⁾ Because of the decision not to antagonise the regime, the SDP later referred to this as the 'Silent Congress'. It proceeded with great circumspection in order not to jeopardise the party's relations with the new Kállay administration.⁽²⁰⁹⁾ The SDP believed that it was much more prudent to try to save the party intact and ready for action when it was called upon to fulfil its historic role when the war ended. The Congress, therefore, simply reiterated that the policies endorsed by the previous Congress in 1939 were still valid but under the prevailing conditions could not be realised. The party Chairman, Károly Peyer, in his keynote speech introduced the theme 'to prepare and be ready for government'. He said that the war indicated that after it ended the SDP would have a say in deciding Hungary's future. The Congress also emphasised that the party could not be considered a 'hiding place for Bolshevik agitation' and stated clearly: 'we are not bolsheviks and we do not use, nor do we approve, their methods.' It was stressed that neither the party nor the trade unions' independent policy could give cover to bolshevik agitation, and declared: 'we are to the core social democrats and we shall not deviate either to the "left" nor to the "right" from this road.'⁽²¹⁰⁾ Peyer also called the attention of the Congress to the possibility of national cooperation with the government, and stressed that different ideology should not prevent the party from joining such action.

The military setbacks for the Axis at the turn of 1942-43 and early in 1943, augmented by the internal strains of the wartime economy, more and more

convinced the Kállay administration that Hitler's Germany could not win the war. Very cautiously, a slight shift in emphasis in Kállay's speeches can be observed: Hungarian independence, defensive war, etc., and omission of the glorification of Hitler. According to the Allied Powers, Hungary desperately needed social reforms. In trying to satisfy public opinion and to refute Western charges, Kállay devoted parliamentary time, in the Spring of 1943, to discussing various social reforms proposals and generally wished to initiate a process of democratisation of the country, mainly to avoid a repetition of 1918.⁽²¹¹⁾ He declared his willingness to cooperate with any parties prepared to accept some basic conditions to avoid internal disintegration and to participate in moulding Hungary's future. He offered the possibility of cooperation with the SHP, the dominant opposition party, and invited the SDP to join in the cooperation if it was willing to abandon its 'dogmatism' and accept it without criticism, i.e., it rejected Marxism, which was a bar to national unity.⁽²¹²⁾ The choice for the SDP was now either to return to cooperation with the government and other bourgeois circles - in a sense already accepted by the Trade Union Council, in January 1940 - or to cooperate with the communists in reviving the 'Independence Front' policy. In either case, the party had to throw off the passivity which permeated it.⁽²¹³⁾

Since the summer of 1942, many of the bourgeois groups had endeavoured to loosen Hungary's relations with Germany and to look for possibilities of extricating Hungary from the Axis coalition. They reckoned on the support of the SDP. Regular and close direct, and indirect, contacts existed between them and the representatives of the SDP since the autumn of 1942 and these groups pressed the regime to provide greater freedom of movement for the Social Democrats.⁽²¹⁴⁾ In Parliament, Zoltán Tildy, of the SHP, sided with the SDP, if not overtly, at least by offering the possibility of cooperation.⁽²¹⁵⁾ Also, the Christmas issue of Népszava, by now almost an annual event, carried a

feature article entitled 'Towards Tomorrow's Hungary'. It called for an expanded campaign for the recruitment of general and branch secretaries. The article emphasised the legality of the SDP, by which it aimed to give the party a political foundation such that it would be tolerated, perhaps even supported, by the government, so as to be ready for action at the end of the war. After the Congress, party and trade union organisational work revived and permission for meetings and conferences was given by the police all over the country. This recruiting drive went on throughout January and February 1943, mainly at lower and middle levels, but the new recruits tended to be of leftist mentality, keen and ready to work. The leadership, of course, knew about this and attempted to 'filter out' bolshevik elements by strict conditions of recruiting.⁽²¹⁶⁾ And after the HCP was dissolved, in May 1943, confidence among SDP members of 'winning on all fronts' was widespread.

By late summer of 1943 political and military developments persuaded the SDP that the time had come to make urgent decisions about the party's future. Some of its top leaders, independently, began to prepare in earnest a working programme entitled 'Tomorrow's Hungary'. It was greatly influenced again by West European thought and especially the British Labour Party's Beveridge Plan.⁽²¹⁷⁾ It was a substantial work which, after an introduction of socialist principles, focused its attention on a number of issues, in four main areas, composed of 10 separate chapters: form of state; economic structure; social and cultural policies. The economic section of the programme was largely based on the party's 1903 programme, but 'modernised' in main ideological questions, envisaging a mixed economy with nationalisation of key industries and state control over capital and banks. In agriculture it advocated the distribution of all estates above the size of 200 cad. yokes. After an inconclusive and at times heated critical debate, lasting until the Autumn of 1943 - during which time it was distributed selectively internally for comment - a compromise

solution was adopted whereby the 'working programme' was referred to a set of 'Specialised Committees', established in July, by the leader Károly Peyer. One of these committees, the 'Intelligence Organising Committee'⁽²¹⁸⁾, was entrusted with the task of drafting, in a realistic and practical manner, not firm political and economic plans, but a moderate reform programme for a transitional economy, designed to avoid a repetition of the disastrous transition from war to revolution during 1918-1919. The specialised areas considered by some of the groups in this Committee, 8 altogether, were such that they did not have to consider the situation after the war nor take a position on the form of 'future society'. Groups (i) public laws and public administration and (ii) economics, however, could not avoid considering these questions. Thus, in that respect four possible alternatives were considered by the first group:

1. a Socialist State
2. a Socialist State, but not governing on purely socialist principles
3. the SDP governs, in coalition with other parties
4. the SDP remains in opposition

After consultations it was agreed that the third variant was to be worked out in detailed draft form. The second group, on economics, considered two alternatives - a moderate and a radical variant, i.e., a revolutionary one, where the political and economic structure had altered radically - and made formal proposals on the second variant, arousing great anger amongst the Peyer leadership. So much so that it ultimately ruled that it was impossible to deal in such detail with a situation when it was not known what in fact would happen after the war; it therefore, conveniently, rejected the proposals.

Thus it would seem that the policy of the SDP was decisively influenced by its conception that it would govern after the war, in coalition, and the party,

therefore, did not want to lay itself open to attacks by endorsing a revolutionary alternative which would obviously be unacceptable to prospective coalition partners. The left-wing of the SDP, however, anticipated a drastic increase in the political influence of the working masses and accordingly expected a coalition led by a 'worker-peasant alliance'. It also linked democratic transformation with a gradual transition to socialism. To this extent, two opposing groups, both established firmly, could be observed within the SDP. Firstly a leftist group around Árpád Szakasits, who wished to revive and further develop the 'independence front' policy, initiated and largely influenced by the communists, and, secondly, a rightist group, around Károly Peyer, who found the Kállay government's aim to 'rescue the system' attractive and tried to find a way out of the war. So, almost customarily, there was a split within the social democratic movement.

At the turn of 1942-43 the communists and the left of the SDP began to revive the crushed 'Independence Front'. The first signs of this appeared, as mentioned earlier, in the Christmas 1942 issue of Népszava, where Árpád Szakasits, in a leading article entitled 'Class struggle and National Unity', urged opposition to those who wished to postpone the 'Front' policy. Having declared 1943 the 'Year of Petöfi'⁽²¹⁹⁾, it organised a Petöfi Conference, on 3rd January 1943, and under his patronage formed a kind of 'popular front' committee, similar to the 'Historic Memorial Committee' (MTEB), to urge the alliance of all forces wishing to save the nation. The working class, however, assumed the primacy in this policy.⁽²²⁰⁾ This whole programme, however, was frustrated by the determination of the regime, combined with other political forces, not to allow the left to gain the initiative and, by the Spring of 1943, a barrage of articles appeared in the bourgeois democratic press on the question of 'national unity'. There were, however, differences of opinion within the bourgeois democratic camp, too, and for this reason it could not act in complete unison. Some

rejected the basic requirement for a bourgeois democratic transformation, namely a radical land reform.⁽²²¹⁾ Under these circumstances a group around Rudolf Andorka decided to take the preliminary steps to establish a political plan of alliance, with the participation of the SHP and SDP, and proposed to set up a 'Hungarian Cooperation Committee' with the aim of promoting cooperation and alliance among workers, peasants and intellectuals. Its most important task was to work out a plan to overcome the problems of establishing a 'democratic Hungary of the future'. The proposal declared that the Committee was based on the principle of 'constitutional monarchy' and refused to cooperate with any party or political group which used revolutionary methods to achieve its aim.⁽²²²⁾ This, of course, meant the exclusion of the communists.

Meanwhile, in April 1943, the communists has published their programme for national unity and alliance.⁽²²³⁾ In this way they opposed the Kállay regime and all other groups rallying behind its policies. The communists decided that an attempt should be made to repair contacts, through the left of he SDP, to achieve a modus vivendi between the two parties. The majority in the SDP leadership, however, again rejected the possibility, not only for an agreement between the two parties, but even of resuming discussions. The Peyer leadership was convinced that any decision regarding the plans for the future need not seriously concern itself with the communists. At this stage the party still seems to have believed that a Western occupation of Hungary would come after the war.⁽²²⁴⁾ Indeed, during this period the right of the SDP still aired its anti-communist convictions frequently and happily and rejected any cooperation with the communists. In April 1943 a meeting between Árpád Szakasits and János Kádár to reach a tentative agreement - the former feared that it would lead to renewed arrests and loss of contacts with other democratic parties, and there was disagreement over the illegal communist methods, which they were unwilling to renounce.⁽²²⁵⁾ The left in the SDP was, of course, not afraid of revolution. It

believed in a revolutionary transformation of Hungary after the war and it was willing to establish a dialogue with the communists. Most of the contacts, however, that developed were at a lower level, because higher levels were worried about legality and the very existence of the party.

By the Spring of 1943 the SHP also abandoned its passive 'wait and see' attitude and published its own programme. As the largest opposition party, it decided to pursue an active opposition policy. It joined other opposition parties in recognising the Hungarian geopolitical dilemma and refrained from attacking the government. It began a serious rejuvenation and within weeks had reorganised its agrarian section. Failing to get a clear response from other bourgeois democratic parties or from the SDP it began a recruiting drive among anti-German intellectuals with a view of enrolling them in its own 'Citizens Section (or bourgeois, middle-class section) established in May 1943, under the leadership of Bajcsy-Zsilinszky.⁽²²⁶⁾ At the time this section had no great impact on the fortunes of the party, but its significance became apparent after 1945, when centre and right-wing parties were not permitted to function and many intellectuals, in fact, joined the SHP. The road towards cooperation between the SDP and SHP was greatly enhanced by an open invitation from the General meeting of the SHP, in June 1943, offering cooperation to the SDP. Soon after this, concrete negotiations reached complete agreement on 7th August 1943, after which the two parties formed a 'parliamentary alliance'.⁽²²⁷⁾ This agreement was greeted by István Dobi in the name of the 'Agricultural Section' of the SHP as the most important domestic event in the preceding 20 years.⁽²²⁸⁾ Its reception was not so uncritical, however, in other quarters. Some, especially the populists around Szabad Szó - the main organ for the National Peasant Party, voiced their concern that it would adversely affect the interests of the poor peasants and a 'Popular Front'.⁽²²⁹⁾ Even within the SDP the reception was not unequivocal either. A small, but important, section opposed this cooperation on

ideological grounds and Árpád Szakasits in particular, while acknowledging its importance, emphasised the ideological differences between the two parties and maintained the primary importance of the point that in 'tomorrow's Hungary' workers should be given greater importance.⁽²³⁰⁾ Organised labour, however, supported the cooperation agreement, with some reservations, but asked if it was a 'pact', what role was played in it by the government. Some saw in it the sabotaging of workers' interests. The communist 'Peace Party' greeted the agreement warmly and stated that it was an important step towards national unity, but believed it could only fulfil its real role of anti-fascist, anti-German forces, mainly from the left, were brought together to initiate a mass movement. The extreme right attacked and blamed the government for giving such a destructive role to the left.

After the events in Italy Kállay was ready to sit down with the leaders of the SDP and SHP to discuss the questions of 'neutrality' and 'withdrawal from the war'. Knowing that this could precipitate occupation by the Germans all accepted a 'secret, diplomatic' procedure. International events, of course, not only influenced 'world politics' but made themselves felt on the domestic scene. Workers' activity increased and there was pressure from below to resort to concrete action, which the left of the SDP tried to exploit, urging action.⁽²³¹⁾ The Italian armistice and internal pressure, galvanised the leaders of both parties - the SDP and the SHP - into action. A common memorandum was submitted to Kállay on 12th September 1943, in which they demanded that the government take the necessary risk and withdraw from the war.⁽²³²⁾ The SHP, in its declaration, promised to support the government not only in foreign policy but also in securing a satisfactory transition from war to peace.⁽²³³⁾ Kállay, however, on the one hand, wanted to wait for the appearance of British-American troops at Hungary's border and, on the other hand, believed that the danger of occupation would rally the other parties around the government. The

policy of 'wait and see' appeared the only real alternative available to the government, which believed that the regime could be rescued if internal political discipline was such that no grounds were provided for a German occupation. The main condition for this was internal discipline and political stability. Hence, the government's attacks on the communists and their supporters. But it did not extend them to the SDP and SHP opposition parties, whom, in fact, it often defended against the attacks of the extreme right, which promptly accused Kállay of trying to make social democracy 'presentable' and 'acceptable'.⁽²³⁴⁾ Undoubtedly, interest in and membership of the SDP and the trade unions increased during these months, reaching almost its 1939 peak level. During December 1943, both the SDP and the trade unions began to revive, attracting a growing number of lower middle class and white collar workers. The centre and the moderate left of the party were widely regarded as the winning side. There was, therefore, a great influx of recruits to the various sections of the SDP, as well as the SHP, which were now able to pick and choose amongst the applicants.

Kállay's policy became more and more concerned with trying to 'rescue the regime' intact without too much upheaval and disenchantment and with avoiding occupation. He asked Parliament and the Upper House to support him in these endeavours. He announced that, as ever, his whole action was influenced greatly by the urgent need to fight against bolshevism and revolution. Both the SDP and the SHP assured him of their continued support in his attempts to achieve 'national unity'.⁽²³⁵⁾ The question of what would happen after the war ended occupied the thoughts of political leaders of all persuasions more and more. To achieve political stability and to 'rescue the nation', Kállay suddenly changed political direction at the turn of 1943-44. Instead of continuing with his policy of favouring the left, he leaned to the right and tried to pacify and appease it. He hoped in this way to be able to avoid a German occupation and to gain the support of the 'right' against the dangers looming from the East. The bourgeois

democratic parties, their confidence shaken by Kállay's opportunistic diplomacy, attempted to build a second line of defence behind Kállay. Negotiations for a 'Bourgeois Democratic Alliance' came to a head at the beginning of 1944: a programme was drafted for debate.⁽²³⁶⁾ The proposed programme, built upon the democratic demands of the 'Hungarian Cooperation Committee' (MEB), described its basic aim to avoid the disaster of 1918 and to achieve the restoration of 'legitimate Hungarian Monarchy'. It proposed to leave private property intact and instead of a general land reform advocated a partial land reform with full compensation. All these measures implied, of course, the exclusion of communists from any future political developments and denied the possibility of legitimising them. The SDP, too, was excluded from the negotiations, as was the radical wing of the SHP, which pointed to the fact that one section of the SHP was quite happy to leave the 'cooperation agreement' concluded with the SDP and was willing to exchange bourgeois democratic transformation for a programme which aimed to reform the system very moderately.⁽²³⁷⁾ With regard to agriculture, it was satisfied with a partial land reform, leaving the medium sized and church estates intact. The SDP protested in the strongest terms against this new endeavour.⁽²³⁸⁾ It warned that the working class would not sit by idly waiting for external internal political forces to solve the tasks of the nation.

At the beginning of 1944, when the Russian Armed Forces were no more than about 95 miles from the Hungarian frontier, it became more and more clear that any efforts to negotiate a separate peace must be illusory. The communists warned the SDP leaders, in a memorandum, about the dangers involved in their continued support of the regime and stressed the vital necessity to widen the existing cooperation framework into 'genuine national unity'.⁽²³⁹⁾ Similar sentiments had also been expressed by certain leaders within the SDP and TU movement. Others, notably Peyer, however, cautioned those who wanted to

move too far and too quickly towards a radical solution.⁽²⁴⁰⁾ The solid 'rightist' core of the party, accepting this advice, rallied behind Peyer. The left, however, led by Árpád Szakasits, attempted to shift the party's policy towards taking immediate action and did not wish to wait 'idly as history passed us by', as Szakasits declared.⁽²⁴¹⁾ The left, however, at that time was not such a unified force at top and middle leadership levels in the party as in 1940-1942. Furthermore, the well organised communist network was not there either to help it, hence, its impact on party politics was weak. But, contrary to the 'right' of the party, the left was not alarmed by the prospects of revolution. Indeed, it often expressed the belief that after the war the transformation of the country, the transition to a socialist Hungary, was most likely to be revolutionary in character. It was in favour of working together with the communists, although contacts were, largely, restricted to lower and middle levels; contacts and sentiments to cooperate were very much lacking at the top level. The isolated political actions taken were still considered too limited to justify independent political initiatives by the left. In this way they were greatly influenced also by their own weakness and their fear of losing the operational legality of both the party and the trade unions. But when the Red Army Forces were approaching the Hungarian border in early 1944 this situation was to change. On 16th January 1944 at a Party general meeting held at Nagyvárad and attended by 200 delegates, the first sign of change came.⁽²⁴²⁾ In a keynote speech, Károly Peyer spoke out unusually strongly against the extreme right and called upon organised labour to fight hard against it. The central theme of his address was still the task facing the party in preparing for the future. All this was, however, unacceptable to Árpád Szakasits who, when his turn came, called upon the delegates to give up the prevailing party passivity since the hour had arrived when members clearly and openly had to decide which 'camp' they joined. The future of the country, he declared, could not be entrusted to chance. His

message to bourgeois forces, who he said protected the past against the social democratic left, was that the party was 'a bridge between the past, present and future' with its aim of 'a free, independent Hungary, founded on social democracy'. This was a speech which in sentiment returned to the policies of 1941-1942 and laid the foundations for the 'Hungarian Front', discussed earlier,⁽²⁴³⁾ which was established in a few months time, in May 1944, and included the communists.

Thus, from the beginning of 1944, two main political trends can be observed: (i) a shift to the left in the SDP, with increased cooperation between the left socialists and the communists and (ii) closer personal and organisational relations generally between the opposition parties. This strengthening in relations between the democratic parties, especially the common stand by their left, made it possible, on the eve of the occupation, to exert pressure on the government and, in the name of these parties, to demand the breaking off of relations with Germany and the seeking of support from the Allied Powers for measures to prevent a German occupation. These pleas, however, were rejected by the Kállay Government for the ostensible reason that all such measures could still be postponed.⁽²⁴⁴⁾ So, in this critical situation, the rejection of independent actions initiated by the democratic parties and their continued trust in Kállay's diplomacy mumbled these parties and prevented them from mobilising their forces, preparing to move underground and taking steps to protect their members from arrest. The crisis could not, in fact, be put off any longer and German troops occupied Hungary on 19th March 1944.

The consequence of the occupation was a ban on all democratic parties and a propaganda war against them. The occupation, naturally, had a particularly adverse affect on the SDP, in a sense the consequence of its own policies. The 'above ground' movement, owing to its belief in the principle of 'peaceful transition of Hungary to democracy', was very exposed and received a

serious blow; having lost this tactical aim it was not in a position to establish an 'underground' movement.⁽²⁴⁵⁾ Unpreparedness, Gestapo arrests and murders of SDP leaders and lower and middle functionaries, the ban on the daily Népszava, the occupation of party and trade union premises and confiscation of its assets totally paralysed the party and trade union movement. Also, Gestapo arrests and raids on meetings discouraged illegal organisational activity. The trade union movement was not banned. It was waiting for discussions with the Government, which it believed could turn out favourably for it since the government had already satisfied the minimum demands of trade unions and they believed that they could trade the promise of labour discipline for freedom of operation. The leadership of the workers went, automatically, into the hands of the communists who, already underground, were hardly affected. Particularly serious was the blow to the rural party organisation of the SDP when, after the occupation, many of its leaders were arrested and the army began in earnest to call up members for military service. Those leaders who managed to avoid arrest retired from politics and refused to undertake any illegal organisational activities. They were preoccupied with their efforts to try to save the formal functioning of their institutions and to reach some sort of accommodation with the new government. The 'left' of the party, if not arrested, went immediately underground and tried to organise the nucleus of a resistance movement. This group, which developed around Árpád Szakasits, was politically and ideologically inclined to establish close working relations with the communists and to operate within their resistance movement and work towards the establishment of an illegal SDP network. Throughout this period, the left wing of the SDP and the communists worked closely together. They both agreed to work inside and develop the 'Hungarian Front' and the left SDP paved the way for the communists to join, since while the other parties were very apprehensive of the communist's presence, they hoped that the SDP would establish the upper hand in the Front for the socialists.

In September 1944 the Communist Party was reconstituted under its old name; but dropping the adjective 'Hungarian' to reflect the dissolution of the Comintern. The newly appointed CP leadership concentrated all its efforts on changing the elusive 'Hungarian Front' into an effective political alliance. The plan for this, inter alia, envisaged a unified workers' party. After long discussions between the CP and the left of the SDP and the trade unions it was agreed to sign a formal agreement for joint action, but to postpone the merger of the two parties⁽²⁴⁶⁾, until times were more normal. Discussions with the centrist trade union leaders, Antal Bán and Lajos Kabók, unexpectedly broke down at the last minute and they refused to sign the document.⁽²⁴⁷⁾ Árpád Szakasits had reached this agreement on his own and some influential party members protested against it and promised to expel all those who signed it. Nonetheless, on 10th October 1944, the joint action document was formally signed by Gyula Kállay and Árpád Szakasits on behalf of the communists and social democrats respectively.⁽²⁴⁸⁾ The two parties agreed that the final objective of each was the establishment of socialism in Hungary. This, however, hardly represented official SDP policy.

By September 1944 increased leftist influence in the 'Hungarian Front' can be observed. On 20th September 1944 a communist-drafted memorandum, composed of 4 main points, was sent to Horthy.⁽²⁴⁹⁾ It was signed by the left-leaning Zoltán Tildy (SHP), Árpád Szakasits (SDP) and Gyula Kállay (CP). The memorandum called for:

- i) withdrawal of the Hungarian army from the war and the disarmament of German forces on Hungarian territory.
- ii) declaration of war against Germany
- iii) the sending of delegations to the Governments of the Allied Powers to discuss an armistice.
- iv) establishment of a 'Hungarian Front' coalition government.

Another memorandum was sent at the beginning of October,⁽²⁵⁰⁾ in which the 'Hungarian Front' again offered its good offices to Horthy, who was already considering, tentatively, leaving the Axis. The memorandum emphasised that any move to leave the war and Germany could only be successfully accomplished with the help of armed workers. By this time, however, the Red Army had penetrated into Hungary and secret negotiations were already under way with Horthy's representatives in Moscow, when suddenly and without any warning to the leaders of the 'Hungarian Front' came to the broadcast of Horthy's armistice proclamation, which because of lack of preparation and German fore-knowledge, was doomed to failure.⁽²⁵¹⁾

After the Nazi coup on 15th October 1944 Ferenc Szálasi, leader of the Arrow Cross Party, was installed by the Germans to replace Horthy. After its assumption of power the Arrow Cross Party conducted a campaign of vengeance and persecution against all bourgeois democratic and leftist parties which had participated in the 'armistice attempt'. Although the trade unions were not banned, their legal and illegal work was completely paralysed. Many social democratic leaders were arrested and murdered by the fascists; and the illegal nucleus of the SDP, together with some other better established organisations, soon disintegrated. Some members belonging to the 'Hungarian Front' and having close relations with the CP were able to secure forged personal documents to avoid arrest. Some joined the resistance movement. By the end of October, however, the 'Hungarian Front' was reactivated, but control over it was lost by the group around Árpád Szakasits. And when, in November 1944, the political centre of gravity shifted away from the 'Hungarian Front' to the newly established 'Liberating Committee of the Hungarian National Uprising'.⁽²⁵²⁾ (Magyar Nemzeti Felkelés Felszabadító Bizottsága - MNFFB) which, as well as the 'Hungarian Front' parties, incorporated other anti-German, anti-Arrow Cross,

bourgeois organisations and interests. The Committee drafted a programme in which it called for resistance against the Germans, a free independent democratic Hungary, the introduction of social reforms in certain areas, and cooperation with Hungary's neighbours including the Soviet Union.⁽²⁵³⁾ It declared the Szálasi Government unconstitutional and claimed legal continuity for the Committee. It planned to organise a national uprising and to establish contacts with the Red Army and it sent a delegation, headed by Professor Albert Szent-Györgyi, carrying a letter to Molotov in which it recommended, inter alia, the preservation of the existing civil administration and police in the Soviet-occupied areas.⁽²⁵⁴⁾ All these plans, however, collapsed after a wave of arrests and executions by the fascist Arrow Cross Government, leading to the downfall of the Committee. Some of its members managed to escape to the Soviet Union where their role became almost totally insignificant compared with the influence on future events exercised by the exiled 'Muscovite' Hungarian communists. Others joined the militarily ineffective resistance movement.

Chapter 2

1. The Smallholders, the Bourgeois Liberty and Party, the Democratic Party and the Christian Parties comprised an opposition of the Centre
2. Magyar Történelmi Kronológia, ed. Péter Gunst, Bp. Tankönyvkiadó, 1968, p. 345
3. Ibid., pp. 296
4. Ibid., pp. 338-340
5. After negotiations, Nagyatádi's 'Smallholders' Party' and Rubinek's 'Farmworkers' Party merged in December 1919
6. C.A. Macartney, October fifteenth - a history of Hungary, Edinburgh University Press, 1957, vol. I. p.27n
7. Magyar Történelmi Kronológia, op. cit., pp. 341-342
8. P.ZS. Pach, (ed.), Magyarország Története 1918-1919, 1919-1945 (The History of Hungary ...) Bp. Akadémiai Kiadó, 1976, Vol. 8, p. 1242
9. In effect, Bethlen and his followers attended a Smallholders' Party dinner and joined the Smallholders Party. The party was, still, officially called 'Christian, Smallholders, Farmworkers and Bourgeois Party', elected chairman - Nagyatádi, party leader Bethlen and executive deputy chairman Gyula Gömbös
Magyar Történelmi Kronológia ... op. cit., p. 345; see also Miklós Szinai and László Szücs (eds.), Bethlen István Titkos Iratai (Secret Documents of Istvan Bethlen), Bp. Kossuth, 1972, p. 21
10. P.ZS. Pach, (ed.), Magyarország Története, Vol. 8, op.cit., pp. 451-455
11. Magyar Történelmi Kronológia ..., op. cit., p.346
12. Ibid., p. 346
13. Dezső Sulyok, A magyar tragédia, Newark, N.Y., 1954, p. 417
14. Ferenc Nagy, The struggle behind the Iron Curtain, The Macmillan Company, New York, 1948, p.14
15. P.ZS. Pach, (ed.), Magyarország Története, Vol. 8, op.cit., pp. 631-673
16. Ferenc Nagy, The struggle, op. cit., pp. 22-24
17. P.ZS. Pach, (ed.) Magyarország Története ... op.cit., Vol. 8, p. 626
18. István Vida, 'A független Kisgazdapárt 1930 évi Békési programja', Történelmi Szemle, No. 1, 1967, pp. 78-86
19. Ferenc Nagy, The struggle...., op. cit., p. 24

20. P.ZS. Pach (ed.), Magyarország Története .. op.cit., Vol. 8, p. 626
21. István Vida, A Független Kisgazdapárt Politikája 1944-1947, Bp. Akadémiai Kiadó, 1976, p.7
22. P.ZS. Pach, (ed.), Magyarország Története, op. cit., Vol. 8, pp.836-837
23. In 1931 the party gained 10 seats; in 1925, 25 seats about, 10 per cent of all mandates; in 1939 it decreased to 14 seats in Parliament, 5.5 per cent of all mandates. The contrast of the fortunes of the new party compared to Nagyatádi's is striking when he had 91 seats in 1920
P.ZS. Pach, (ed.), Magyarország Története ... op.cit., Vol. 8, pp. 628-629; pp. 710-711; pp. 992-993
24. Miklós Szinai and László Szücs (eds), Horthy Miklós Titkos Iratai ..., op. cit., pp. 197-204

The party promised to endeavour to make the proposal accepted within a year in full. Again, in its journal 'Independent Smallholder', on 2nd April, 1939, it informs its readers that the Imrédy government proposal of January 1939, taken over by the Teleki administration will be accepted, with some reservations. There was no reference to land-reform in this proposal

25. see: footnote 23 regarding the 1931, 1935 and 1939 general election results
26. Both leaders remained at their respective posts throughout the war and emerged as the main party spokesman in post-war politics
27. Miklós Szinai and László Szücs, Horthy Miklós Titkos ..., op. cit., p. 477
28. István Vida, A Független Kisgazdapárt Politikája op.cit., pp. 13-14
29. A Kisgazdapárt 1943 - as programja, Bp. 1943, Institute of Party History Archives (hereater cited as P.I. Archives), 285, f,1/40
30. After the war the programme, as will be shown, was revived with some modifications and adjusted to prevailing circumstances
31. István Vida, A Független Kisgazdapárt Politikája op.cit., p. 12
32. For a good account of Hungarian populism see Gyula Borbándi, Der Ungarische Populismus, Studia Hungarica 7, Ungarisches Institut, München 1975. On populist writers, see Magyar Szocialista Munkáspárt Határozatai és Dokumentumai (Resolutions and Documents of the Hungarian Socialist Workers' Party) 1956-1962, bp. Kossuth, 1964, pp. 196-223
33. see, e.g., Ferenc Erdei, Futó Homok, Bp. Atheneum n.d. (1933 ?); Gyula Illyés, Puszták Népe; József Darvas, Egy parasztcsalád élete; Géza Féja, Viharsarok, Magvető, Bp 1957; Zoltán Szabó, A tardi helyzet, Cserépfalvi, 1937
34. Földreform 1945 op. cit., p. 26

35. Many populists reached high party and state office in the post-war communist takeover, were imprisoned in the purges of 1949 and were instrumental in the beginnings of the 1956 revolution
36. Salamon Konrád, A márciusi front, Bp. Akadémiai Kiadó, 1980. See also Imre Kovács, A márciusi front, New Brunswick, New York, 1980
37. For the full text of the 12 points programme see Salamon Konrád, A márciusi ... op. cit., p. 27; Népszava, 17th March 1937
38. József Révai, 'Van-e pánszláv veszély', Dolgozók Lapja, 1937-1938, Bp. 1955, p. 28
39. József Révai, 'Szellemi front?' Gondolat, No. 6, 1937, pp.317-318
40. 'A márciusi front kiáltványa', Válasz, No. 11, 1937, p. 678
41. Salamon Konrád, A márciusi ... op. cit., pp. 89-90
42. Imre Kovács, A márciusi ... op. cit., p. 78
43. Ibid., p. 121
44. Salamon Konrád, A márciusi ... op. cit., 140-141
45. Imre Kovács, A márciusi ... op. cit., pp. 58-59
46. Ferenc Erdei, 'Mit kíván a magyar nép', Válasz, No. 3, 1938, pp.121-127
47. Salamon Konrád, A márciusi ... op. cit., p. 168
48. After the cessation of the journal 'Válasz', the 'Kelet Népe' was established but the experiment ended in a fiasco. It was after this failure that the 'Szabad Szó' became the official organ of the populists and the mouthpiece of the agrarian poor
49. István Tóth, A Nemzeti Parasztpárt története 1944-1948, Bp. Kossuth, 1972, p. 10
50. Ibid., p. 10
51. Imre Kovács, A márciusi ... op. cit., p. 64
52. István Tóth, A Nemzeti ... op. cit., p. 11
53. Ibid., pp. 11-12
54. Gyula Kállay, A magyar függetlenségi mozgalom 1936-1945, Bp. Kossuth, 1965, pp. 105-106
55. Ibid., pp. 100-105
56. Elek Karsai (ed.), Szálasi Naplója, a Nyilasmozgalom a II. Világháború idején. (Szálasi's Diary, the Arrow Cross movement during the Second World War), Bp. Kossuth, 1978

57. P.ZS. Pach, (ed.), Magyarország Története ... Vol. 8., o. cit., p. 1019; p. 1196
58. Mihály Korom, A fasizmus bukása Magyarországon 1943-1945, Bp. Kossuth, 1954, p. 135
59. For an insider's view of the 'Peasant Alliance' see, Ferenc Nagy, The struggle behind the Iron Curtain, Macmillan, 1948, pp. 34-37
60. István Vida, A független kisgazdapárt politikája ... op. cit., p.16
61. István Tóth, A Nemzeti... op. cit., p. 14
62. Ibid., p. 14
63. Ibid.
64. István Vida, A független kisgazdapárt politikája ... op. cit., p. 24
65. István Tóth, A Nemzeti ... op. cit., p. 16
66. For an early account of the life of these emigrés in Austria, see, Elemér Mályusz, The Fugitive Bolsheviks, London, Grants Richards, Fronto Ltd, 1931
67. Dezső Nemes, et al., A magyar forradalmi munkásmozgalom története. History of the Revolutionary Workers Movement in Hungary, 2nd Edition, Bp. Kossuth, 1970, Vol. 1-2, p. 299
68. There is some controversy regarding the date of the foundation and two different dates are quoted, 24th March 1918, or the Hungarian section of the Russian Communist Party, Moscow and the other date, given above for the foundation of the HCP in Budapest
69. A magyar kommunista párt I - Kongresszusa', Pl. Archives 500 f.2/79
70. Dezső Nemes et al., A magyar forradalmi ... op. cit., p.326
71. The land tax system in Hungary was so unevenly distributed that a small peasant farmer paid, per 1 cad. yoke, on average 5 to 7 times more than a large farmer; credit too was at 2 to 3 times higher interest rates
Ibid., p.327
72. P.ZS. Pach, (ed.), Magyarország Története ... op. cit., vol. 8, p.543.
73. Dezső Nemes et al., A magyar forradalmi ... op. cit., p. 327
74. Ibid., p. 328
75. P.ZS. Pach, (ed.), Magyarország Története ... Vol. 8, op. cit., p. 539
76. Ibid., p. 534
77. Ibid., p. 539

78. Dezső Nemes et al, A magyar forradalmi ... op. cit., p. 335.
79. P.ZS. Pach (ed.), Magyarország Története ... op. cit., Vol. 8, p. 562
80. Kálmán Szakács, A kommunistapárt agrárpolitikája 1920-1930, Bp. Kossuth, 1961, p. 110
81. Ervinné Liptai, A Magyar Szocialista Munkáspárt 1925-1928, Bp. Kossuth, 1971, pp. 223-224
82. Dezső Nemes et al., A magyar forradalmi op. cit., p. 339
83. P.ZS. Pach (ed.), Magyarország Története ... op. cit., Vol. 8, p. 564
84. Béla Kirschner, 'A kommunisták Magyarországi Pártjának 1928, Juliusi Plénuma', Párttörténeti Közlemények, March 1961
85. Dezső Nemes et al., Magyarország Története ... op. cit., Vol. 8, p. 350
86. P.ZS. Pach (ed.), Magyarország Története ... op. cit., Vol. 8, p. 566. For a fuller account and interesting analysis see, Miklós Lackó, Válságok - Választások, Bp. Gondolat, 1975, pp. 171-192
87. No mention of the existence of this thesis was made in historical writings until 1956. It surfaced only once in 1948-1949, when 'right-wing' deviation of Gy. Lukács, and others, were discussed, reference was made to the Blum-Thesis. Miklós Lackó, Válságok ... op. cit., p. 171
88. P.ZS. Pach (ed.), Magyarország Története ... op. cit., Vol. 8, p. 567
89. Zoltánné Horváth, A Magyar Kommunista Párt 2-ik Kongresszusa, Bp. Kossuth, 1964, pp. 40-64
90. Dezső Nemes et al., A magyar forradalmi ... op. cit. p. 368
91. Magyar Történelmi Kronológia ... op. cit., p. 352
92. P.ZS. Pach (ed.), Magyarország Története ... op. cit., Vol. 8, p. 651
93. Ibid., pp. 715-716
94. Dezső Nemes et al., A Magyar forradalmi ... op. cit., pp. 415, 420
95. Ibid., pp. 383-385
96. P.ZS. Pach (ed.), Magyarország Története ... op. cit., Vol. 8, p. 650
97. Dezső Nemes et al., A magyar forradalmi... op. cit., pp. 428-429
98. Bálint Szabó, Népidemokrácia és forradalom elmélet, A Marxista forradalmelmélet fejlődése'nek néhány kérdése Magyarországon 1935-1949, Bp. Kossuth, 1979, p. 48
99. Dezső Nemes et al., A magyar forradalmi ... op. cit., pp. 438-439

100. The Communist Party had used these slogans 'land reform' and 'land distribution' as they were different in content. The concept of 'land distribution' to them was closely correlated to socialist revolution, while 'land reform' was according their usage more appropriate in a democratic bourgeois revolutionary concept. The party, now, adopts the 'land reform' slogan because it was more acceptable a term for the other parties and to the majority of the peasants, who distrusted the rural proletariat. Still, land reform meant to the HCP, land to the peasants without payments
Dezső Nemes et al., A magyar forradalmi ... op. cit., p. 439
101. Ibid., p. 439
102. Ibid., pp. 439-440
103. Bálint Szabó, Népidemokrácia ... op. cit., p.57
104. Ibid., p.61
105. P.ZS. Pach (ed.), Magyarország Története, op.cit., Vol. 8, p.1105
106. Dezső Nemes et al., A magyar forradalmi ... op.cit., p. 508
107. Bálint Szabó, Népidemokrácia ... op.cit., pp. 90-96; 101n
108. István Pintér, Magyar antifaszizmus és ellenállás, Bp. Kossuth, 1970, 192-196
109. P.ZS. Pach (ed.), Magyarország Története ... Vol. 8, op. cit., p. 1169
110. A Magyar Kommunista Párt és a Szociál-demokrata Párt határozatai 1944-1948, (The Resolutions of the HCP and SDP 1944-1948), 2nd ed., Kossuth, 1979, pp. 25-29
111. Bálint Szabó, Népidemokrácia ... op. cit., pp. 77-106
112. A Magyar Kommunista Párt és a Szociál-demokrata Párt ... pp. 37-41; published in full in Debrecen Néplap 30th Novembr 1944
113. Since no study was ever published in English, for this party and its activity during the pre-war period and due to the complexity of its political composition and its changing relation to other political parties and to government it is inevitable, and intentional, that compared to other sections more space is devoted to this party
114. Permisson was denied by the Government to adopt the name of Social Democratic Party, nor were they allowed to elect a formal leadership
115. Magyar Történelmi Kronológia ... op. cit., p. 273
116. Ibid., pp. 276-277
117. Dezső Nemes et al., A magyar forradalmi ... op. cit., p. 35
118. Ibid., p. 37

119. Ibid., p. 41
120. Magyar Történelmi Kronológia ... op. cit., p. 282
121. Dezső Nemes et al., A magyar forradalmi ... op. cit., p. 65
His election to Parliament was nullified in 1906 on grounds of anti-class agitation
122. Ibid., p. 66
123. He was killed by the sons of his political adversary, Endre Zsilinkszy, Magyar Történelmi Kronológia ... op. cit., p. 297
124. Magyarországi Földmunkások Országos Szövetsége
125. Magyar Történelmi Kronológia ... op. cit., p. 293
126. Dezső Nemes et al., A magyar forradalmi ... op. cit., p.47
127. Ibid., p. 50
128. Her more successful Austrian sister party did manage to achieve the extension of suffrage, in 1906, in Austria
129. Ferenc Erdei (ed.), Hazánk Magyarország, Bp. Akadémiai Kiadó, 1970, p. 257
130. Magyar Történelmi Kronológia ... op. cit., p.49
131. Dezső Nemes et al., A magyar forradalmi ... op. cit., pp. 157-158
132. Magyar Történelmi Kronológia ... op.cit., pp. 50-51
133. Dezső Nemes et al., A magyar forradalmi ... op. cit., p. 192
134. 'Kommunista agrárjavaslat a munkás tanács előtt', Vörös Ujság, December 18th, 1918
135. Dezső Nemes et al., A magyar forradalmi ... op. cit., p. 196
136. Ibid., p. 200
137. Ibid., p. 209
138. Ibid., pp. 210-211
139. Tibor Hajdú, Az 1918 - as magyarországi polgári demokratikus forradalom, Bp. Kossuth, 1968, p. 344
140. Dezső Nemes et al., A magyar forradalmi ... op. cit., pp. 211-212
141. Tibor Hajdú, A magyarországi Tanácskötársaság, Bp. Kossuth, 1969, pp. 31-34

142. A magyar munkásmozgalom történetének válogatott dokumentumai, (Selected Documents from the History of Working Class movement), Vol. 5, Szikra, 1956, pp. 688-689
143. The agricultural policies during the period were discussed elsewhere see pp. 21-23
144. Dezső Nemes et al., A magyar forradalmi, ... op. cit., pp. 244-246
145. Ágnes Szabó, A kommunisták magyarországi pártjának újjászervezése 1919-1925, Bp. Kossuth, 1970, p.15
146. see for details - László Réti, A Bethlen-Peyer paktum, Bp. Szikra, 1956
147. for details see present study pp. 77-80
148. the SDP in exile, which participated in the Commune and interpreted the failure of both the Károlyi Government and Soviet Republic to lack of land reform did take a definite stand on land reform and distribution
149. 'A Szociál Demokrata Párt pártszervezetek minden külön hatósági engedély nélkül működhetnek', Népszava, 21st January 1930
The reason for this was twofold, firstly the regime decided it was expedient to create competition between the SDP and SHP for peasants ; secondly, the Government wanted to raise a loan from the British Labour Government and used the SDP to secure the success of the loan
150. P.ZS. Pach (ed.), Magyarország Története ... op.cit., Vol.8 p. 602
151. Népszava, 12th September 1930
152. Magyar Föld, 22nd June 1930
153. István Vida, 'A független kisgazda párt 1930 - as békési, programja', Történelmi Szemle, No. 10, 1967, p. 78
154. P.ZS. Pach (ed.), Magyarország Története ... op.cit., Vol. 8, p. 624
155. Ibid., p. 646
156. Ibid., p.648
157. Dezső Nemes et al., A magyar forradalmi ... op.cit., p. 397
158. P.I. Archives, 658, f5/158 ö.e
159. Zoltán Rónai, 'Munkaterv fasizmus, demacrácia', Szocializmus, February (No. 2), 1936
160. Népszava, 4th August 1935
161. Deszö Nemes et al., A magyar forradalmi ... op.cit., p. 433
162. The general election held in March-April, 1935 was won by the government party with an increased majority. Both the SDP and SHP

suffered losses in mandates compared to the 1931 election, Ferenc Takács's election at a difficult seat to win in Hódmezővásárhely, Trans-Tisza region, was a great surprise to all concerned. It has increased the anti-leadership feeling in the rural SDP

163. Népszava, 7th September 1935
164. Népszava, 23rd January 1936
165. Föld és Szabadság, April, 1936
166. see: J. Takács, 'A magyar Föld korszerű problémája', Szocializmus, No. 6th June, 1936
L. Akos, 'A kisüzemű gazdálkodás igaza', Szocializmus, No. 7, July, 1936
167. Népszava, 27th September 1936
168. Szocializmus, July-August, 1937
169. P.I Archives, 658, f.4.ö.e
170. Illés Mónus, 'Válaszúton', Szocializmus, No. 12, December, 1937
171. Népszava, 7th November 1937
172. P.I. Archives, 658.f.252. ö.e
173. P.I. Archives, 694.f.1.15 ö.e
174. Dezső Nemes et al., A magyar forradalmi ... op. cit., pp. 440-441, also Népszava, April 7th, 1937
175. Ibid
176. Népszava, 4th April 1938
177. Népszava, 3rd May 1938
178. As previously noted, capital for the 'Győr Programme' of rearmament was to be provided on condition that Darányi was replaced
179. Dezső Nemes et al., A magyar forradalmi op.cit., p. 443
180. Népszava, 3rd July, 1938
181. Népszava, 5th and 6th July 1938
182. Dezső Nemes et al., A magyar forradalmi ... op.cit., pp. 446-448
183. P.I. Archives, 658, f.5/195 ö.e
184. Zoltán Vándor, 'Európai demokrácia áll'sa', Szocializmus, No. 10, October 1938

185. Népszava, 26th November 1938
186. For details of intra-party dispute see, P.I. Archives 696.f.32 ö.e
187. P.I. Archives, 658.f 1/35 ö.e. Note, Boosted by the fact that both Szocializmus, the SDP's theoretical monthly, and Népszava, its daily, were banned for a month, on 20th December 1938, by the authorities because its leader article spoke-out strongly against the 2nd Jewish Law
188. P.I. Archives, 694 f.1/10 and 1/16 ö.e
189. Népszava, 28th January 1939
190. Dezsö Nemes et al., A magyar forradalmi ... op.cit., p.452
191. The congress was awaited with great expectations, partly because it was postponed twice, first on November 1938, because of the First Vienna award and, second, from early January, 1939, because the party's daily Népszava was suspended for a month in December 1938, and also because it was expected to bring into the open by discussing the growing rift in the leadership over the conflicting views that existed regarding the territorial aspirations of the nation. The Congress was also reduced from the traditional three days to one
192. The speech by Peyer was fully reported in Népszava, 31st January 1939
193. Népszava, 19th January 1939
194. Népszava, 29th and 31st January 1939
195. P.ZS. Pach (ed.), Magyarország Története ... op.cit., Vol. 8, p.990,
196. Ibid., pp. 992-994
197. At the same time the many enemies created by this law unearthed documents proving that Imrédy himself had Jewish connections and he was forced to resign, in February 1939, and the Regent appointed Count Pál Teleki
198. Out of a total mandate of 260, the ruling government party secured 187, or 71.6 per cent, of the votes. All parties, left of the government lost at the election. The SHP mandates were reduced from 22 to 14 or 5.5 per cent of the total votes
Népszava, 31st May 1939
199. P.I. Archives, 658.f. 5/239 ö.e
200. see, Népszava, 30th July 1939 and 1st and 2nd August 1939 and Magyar Nemzet, 30th July 1939
201. When the debate began the poor peasants were concerned, after the crushing of the 'March Front', together with the Village Explorers, populist writers and rural politicians, to establish a rural political force which eventually succeeded in 29th June 1939, when the 'National Peasant Party' was formed, at least on paper.
Magyar Nemzet, 12th August August 1939

202. Ernő Zágoni, A magyar kommunisták a munkásegységért, Bp. Kossuth, 1963, pp. 130-132
203. Ibid., pp. 180-183
204. István Pintér, Magyar antifasizmus, Bp. Kossuth, 1975, pp. 47-49
205. Ernő Zágoni, A magyar kommunisták ... op.cit., pp. 180-183
The Western powers expected more from the democratic opposition especially the SDP, and a 'Popular Front', was regarded as an ally by the UK, USA, and USSR. The West wanted neither a Hapsburg restoration nor Horthy after the war was concluded
206. Népszava, 14th-15th March 1942
207. István Pintér, Magyar antifasizmus ... op.cit., pp. 117-118
208. For the materials of this Congress see, P.I. Archives 651.f.2., 1943-7-2486
209. After the fall of the Bárdossy Government, Nicholas Kállay formed the next government, on 7th March 1942, which lasted until the German occupation in March 1944
210. P.I. Archives, 651, f.2./1943-7-2486
211. Függetlenség, 1st January 1943
212. Miklós Kállay, A nagyidők sodrában. Beszédok, nyilatkozatok. Bp. Stádium 1943, p.110
213. P.I. Archives, 658.f.8/53 ö.e
214. István Pintér, A magyar kommunisták a Hitler ellenes nemzeti egységért, Bp. Kossuth, 1968, pp. 125-132
215. P.I. Archives; 659, f. 1942/2. ö.e
216. The SHP, too began a campaign. It let matters slide too far for an immediate recovery but with the 'Peasant Union' was able to advance somewhat
217. P.I. Archives, 658.f.5/239. ö.e. Three groups could be observed within the party, (i) Buchinger, not very influential, he based his proposal on the 1903 Programme, wanted independence and socialist principles; (ii) Mónus, 'Tomorrow's Hungary' was his proposal and (iii) Peyer, who, using the Monus plan, entrusted the working out of details to the 'Intelligence Committee'
218. Károlyi Urbán, 'A Szociál Demokrata Párt értelmiségi akciója', Századok, No. 1, 1977, pp. 118-132

219. Sándor Petöfi, a revolutionary Hungarian poet from the 1848 Revolution
220. Népszava, 10th January 1943
221. Zsuzsa Lörincz (compiler), Andorka Rudolf naplója. A Madridi követségtől, Mauthausenig, Bp. Kossuth, 1978, pp. 280-311
222. P.I. Archives, 658.f. 5/250. ö.e
223. Dokumentumok a magyar forradalmi munkásmozgalom történetéből. (Documents from the history of the Hungarian revolutionary working class movement). 1935-1945. Bp. Kossuth, 1964, pp. 393-398
224. P.I. Archives, 798, f.l.ö.e
225. P.I. Archives, 610.f. 1943-H-151
226. P.ZS. Pach (ed.), Magyarország Története ... op.cit. Vol. 8, p. 1104
227. István Vida, A független kisgazdapárt politikája 1944-1947 ... op.cit., p. 16
228. Kis Újság, 29th August 1943
229. Szabad Szó, 29th August 1943
230. Népszava, 8th and 22nd August and 26th September 1943
231. Népszava, 4th September 1943
232. Gyula Juhász, Magyarország külpolitikája ... op.cit., pp.299-300
233. Kis Újság, 12th September 1943
234. GY. Ránki, L. Tilkovszky, E. Pamlényi and GY. Juhász (eds.), 'A Wilhelmstrasse és Magyarország', Bp. Kossuth, 1968, p.730 & p.746
235. Kis Újság, 15th November 1943
236. István Pintér, A magyar antifasizmus ... op.cit., pp. 256-258
237. István Vida, A független kisgazdapárt ... op.cit., pp. 11-13
238. Népszava, 8th January 1944
239. Dokumentumok a magyar forradalmi ... op.cit., pp.440-448
240. Népszava, 9th January 1944
241. Népszava, 5th October and 9th November 1943
242. Népszava, 18th January 1944
243. see pp. 89-92 of present study

244. Mihály Révész, A reakció ellen, Bp. Népszava publ. 1945, p. 98
245. P.I. Archives, 704.f. II/i ö.e
246. There are several reasons for the postponement of the merger, opposition to it would have been much greater and would have almost certainly isolated A. Szakasits from the rest of the party with undesirable effects; it would have created disturbances amongst organised labour and their opposition to it could have acted as a disintegrating factor on the 'Hungarian Front' since other bourgeois democratic parties viewed the independent membership of the SDP as their security that the 'transition' and 'transformation' of the country would not be radical and socialist in character
247. They still preferred supporting Horthy's separate-peace policy, to protect their legality
248. Dokumentumok a magyar forradalmi ... op.cit., pp. 561-565
249. Ibid., pp. 545-547
250. Ibid., pp. 548-551
251. For the 15th October armistice preparations see: István Pintér, A Magyar Front és az ellenállás, Bp. Kossuth, 1970; Mihály Korom, 'Horthy kísérlete a háborúból való kiválásra', Századok, 1974, Nos. 4 and 5
252. István Pintér, A Magyar Front és az ellenállás ... op.cit., pp. 192-224
253. István Pintér, Magyar Antifaszizmus ... op.cit., p.240
254. Ibid., pp. 437-438

Chapter 3: War and Breakdown

3.1 Agricultural Policy and Developments

The first sign of the new trend of increased German economic links with Hungary began as early as 1934 when, on 15th March the 'Rome Protocols' were signed giving preferential treatment to Hungarian wheat, thereby giving Hungary a more secure market. This increased interest was partly due to the theory that in time of war Hungary, and her neighbours, could be easily reached by land, and partly because her under-developed industry but strong agricultural sector appeared to complement the German economy. Hungary was viewed by the Germans as a source of raw materials and agricultural produce and at the same time a market for German industrial goods. From 1934 on, with favourable commercial agreements, large quantities of surplus agricultural deliveries of meat, cereals, cattle, lard, poultry etc, were made by Hungary to Germany without any apparent friction. Meanwhile, Germany supplied Hungary with machinery. In 1936 Hungary obtained some 70 per cent of her total machinery imports from Germany while Hungarian exports to Germany rose from 20 per cent to 25.9 per cent of her trade between 1929 and 1937.⁽¹⁾ In 1938 the share of Hungarian imports from and exports to Germany were 30.1 per cent and 27.4 per cent of her total trade respectively.⁽²⁾ The economy of the country began to be drawn more closely towards Germany after the declaration of the 'Győr Programme' by the Darányi administration in March 1938. By 1939 trade with Germany exceeded 52 per cent of Hungary's total foreign trade turnover.⁽³⁾ The 'Győr Programme' created an artificial boom in the economy from the second half of 1938, affecting primarily the armaments and heavy industrial sectors. The programme was a five year schedule of investments to improve the defensive capabilities of the country and to promote industrial and agricultural production. Total investment expenditure was estimated at 1000 million pengö,

i.e., 200 million pengö per year.⁽⁴⁾ This meant, roughly, the doubling of investments, which actually absorbed somewhat less than 6 per cent of National Income. The investment programme was financed by a once-for-all wealth tax raising 600 million pengö and the remaining 400 million pengö came from internal loans. The burden was largely on the wealthy, although they could raise the tax by special credit which in turn was financed by increased money supply which caused a slow inflationary process. Its effect began to show only in 1940. The investment was to be distributed in the following proportions: three-fifths was to be allocated to military equipment and industry, one-fifth to transport and communications and one-fifth to agriculture. So the main thrust of the programme was in favour of manufacturing industry, rather than agriculture, but the main areas of investment in the agricultural sector were the following:

- i) speeding up of the completion of an ambitious irrigation scheme, started in 1937, over some 172,000 hectares of land; certain regulatory works on rivers and inland waters;
- ii) promotion of agricultural production and improvement of marketing organisations;
- iii) improvement of technical education in agriculture;
- iv) resettlement of some of the landless population;
- v) improvement of housing, health and social services in rural areas.

There was no detailed, comprehensive plan, however, and no special machinery was set up to coordinate and control plans drawn up by the various government departments. It was not until 1940 that the Minister of Finance became officially the coordinator of policies and an advisory body, the 'Supreme Economic Council' was also created.

In the autumn of 1938 the Defence Council, to increase the pace of war preparation, decided to raise the rate of investment to complete the programme by August 1940, i.e., in two years rather than five.⁽⁵⁾ Thus the 'Györ

Programme' accelerated industrial development. The volume of industrial production increased rapidly compared with 1938; in the single year of 1939 it rose by 21 per cent, almost as much as in 20 years of peacetime.⁽⁶⁾ So, when war broke out in September 1939 the Hungarian economy was already in the course of rearmament and although Hungary did not yet enter the war the process was given a further push.

The initial stage, however, came to a rather abrupt halt in the summer of 1940. The rearmament plan was overfulfilled and military orders decreased, leading to a decline in the artificial boom created earlier. Industrial growth in 1940 was about 11 per cent, most of which was achieved during the first half of the year. It was a temporary decline which was soon followed by a renewed expansion when the Soviet Union entered the war in the summer of 1941. Hungarian industrial expansion did not initially coincide with the German vision of the future planned European division of labour. German opposition to Hungarian industrial expansion was particularly strong since, unlike her neighbours, she was marginally more industrialised. From the end of 1939 to 1940 this led to serious disagreements between the two governments. In 1939 a visiting Hungarian delegate was given a memorandum regarding Hungary's economy. The first part of this memorandum referred to the future tasks allocated to Hungary's agriculture: her agriculture it stated 'will have to conform to the demands of the German market more closely than ever'. The second part referred to industry, which had to be transformed in accordance with German export interests. This meant that Hungary had to (i) intensify agricultural production, (ii) develop agricultural processing industries and (iii) reduce industrial tariffs and give German industry tax and credit concessions and abolish import quotas. The clear intension was to degrade Hungary to the level of primary producer.⁽⁷⁾ Hungary had to conform to her natural conditions, since until then she had developed 'unnaturally', i.e., had industrialised. After the

declaration of war against the Soviet Union this attitude underwent some modification. The reason for this was, partly, increased demands on the German economy, more than any experienced before and, partly, allied bomb damage to her industry. Germany tried to increase industrial production in unaffected Hungary.

The entry of Hungary into the war, in June 1941, opened up a new era in the history of her economy. Hungary remained politically more or less independent until the German occupation in the spring of 1944, but inevitably now she was greatly pressurised by German demands for her to become economically an organic part of the German 'Grossraumwirtschaft'. Her economy was rapidly adapted to complement the German economy. So, from 1941 on, the Hungarian economy was speedily transformed into a war economy. The state gave large orders to industry, primarily to heavy industrial enterprises. It also rapidly increased the rate of expansion of basic raw material production, e.g. oil, bauxite, coal, iron, steel and manganese, which were indispensable for the war. The wartime peak of industrial production was reached in 1943, when the manufacturing production, in real terms, was 38 per cent higher than in 1938; the share of heavy industry increased from 44 per cent to 51 per cent during this time.⁽⁸⁾ Total industrial production declined after the end of 1943 because, with the deepening of the war, the output of consumer goods decreased by 25 per cent compared with 1938-39. Also, disorganisation began to appear in industry; plant was worn out and not replaced and there was lack of maintenance and general economic deterioration.⁽⁹⁾ The increased role of industry as a sector resulted in an increase in the industrial labour force by 100,000, compared with 1938, which was more than during the two decades between the war. On the other hand, the proportion working in agriculture declined to below 50 per cent of the total labour force and, for the first time, the share of industry in the National Income was greater than that of agriculture. Although most of the annexed territories

were industrially underdeveloped, they too contributed to industrial production, which was 62 per cent higher, at constant prices, in the 1943 territory, than in 1938. Together, the annexed territories contributed some 15 per cent to total industrial production. The importance of certain annexed regions was much more than that figure would suggest, especially in terms of raw material supplies. In terms of totals, they were important in the timber industry, contributing 46 per cent of all output, 23 per cent in the food industry, rather less in steel and metalworking - 15 per cent, and very little in engineering - 1 per cent.⁽¹⁰⁾

These wartime demands on the Hungarian economy by the German war machine required great efforts which could only be achieved by strong governmental intervention in the economic life of the country. This had already begun in 1938, but especially from 1941 a wide wartime system of intervention was set up. The market gradually lost its freedom. The most important form of intervention related to military orders from the state, thereby regulating production. The state became the most important single buyer, frequently, even in the light industrial sector. Moreover, the state also regulated the establishment of new enterprises, or the expansion of existing ones. Many factories were declared 'war factories' and workers could not leave them. Some industries were completely changed over from civilian to war production. The state also regulated the financial and employment markets. Bank credits were under state control and the financing of the economy, operating largely on the basis of state orders, passed into the hands of the state. A larger and larger share of the National Income was used by the Budget, rising from 33 per cent in 1938/39 to 71 per cent by 1944.⁽¹¹⁾

In agriculture, special interest attaches to the manner in which policies had to be adapted by the Government to meet Germany's demand for exports. On the whole, this meant the development of production of cereals, meat, oil-seeds,

industrial crops and associated processing industries. Policies aiming to fulfil these aims were pursued, with increasing fervour, until the end of the war, yet success was partial, and in limited areas only. It will become clear that even with increased governmental support and economic centralisation Hungary could not fulfil all her foreign obligations and feed her own people at the same time.

From 1934 on, with commercial agreements favourable to Hungary, huge agricultural surplus deliveries were made to Germany, with apparent ease. On that basis Germany believed that, if needed, even more surplus deliveries could be squeezed out of Hungarian agriculture. In this context, perhaps, it is interesting to refer to Hitler's brief to his Economic Committee in 1941, when he expressed the view that maintenance of the large-estate system was in the interests of Germany and was the sole guarantee that German war demands for agricultural products would be met, even though, he said, most of the large estate owners were 'legitimists' and did not support the national socialist movement.⁽¹²⁾

But during the war, as will be shown below, exports of only a few crops were successfully increased. Agricultural deliveries to Germany always remained below the level of her demands and expectations. There were several reasons for this. Firstly, the inherent internal problems of Hungarian agriculture, as discussed earlier, soon manifested themselves in the face of the demands of war. It became clear that the huge surplus deliveries in the period during the depression were more apparant than real and were largely made possible because of the extremely low internal consumption owing to low living and nutritional standards, and the large surplus of labour. Low yields and low agricultural productivity, due largely to under-mechanisation, were soon to become obstacles to increased agricultural production. Without a substantial improvement in productivity no further increase in production was possible. This in turn required large capital investments in agriculture. For the same reason, in

the short-term, no significant reduction in the agricultural labour force was possible. Secondly, German estimates of Hungarian agricultural capabilities must have been tinted by the record harvest in 1938.

During the first years of the war agricultural exports to Germany increased significantly. For a time it looked as if labour moving out of agriculture to industry, and to the army, could be replaced by imports of agricultural machinery from Germany. To some extent this was the case, but it failed to raise yields which, aggravated by the adverse effect of low yields in the annexed territories, declined for most agricultural produce from the early 1940s. The use of chemical fertilizers, low as it was in the 1930s, almost totally disappeared during the war, and due to the reduction in livestock the supply of natural fertilizers, too, decreased. Apart from a single excellent year, production results remained below those of pre-war years. Compared with the average for the second-half of the 1930s overall agricultural production declined by about 20 to 25 per cent.⁽¹³⁾ The decline was partly due to the unusually bad harvests of 1941 and 1942. An index based on harvests for cereals, taking the period 1929-1938 = 100, gives only 83.1 for 1940, 84.1 for 1941 and 76.2 for 1942.⁽¹⁴⁾ But 1943 was a reasonable harvest and the index for that year was 101; the figure for rough fodder, taking 1935-1939 = 100, was 85 in 1942, 78 in 1943. The picture in animal husbandry was no more favourable either, cattle numbers increased until 1942, but declined significantly thereafter and were about 10 and 12 per cent lower in 1943 and 1944 respectively than in 1942.⁽¹⁵⁾ Pig numbers, too, declined by 32 per cent between 1939 and 1943.¹⁶⁾

In discussing the development of agricultural production during the war, the changes in sown area must also be considered. An important shift in the structure of the sown area occurred in favour of industrial crops. Their area increased 3.2 times by 1944, compared with the average for 1931-38, their share in total sown area rising from 1.2 to 3.9 per cent. The area of legumes increased

threefold by 1943, the share climbing from 0.76 to 2.33 per cent, while the area sown to root-crops and cereals declined from 30 to 28 and from 52.6 to 50.3 per cent respectively.⁽¹⁷⁾ The above rather negative production results were balanced by the increase of 300-400 percent in the sphere of industrial crops, with a ninefold rise in the case of sunflower.⁽¹⁸⁾ The decline in production was relatively even steeper, when the territorial gain made by Hungary is taken into account. The size of Hungary, as noted earlier, almost doubled during this period. The annexed territories, apart from the province of Bácska, annexed from Yugoslavia, had little agricultural significance. But the territories acquired added almost 3 million to Hungary's population, who had to be fed.

The decline in agricultural production combined with the greatly increased internal food requirements meant that the increased German demands for agricultural deliveries after 1939 could not be met. During the first years of the war Germany constantly pressed Hungary to step up her agricultural exports. By 1941 a stage was reached when the Hungarian negotiating team was cajoled into signing a commercial treaty with Germany which stipulated, for the fiscal year of 1941/1942, the delivery of 50 per cent of surplus wheat and rye, 80 per cent of maize, 100 per cent of all oil-seeds and the total food surplus of the province of Bácska for the duration of the war.⁽¹⁹⁾ Hungary was allowed to annex Bácska, but in return the entire excess food output of that province was to be shipped to Germany, where it was to be shared with Italy in the proportions of 60 and 40 per cent respectively. A protocol was signed in Budapest in May 1941 which allowed German agricultural experts in Bácska to conduct the necessary statistical estimates, an exercise which was repeated in 1942. This surplus, in 1941-1942, amounted to some 340,000 tons of grain.⁽²⁰⁾ Later production here too declined to a point when, it would seem, there was nothing to spare for export. After 1941 Hungarian exports of cereals, due partly to the bad harvest, mentioned earlier, became almost insignificant. Exports of wheat and flour for

the fiscal year 1939/40, from 'Trianon' Hungary, to Germany totalled 277,300 tons. By 1940/41 this declined to 20,900 tons and by 1941/42 to nothing at all. It was only after intensive German pressure that Hungary promised to deliver a certain amount of bread and fodder, from the next year's harvest, regardless of mounting difficulties.⁽²¹⁾ Any deficiency in cereals supplied by Hungary was to be made up by increasing the value of deliveries of fruit, wine and vegetables, from 46 million to 66 million reichmarks, and also increasing the export of cattle to 56,000 head.⁽²²⁾ This, however, remained underfulfilled. At the end of the 1942/43 fiscal year Germany complained bitterly that 32,000 of the promised 56,000 cattle had not been delivered, while cattle were shipped to neutral Switzerland.⁽²³⁾ With predictable regularity, German dissatisfaction with Hungarian agricultural deliveries was recorded at the six monthly Economic Committee meetings. Between 1940 and 1944 Hungarian agricultural deliveries remained constantly below the quota figures regulated by the commercial agreements. Only 50.7 per cent of the agreed quotas for horses was delivered in the period between 1940 and 1943. By 1943/44 this declined steeply to 7.3 per cent. The corresponding figure for cattle was 69 per cent, for pigs 30 per cent. Deliveries of sheep showed a decreasing tendency until 1942, after which they disappeared altogether. Between 1940 and 1943 only about one quarter of the agreed quota obligation in food was delivered to Germany by Hungary. In value terms Hungary's food deliveries to Germany steadily declined from 400 million dollars in 1939 to 21 million dollars in 1943. The share of agricultural exports in her total exports decreased gradually from 81 per cent in 1940 to 76 per cent in 1941, 68 per cent in 1942, 69 per cent in 1943 and 57 per cent in 1944.⁽²⁴⁾

The basic aim of government agricultural policy was to reduce agricultural exports, to fulfil German demands as minimally as possible. One important consideration for this policy was, of course, the significant reduction in overall agricultural output, discussed earlier. The other was the greatly

enlarged internal demand due to the increase in Hungary's total population, the steadily growing size of her industrial work force and, of course, the size of the conscripted army, all of which needed to be fed. In 1941 Hungary sent a contingent of some 350,000 soldiers to fight on the Russian front. Most of the draftees were young peasants and there was no machinery to replace them on the fields, resulting in a serious food shortage as the war advanced. After 1942/43 the fortunes of the war changed, resulting in the debacle at Stalingrad. With the demoralised army and the growing possibility of ultimate defeat the government's reluctance to ship goods to Germany increased, in an attempt to save as much of the economy as possible for after the war. Resistance to supplying food by the peasants must be an additional consideration. Moreover, Hungary must have been more than disenchanted since most of the deliveries to Germany were made on credit. German-Hungarian trade during the war period showed a pattern of rapidly increasing Hungarian trade surplus. Credit increased as it was requested. German debts, which stood at 140 million Reichmarks (RM) in 1941, increased dramatically to 500 million RM by 1942, 1000 million RM by 1943 and 1500 million RM by 1944.⁽²⁵⁾ Naturally, this contributed to rapid inflation, relatively low until 1941, since these debts had to be financed in the budget by a substantial increase in the money supply. About 50 per cent of the increase in money supply was due to accumulated German debts,⁽²⁶⁾ a measure of the degree of exploitation of Hungary by Germany, or the Hungarian 'contribution' to the 'common cause', to be discussed after the conclusion of the victorious war.

As the war progressed, and needs multiplied, increased pressure was put on Hungary by Germany. She was warned not to make constant excuses regarding the non-availability of surplus stocks, but to make greater sacrifices and to reduce domestic consumption. State intervention was greatly extended to cover most industrial production. Similarly, during the war increasing German

demands for agricultural produce played an important role in the extension of state intervention in agriculture. This was clearly reflected not only in the measures taken to boost agricultural production and the level of compulsory delivery quotas, but also in the structural transformation of agricultural production. All this was for the purpose of increasing exports to Germany. Since Hungary was an independent allied country, Germany refrained from direct participation in the various production schemes. Rather, German influence was restricted to technical collaboration in the framework of trade treaties.

State intervention in Hungarian agriculture increased first in marketing, but with a rather different purpose. Prior to the war, intervention was limited, primarily, to organising the market, in an attempt to monopolise it, in the interests of maintaining high prices. Under war conditions marketing control no longer presented the main problem. Now, the problem was how the backward agriculture could be made more responsive to both the increasing German requirements, on the one hand, and the growing internal needs, on the other. In these circumstances, the state, especially from 1940 on, greatly extended its policy of intervention. After the beginning of the war intervention became more and more concerned with securing the distribution of the limited agricultural supplies which best served the interests of the state. A decree in 1940 prohibited the free marketing of a number of important agricultural products, e.g. bread grain, maize, leguminous crops and potatoes.⁽²⁷⁾ After 1941 this prohibition was extended to cover sugar beet, tobacco, fodder, a variety of industrial crops and all cereals. Marketing restrictions were placed on petrol in March 1942, on beef cattle in July 1942, and on poultry in November 1942.⁽²⁸⁾

Another important change in policy was the introduction of a compulsory delivery quota for fats in 1941.⁽²⁹⁾ During 1942 the pressure on the utilisation of agricultural produce was further intensified. Marketing was in the hands of enterprises which were all in a monopoly position.

This system of control and deliveries, however, failed to satisfy the ever increasing pressure for more agricultural produce. In 1942, therefore, a new system of compulsory deliveries was introduced, dubbed after the name of the Minister for Food Supplies, the Jurcsek-System.⁽³⁰⁾ The main objective of this new system was to put at the disposal of the state a fixed amount of agricultural produce every year, based on agricultural production capacity, rather than on actual agricultural output in a specific year. The quotas for the delivery obligations were to be determined in wheat units and the capacity was to be measured by the land-tax assessment value of land - the net cadastral yoke income, assessed in gold crowns per cadastral yoke. This law fixed this delivery unit at 50 kg of bread grain per gold crown of net income for every cadastral yoke. The law also specified that one fifth of delivery obligations was to be fulfilled in bread grain and one fifth in fats. The remaining three fifths could be at the farmers' discretion or replaced freely by bread grain or fat. The flexibility of this system, by its nature, had an important influence on production, since quota fulfilment necessitated both an increase and a change in the production structure. Along with the new delivery system, a network of Marketing Centres was established, which took over the role of marketing management from the former monopoly agencies. Apart from the cooperatives, only some of the most influential commercial businesses were permitted to take part in the work of these centres.

It soon became clear, however, that even the new system could not arrest the steadily growing food supply difficulties. Delivery quotas very often remained unfulfilled, especially for poultry and eggs, for which only 27 per cent and 32 per cent of the pre-war marketed levels were collected. According to official reports, holdings below the size of 100 cadastral yokes underfulfilled the prescribed quotas by 8 per cent.⁽³¹⁾ The burden of delivery assignments within this group was even greater on the smaller working peasant farmers, since their

land was assessed on a relatively higher gold crown per cad. yoke value basis than the large holdings. Also, the production structure of their land tended to be oriented towards intensive crops and the share of arable land in their holdings was higher than in the case of large holdings resulting, again, in yet higher obligatory quota targets. For this group of farmers, often, the only way to fulfil the delivery quotas was by reducing their own consumption. The large estates and the better-off farmers, on the other hand, were left with surpluses which they could dispose of on the black market, where prices were much higher. Under the impact of this policy about four-fifths of the total delivery assignments fell on holdings of less than 100 cadastral yokes of arable land, while their share of agricultural land in 1935 was only one third.⁽³²⁾ Faced with this situation, the working farmers, not tempted by prices, put up resistance to the authorities' new requirements and very often failed to fulfil their quota obligations. The resistance to the new system of cattle requisitioning was so widespread that regulations had to be modified. It is also true that produce was often withheld for sale on the lucrative black market. Moreover, under-fulfilment often expressed pure political opposition to the unpopular war. In such cases the authorities imposed serious penalties, often requisitioning, to make examples of the farmers concerned. It was officially reported that in 1943 legal proceedings were begun against 4000 small farmers in the county of Csongrád, and 1200 in Szentes, because of unfulfilment of delivery quotas for maize.⁽³³⁾

Although labour was not militarised in industry, where some production units were declared war factories, the state abolished the free labour market which, under the prevailing situation, had favoured the workers. Accordingly, a decree was passed which, with some qualification, permitted the use of any able-bodied man or woman between the ages of 14 and 70 for agricultural work if urgency required.⁽³⁴⁾ To secure the labour requirements of large holdings, farm workers were prohibited by law from changing their place of work. According to

the decree those who did not bind themselves by contract by a specified closing time and did not fulfil military duties were to be moved to work camps, run by military command.⁽³⁵⁾ According to the 1941 Census, relating to the pre-Trianon boundaries, this resulted in fixing the location of some 207,000 agricultural workers.

The Jurcsek-System was continued until 1944/45. By that time, however, some other land, pastures and grass lands, which had previously been omitted from delivery assignments, were included in the calculation. Also, in order to improve the meat supply, meat too became subject to compulsory delivery. To compensate for the extension of the compulsory delivery system, the quota calculation was reduced from 50 to 40 kg. bread grain units per gold crown per cad. yoke net income. But the new system was not administered because the theatre of war had moved on to the territory of Hungary by then.⁽³⁶⁾ Because of the increasing labour shortage, due to military call-up, in 1944/45 the compulsory delivery was modified to permit farmers to fulfil their prescribed quotas by working on the large estates.⁽³⁷⁾ This, to the large estates, meant relatively cheap labour, since wages, rising in the first stages of the war, were now fixed by the law.

On the whole, however, the Government still failed to achieve a balance of supply and demand in food, in spite of making direct attempts to restrict consumption by price regulation and introduction of a system of food rationing. Intervention was also extended to profits to some degree in the interest of political equilibrium. The main method of inflation control was, as noted earlier, by limiting wage increases to much less than the rate of price increases. By the end of 1943, compared with pre-war levels, prices had increased by almost threefold, while incomes of workers, regulated by the state, had risen only 60 per cent, resulting in a significant decrease in purchasing power.⁽³⁸⁾

There was also a direct attempt to limit consumption by the introduction of rationing. During the war ration cards were introduced for almost all basic foods: bread, flour, fat, milk, butter, potatoes and there were ration books for clothing, at fairly low levels per head. The black market which developed, however, provided some relief for the scarce items, primarily for the better off, thereby permitting higher consumption levels than those implied by the rationing system. On the whole, it would appear that the population did not really experience extreme hardship. Often, people failed to appreciate the full pressure of the war, at least from 1939 to 1942. While the supply worries of the population gradually increased, the full economic effects of German delivery demands remained relatively unknown to the public. One of the main concerns, namely unemployment, totally disappeared under the boom. (39)

It is not easy to provide a satisfactory and complete explanation for Hungary's good supply provision during the war, as the evidence is both insufficient and contradictory. Shortages of food did appear, due partly to bad harvests and, perhaps more importantly, because the country - both at the national and individual levels - engaged in stock accumulation, often with the full connivance of the government. The extent of this remained unknown; no official figures were published, all remaining in highly confidential reports, many of which were destroyed during the war, in which the Germans were often not told the real situation. In his otherwise admirable and pioneering study, Karl Brandt makes the following observation, which is worth quoting in full:

Hungary had no scarcity of food during the war, even in the larger cities, until combat action really struck. Even when the front lines were but a few kilometres from Budapest, food supplies in its restaurants and other public eating places were almost on a peacetime level. The introduction of food-rationing cards, which occurred after Hungary entered the war (sic), only slightly lowered the consumption rate the urban population had enjoyed during peacetime. The farm population even indulged in an increased consumption of food. (40)

Reality, from evidence available, would look somewhat different. Firstly, the system of rationing was, in fact, introduced in April 1940 for sugar and fat, at 80 dkg. and 1 kg. per head per month respectively.⁽⁴¹⁾ Secondly, from that time on, but especially after the establishment of the 'National Food Supply Office' in January 1941, the rationing system was extended to cover most basic items and the overall trend of rations per head, albeit with some fluctuation, declined continually. The following timetable affords a rapid survey of the extension of rationing quotas per head, in the period 1940 to 1943:⁽⁴²⁾

1. Bread: Sept. 1941/35 dkg.; Feb. 1942/20 dkg.; June 1942/15 dkg.; Aug. 1942/20 dkg.; Oct. 1942/16 dkg.; June 1943/20 dkg.
2. Fat: April 1940/1 kg.; Feb. 1942/72 dkg. per month.
3. Sugar: April 1940/80 dkg.; Feb. 1942/60 dkg. per month.
4. Flour: March 1941/2 kg per month; Feb. 1942/1.6 kg. per month; June 1943/ 2 kg per month.
5. Potatoes: rationing introduced in October 1942, no data.
6. Milk: rationing introduced in Budapest in May 1942.
7. Soap: rationing introduced May 1942, no data.
8. Eggs: rationing introduced November 1942, no data.
9. Meat: rationing in some provincial cities, June 1942, Budapest and districts January 1943.
10. Clothing and Industrial goods: ration books introduced May 1941.

In the spring of 1941 a sudden, rather unexpected shortage of wheat and certain other food products developed. Behind these difficulties, the authorities rather unconvincingly explained, lay the need for stockpiling of food as Hungary's soldiers were marching to 'Historic Frontiers'. But, as yet, only a few soldiers had marched. The real reason could have been the extremely bad harvest, due partly to the very serious floods in 1940. The Government had to extend its emergency powers and resort to serious large-scale requisitioning, to reduce the

fat ration and introduce further restrictions on the slaughtering and sale of fattened livestock. During the summer, all important cereals and fodder crops came under control and producers, under heavy penalty for evasion, hoarding etc., were obliged to offer all their surplus to the Government at fixed prices. For a while, in June, bread vanished completely from the streets of Budapest. The situation was serious enough for the country to look forward with great concern to the coming harvest, which turned out to be below average again and the supply scare of the spring did not subside. General consumer goods too were in short supply and purchasing books were issued for cloth and linen, in which purchases had to be registered.

The situation deteriorated further and in February 1942, rationing was extended to cover the entire country for bread, fat, flour and sugar and there were three 'meatless days' per week. The 'National Food Supply Office' charged with the duty of preventing hoarding, in a year from its modest origin had grown into a powerful Ministry, whose first duty was to secure food supplies for Hungary's allies. Only after all their needs were satisfied could the Hungarian Army come, and what was left after that was for civilian consumption.

In January 1942 Ciano visited Hungary and noted, rather interestingly, that:

one did not feel the war there The city was fully lighted, traffic appeared almost normal, there were few restrictions on goods, and those were more formal than effective. Bread was white, exactly as before the war, and as abundant as it was then.⁽⁴³⁾

In fact, it would appear that only a month afterwards the Hungarian population was amongst the worst supplied with basic items in Europe and rationing was reduced to lower levels than in Germany itself.⁽⁴⁴⁾

	Bread	Fat	Sugar
<u>Germany</u>	286 gr./day	927gr./month	1021 gr./month
<u>Hungary:</u>	200 gr./day	720 gr./month	600 gr./month

The economic position in 1942 was still serious. The supply position continued to be bad. Stocks ran low again. Indeed, by mid-1942, just before the harvest, the bread ration was reduced to 15 dkg. per day for six weeks. A number of other restrictions were also introduced e.g., milk became rationed in Budapest and meat in some provincial towns. Farmers were ordered to deliver their entire main cereal crops, at fixed prices, after allowance for seed and their own consumption. The harvest in fact came just in time to relieve the pressure for a while. There was a great shortage of labour, due to military call-up and under-mechanisation and a shortage of spare parts now began to appear. After the harvest the bread ration was restored to its previous level but since the bread grain harvest proved unsatisfactory owing to renewed serious floods, not as extensive as in 1941 but covering about 1.5 million cad. yokes, the bread ration was down again to 16 dkg./day by October 1942 and the portion of crops farmers were allowed to retain for their own consumption and seed was also reduced.

The food shortages of 1941 and 1942 did not recur during the first half of 1943. The more effective compulsory system devised by Jurcsek, helped by the prospects of a reasonable harvest, made it possible to increase the ration for bread and flour to their previous levels again on 23rd June for a time at any rate. The jurcsek-system of deliveries imposed greater compulsion on farmers than hitherto to deliver practically all their produce above the level of the personal

allowance at officially fixed prices. The harvest, as predicted, was reasonable (1929=100; 1943=101) but by July an inflation scare swept through the country, which brought about a run on shops and the population began to hoard food in earnest. People travelled to villages for food which ultimately provided a very useful reserve for the critical months in 1944 when Allied raids, combined with loss of territory made food provision and movement very difficult. The hoarding of the previous three years meant that every village was able to look after itself; possibly Budapest presented the most serious problem. Industrial consumer goods disappeared from the shops, black market prices increased rapidly, but normal rations remained, for a while, unchanged on paper. A reasonable distribution of necessities was achieved up to November. In that month official rations were cut drastically but even these nominal quotas were often just not available. Some farmers still brought supplies to the market but refused to sell for money, because of the rapid increase in inflation in 1944, and accepted only clothes and cigarettes in exchange. The bread ration was down again to 15 dkg. but, together with milk and fat, was practically non-existent, even at the phenomenally high black market prices.

So, on the whole, it is difficult to establish the level of food provision, or starvation, of the Hungarian population during the war. Looking only at the level of official rationing some real hardship was indeed experienced, varying in intensity at different times. Obviously, towards the end of 1944 food provision was quite bad. While harvest and stocks were reasonable, food distribution became a great problem due to transport bottlenecks. Transport was partly in ruins due to allied bombing, partly used for military purposes and movement of nazi-collaborator refugees from the Ukraine and, after Romania's defection, of German minorities there. Industrial goods almost totally disappeared, black market prices reached astronomical heights. Food often could not be found, even official rations could not be obtained. While horse meat and sausages were

still distributed, no eggs, no salt, and very often no bread was available.⁽⁴⁵⁾ Different sections of society and geographic areas were affected differently. Rationing had a particularly adverse effect on the level of consumption of the average urban wage and salary earner, especially those on fixed incomes. The widely developed black market, for most of the war period, provided an alternative to the more determined and the better-off, who were able to supplement their consumption, albeit at much higher prices. There is no evidence that urban rationing was differentiated between 'normal consumer', heavy and extra-heavy workers. Some workers, however, reluctant to dismantle plants for shipment to Germany towards the end of the war, were offered double-rations as an incentive.⁽⁴⁶⁾

As far as the rural population is concerned, especially the small farmers, their consumption level, if perhaps not plentiful, was considerably above that of the urban population. Anti-German in sentiment on the whole, farmers whenever it was possible restricted deliveries; it was one way for them to express their political resistance, to sabotage German economic demands. Generally, the Government left the farmers, both small and large, alone provided they did not engage in open and obvious resistance. Moreover, in times of inflation they naturally were prone to hoarding, which could be done with relative ease by small farmers, whose stocks were especially difficult to control, and who hid stocks inspite of all orders. A question which is difficult to answer with any degree of accuracy is what was the size of these stocks in Hungary, just before the war was over. This will be taken up later.

For the moment, mention must be made regarding avenues of further government intervention directed to increase agricultural output. Amongst such measures was the law, promulgated in 1942, which made the growing of industrial crops compulsory.⁽⁴⁷⁾ Farmers without exception were compelled by this law to devote twice the area of the previous two years to the growing of

sugar beet, tobacco, flax and hemp. The law further stipulated that holdings above 50 cad. yokes should allocate 5 per cent of their arable land to the production of sunflower, while those below it were obliged to sow maize as a border around their land. Holdings above 200 cad. yokes were compelled to allocate 2 per cent of their arable land to the growing of castor oil plants. This law was further extended in the summer of 1943 to include all holdings above 15 cad. yokes, and the target of 5 per cent was increased to 7 per cent. These efforts to boost the production of industrial crops, especially oil-seed were to comply with German requirements and resulted in a marked increase in their share of exports to Germany during the final phase of the war.

In 1943 the Government also passed a bill which initiated a comprehensive budgetary investment programme, covered by ordinary revenue, for the 'Development of Agriculture'.⁽⁴⁸⁾ In a sense, this programme attempted to redress the imbalance between industry and agriculture created by the 'Györ Programme'. It provided 1000 million pengö, over a period of 10 years. The primary object of this programme was the immediate and rapid increase of agricultural output with the main emphasis on developing animal husbandry. These plans came very much to the forefront after the German occupation of the Ukraine, when Hungary was designated to supply the Ukraine with high-grade breeding stock and quality seeds. It would seem that after the occupation of the Ukraine Germany agreed to accept smaller quantities of agricultural produce from Hungary than before the war, and to give her the option of supplying a smaller proportion of this in wheat and livestock, provided it was made up in other ways, especially raw materials, but also fruit and wines. The 'granary' of Germany was, to some degree, the Ukraine.

The 1943 budget allocated some 14.6 million pengö for the development of animal husbandry, which represented about 21 per cent of the total agricultural investment. Some efforts were also made in the sphere of

irrigation, soil amelioration, seed improvement, free distribution of fodder crops in the village, improvement of fertilizers, and setting-up of experimental stations. The decree, while creating no special machinery to put the programme into effect in a systematic way, made some proposals regarding the reorganisation of agricultural administration. The existing post of 'Regional Agricultural Officer' was considered ineffective, due to the large area they had to cover. Now the bill established the post of 'Agricultural Officer' for all large villages, with smaller ones grouped together; he was charged with the duty of controlling the execution of the programme and providing advisory services on agricultural matters to local councils and farmers. An advisory body, the 'National Council for Agriculture', was also created, appointed by the Minister of Agriculture. The powers of the Minister to control the direct production were extended greatly. He was also given the power to compel farmers to adopt more efficient production methods, to dispossess inefficient farmers (guilty of gross negligence) and to give authorisation, without prior consultation, for the consolidation of fragmented holdings. Farmers making investments to effect permanent improvements in agriculture were given tax rebates. Similar exemptions were available to industrialists. Had it not been for the war, its impact on Hungarian agriculture could have been considerable, not only in increasing output and improving the efficiency of production but also in remodelling economic organisation through the extension of state controls. In the two years the programme was in force, however, little use was made of some of these powers, apart from compelling farmers to grow certain crops and granting monopolistic rights to cooperative societies and state agencies for the purchase, distribution and export of certain agricultural products. Most of the measures were only introduced on a minor scale and their effects on agriculture were small in comparison with the effects of the 'Györ Programme' on industry.

Overall, during the war, healthier structural proportions developed; as a result of these policies agriculture became more intensive but, as discussed earlier, there was no increase in the output of the most important crops and therefore the volume of agricultural production as a whole did not increase. After the autumn 1943 production peak, disorganisation and decline were already appearing: there were disruptions due to lack of maintenance and generally production failed to respond to the measures to increase output.

Economic relations between Hungary and Germany seem to have remained fairly steady and civil throughout much of the war. At times, officials cooperated grudgingly, more so after 1943, when Hungary became a reluctant participant in the war, though many avenues to leave the war and make a separate peace with the Allied powers were pursued. The resultant German occupation on 19th March 1944, brought about a rapid decline in the economy.

The story of the actual occupation is not very different from that in other countries, apart from the fact that now it happened to an allied country. As in other countries it went very smoothly, without any resistance. As could be expected, the occupation signified the total exploitation of Hungary's economic resources. Economic relations between Hungary and Germany after the occupation could be quite adequately characterised by the resolution adopted, on 19th April 1944, by the conference ⁽⁴⁹⁾ which took place in the German Foreign Office regarding the role of the national economy of Hungary. It was noted that:

The Minister of Foreign Affairs pointed out that it was a question of a quick and relentless exploitation of the economic resources of the country ... we agree on the fact that no Hungarian contribution of any significance must be neglected simply because of lack of means of payment and the danger of further inflation in Hungary ... Hungarian agriculture must be set to work to supply German requirements to the utmost ... A representative of the Ministry of Supply should examine in what areas the shipments of Hungarian raw materials can be increased even further. Here too the objective is to extract everything possible for the German war economy to the maximum ... Germany will not pay for these supplies, hence the level of

clearing-credit will have to be raised to 120 million pengö ... The needs of the occupying forces will be provided for, both in money and in kind by Hungary ... we will also do our best to comb through Hungary for any available labour force and make it work for the German war economy. We will begin with the deportation of Jews to forced labour camp.⁽⁵⁰⁾

This, then, was the 'Magna Carta' for the systematic and complete exploitation of the Hungarian economy. To that end, Germany arranged the formation of a 'right-wing, 'rubber-stamp' cabinet, that was prepared to put this programme into effect. A plenipotentiary was appointed, in the person of Veesenmayer, to ensure that the Hungarian government operated in accordance with the Reich Government. Barely a week after the formulation of German policy, the Hungarian Premier, Döme Sztójay, hurriedly reported at a conference that a sizable consignment of maize had been delivered to Germany. It was indicated that further substantial shipments of cereals were planned for April and May. This was the beginning of German shipments of Hungarian reserves out of the country. Unfortunately, no reliable statistical data seem to exist for 1944. Hence it is difficult to provide an accurate figure of what shipments were made in the end. According to some sources, the Hungarian government promised the delivery of some 700,000 tons of cereals, but delivered only, and here figures differ significantly, 100,000 tons. Other sources maintain that some 400-500,000 tons were actually sent.⁽⁵¹⁾ Further sources indicate that it was believed Hungary had 1,200,000 tons of cereals available, and that after much negotiation Hungary agreed to send 700,000 tons but only 90,000 tons were ever sent.⁽⁵²⁾

Also, from the end of March, German experts began to arrive in numbers in Hungary. Their role was to direct and oversee personally the ways in which production, both in industry and agriculture, could be boosted. On 1st April German representatives for the 'Direction of Armament and War Production in Hungary' were appointed. Veesenmayer, however, retained ultimate authority in

all matters. A decision was made by this group of representatives that some 50,000 workers would be dispatched to German factories and that the lion's share of agricultural reserves was to be shipped to Germany.⁽⁵³⁾

The means of economic exploitation of the country were given a legal framework on 2nd June, 1944 when the new German economic representative, Boden, and the top Hungarian economic minister, Imrédy, signed a commercial treaty.⁽⁵⁴⁾ According to this rather ambitious agreement, Hungary accepted all the conditions set out by Germany regarding the closer integration of war production of the two countries. Hungary also agreed to establish a 'War Fund', to which she was to contribute 200 million pengö per month, towards the provisions of the occupying troops. Contributions to the German war-food economy, in the form of deliveries to the Wehrmacht, assumed a larger scope only after the summer of 1944, when war operations shifted to Hungarian territory and substantial numbers of German soldiers had to be provisioned. Until that time, no Wehrmacht units were stationed in Hungary except at the railway transport offices, airports and similar places.

In industry, several plants and factories producing goods of strategic importance were simply taken over by the local German authorities. Much machinery, even plants, were simply confiscated. From the several hundred-thousands of Jews being deported, some leading Jewish industrial magnates were selected, and in exchange for their personal freedom they handed over their assets in Hungary, which allowed the Germans to gain significant and direct influence in the economic life of the country. In the same vein, mention must be made regarding the activities of the Swede, Roul Wallenberg, who was saving many Hungarian Jews in exchange for supplies of lorries, food and other war materials to the Germans. Ensuing measures, however, made the economic situation much worse, inspite of the fact that the Germans could not achieve their full expectations. The measures taken were manifestly unsuccessful.

Indeed, from April 1944 production in almost all areas of industry and agriculture began to decline. Much of this was due to the rapid decline in productivity, brought about by the atmosphere in the country, where even draconian penalties could not eradicate absenteeism and bad work.⁽⁵⁵⁾ Production was also seriously disrupted by Allied raids, which began on 2nd April 1944.⁽¹⁹⁵⁶⁾ These raids continued throughout the following months and by September almost all oil refineries were in some way incapacitated. No precise data are available, but it was claimed that production declined by about 30 to 40 per cent due to bombing, absenteeism, shortage of materials and supply difficulties, partly due to the paralysed transport system.⁽⁵⁷⁾ The German authorities continued to exploit the resources of the Hungarian economy to the end, without encountering any official, or unofficial resistance. The Hungarian leadership, totally pro-Nazi after 15th October, 1944,⁽⁵⁸⁾ put no obstacles in their path; many would claim that influential political groups even encouraged them.

In conclusion, it can be said that Hungary made a not unimportant contribution to the German war-food economy. But it was probably not commensurate with the economy's productive capacity. Primarily an agricultural country, Hungary was over most of the war years, paradoxically perhaps, not of the greatest economic significance to Germany, since alternative supplies could be procured from Poland, France and the Ukraine. In many ways German economic policy was more important, and successful, with regard to raw material supplies, especially that of bauxite and oil. It would seem that in this respect Hungary's role could be compared to that of Romania, whose economic importance lay in her oil resources. During the war, Hungarian oil production rose from practically zero to 840,000 tons per year. While, of course, far below that of Romania, it was nevertheless the second most important source of oil within the German sphere of influence. Indeed, it was the only source after the defection of Romania from the Axis camp in August 1944. Approximately 50 to

60 per cent of Hungarian oil output went to Germany.⁽⁵⁹⁾ From the German occupation in March to about December 1944, the Hungarian economy assumed paramount importance to Germany. The German sphere of influence was reduced to a point where Hungary, or parts of it, was almost the only foreign territory of significance under German control. Observers did note that Hitler seemed more determined to hold out in Western Hungary than anywhere else, perhaps in order to retain his last source of oil.⁽⁶⁰⁾ As late as February 1945, when Budapest capitulated and surrendered to the Soviet Army, Albert Speer flew to the Hungarian oil region in a desperate attempt to extract pledges from local representatives of his Ministry to pursue the struggle to the bitter end.⁽⁶¹⁾

3.2 War Damage in Agriculture

Hungary was probably the most unfortunate amongst the European countries because the ravages of the war reduced her economic position to depths never before known in the course of her history. On the one hand, much of the country's material resources and assets were raided by both the retreating German and advancing Russian armies, eager to seize anything useful. This, in the case of Germany was done with the encouragement of the pro-Nazi Hungarian Government on the basis of an agreement reached between the two countries on 14th November 1944, which stated that:

in the interests of continued war effort certain production sectors had to be, temporarily, relocated from Hungary onto the territory of the Third Reich.⁽⁶²⁾

On the other hand, although the country was a battlefield for more than six months, compared with the whole Russian theatre of war, Hungary was a small area on which huge armies clashed, causing immense and disproportionate devastation. On purely economic grounds, however, losses in agriculture were not solely due to these direct factors. Some important long-term damage was caused indirectly, over the entire war period, when fighting was still conducted outside Hungarian territory. Furthermore, it could indeed be legitimately argued that beyond the actual war damage, the 300 million dollars reparation payment, made over 6 years by Hungary, should also be added to the account of war losses.⁽⁶³⁾

It would, perhaps, be appropriate to deal first with some of this indirect damage which, apart from trade exploitation, as noted earlier, had important long-term effects on agriculture. These indirect factors showed themselves, largely, in the continued deterioration in the supplies of the various inputs into agriculture. Firstly, the most important among them was the rapid reduction in

the supply of artificial fertilizers. The reason for this was, partly, the discontinuation of phosphate imports and, partly, the increasing use of nitrogen for the production of explosives. An important contributory factor later was, as noted earlier, the destruction of many chemical plants by Allied bombing. The 1928 (a max. of the inter-war period) peak year for fertilizer production was not reached again until 1951. Its adverse cumulative effects began to show itself after the third year of the war, when soil exhaustion was becoming an acute problem. In Hungary about 96 per cent of the soil conservation was done by the use of natural manure. The shortage of it was, in many ways, the Achilles' heel of agriculture, even during the interwar period. Livestock losses first of all affect manuring significantly. With the level of livestock that existed in Hungary, and assuming a normal level of application of 280 quintal/hectare, it would have required 5 to 6 years to supply the total arable land area; with livestock losses, to be discussed below, this period was extended to 17 years.⁽⁶⁴⁾ The disastrous effect on soil conditions was to be felt over a long period. According to estimates, lack of manure was to cause a loss of 15 per cent in the production of cereals and 25 per cent root crops which was to continue for at least 5 years.⁽⁶⁵⁾ Secondly, during the war an increasing proportion of horses and tractors were diverted to military use. This reduction in tractive power in agriculture resulted in an adverse affect on the quality of land cultivation. In Hungary about 95 per cent of tractive power in agriculture was provided by draft animals. The decrease in livestock caused a loss of more than 58 per cent in draft animals from about 485,000 horse-drawn units to about 200,000.⁽⁶⁶⁾ According to other sources, the loss was nearer to 65 per cent.⁽⁶⁷⁾ This was one of the principal reasons why, in the first year after the war, a considerable part of arable land was not sown. Machinery that had survived was also in very bad condition. Thirdly, the great shortage in manpower reduced both the quantity and quality of agricultural work. The peasantry, mostly the younger and stronger

section of it, was drafted into the army in hundreds of thousands. Large numbers of them had been killed, became invalids or were taken prisoners of war. The cost of war in military casualties was 1.5 million, of whom 400,000 were killed in action, died during bombing or as prisoners of war.⁽⁶⁸⁾ During the last stages of the war, the policy of compulsory resettlement for people in certain areas and in a number of categories further aggravated the labour problem.⁽⁶⁹⁾ Owing to the shortage of tractive and manpower, as the war progressed more and more land remained fallow. While in 1939 175,000 cad. yokes came into this category, the figure by 1940 and 1941 had increased to 460,000 and 860,000 cad. yokes, respectively. In 1944/45, some 1,300,000 cad. yokes of land was left uncultivated.⁽⁷⁰⁾ Fourthly, reference should also be made to the policy which, over the war years, diverted much needed resources from protection against flood and river control to the war effort. The resultant problem of flooding only emerged in the late 1940s.

By far the greatest damage, however, inflicted on the economy and specifically on agriculture was by German destruction and the effect of military operations. Total war damage was near 22,000 million pengö, about 430 million dollars based on 1938 prices, which represented approximately 45 per cent of the national wealth.⁽⁷¹⁾ The distribution of war losses according to major sectors is shown in Table 3.1.⁽⁷²⁾ The total agricultural losses represent about one-fifth of total agricultural wealth⁽⁷³⁾ and parallel the losses in the transport system, i.e., roads, bridges, railway tracks and rolling stock together, where more than half of the total system was destroyed. It was double the loss of private residential buildings. Agricultural losses represented almost 53 percent of the total losses in the production sectors of the economy; this is about twice as much as agricultural production contributed to the National Income in 1938.⁽⁷⁴⁾

Within agriculture, livestock and animal husbandry suffered the most losses. The distribution of total agricultural losses, excluding forestry, in the various categories, is shown in Table 3.2:

Table 3.1: Distribution of War Losses

Sector	value of losses in millions of 1938 pengö	as % of total losses
Agriculture	3682.3 (a)	16.8
Mining & Metallurgy	65.4	0.3
Manufacturing	2042.4	9.3
Small Scale Industry	727.0	3.3
Commerce	1365.4	6.2
Transport	3689.3	16.8
Credit Institutions	830.0	3.8
Insurance Institutions	157.0	0.7
Private Households	5247.9	23.9
Private Resid. Building	1854.0	8.4
Small Works, Buildings	212.9	1.0
Health & Welfare Inst.	156.2	0.7
Cultural Losses	407.3	1.9
Other Losses	1513.8	6.9
TOTAL	21.950.9	100.0

(a) Agriculture, including forestry

Source: see n. 72, p. 194

Table 3.2: Distribution of Agricultural Losses

Categories	Losses in million 1938 pengö	As % of total agr. losses
Livestock	1507.1	43.3
Crops	1320.0	37.9
Buildings	217.6	6.2
Carts, wagons	185.1	5.3
Machinery, equipment	162.4	4.7
Other losses	89.7	2.6
Total	3481.7	100.0

Source: see n 72, p. 194

The reduction in livestock numbers threw Hungary back 100 years; not since 1857 had the level of livestock, in any category, been as low as in the autumn of 1945.⁽⁷⁶⁾ Not all the animals were, of course, destroyed or driven away, but many, especially pigs and sheep, were slaughtered by the farmers themselves fearing confiscation; some perished due to undernourishment and starvation and some were consumed by the fighting armies. Table 3.3 presents a tabulation of the distribution of losses in livestock for the main categories of animals.⁽⁷⁷⁾ In 1945 livestock numbers in terms of cattle units were 55.6 per cent lower than in 1938. The situation was, in fact, much more serious than these figures would suggest. There are two main reasons for this. Firstly, the best quality, prime animals were driven away on the hoof. Most of the lost horses were less than three years old, since after the war began the army gradually replaced its old draft-horse stock with stronger and better quality younger animals. Of the total losses in horses, 78 per cent were younger than three year olds.⁽⁷⁸⁾ Secondly, the severity of damage varied regionally, the degree of variation was from 7 to 97 per cent loss in different counties.⁽⁷⁹⁾ High losses were recorded in those counties where the battle front remained stationary for long periods or where resistance was particularly determined and the locality changed several times. Moreover, livestock loss was not only regional but particularly heavy on the big estates. Most of the animals were taken away from the big estates, where often no more than 1 to 2 per cent of the previous stock level remained.⁽⁸⁰⁾ Often there was no time to collect animals from the small peasant farmers and move them behind a new line of defence. The various crops and produce made up nearly 38 per cent of the total agricultural losses. In grain crops alone (i.e., wheat, barley, rye, oats and millet) some 30 million quintals were destroyed by the war.⁽⁸¹⁾ The conversion of the country into a theatre of war led to destruction of wealth on a grand scale. Much of the harvest in 1944 could not be

TABLE 3.3: Distribution of Livestock losses

Type	Livestock			Losses compared with	
	on 31 Oct. 1857 ^(a)	on 15 March 1938	on 31 May 1945	1857	1938
	in 1000s head			in percentage	
Cattle	1587	1875	1070	32.6	42.9
Pigs	1616	5224	1114	31.1	78.7
Horses	744	814	329	55.8	59.6
Sheep	4973	1629	328	93.4	79.9
Total number: ^(b)	2404	2863	1270	47.2	55.6

(a) recalculated to new boundaries

(b) computed on the basis of standard livestock units

Source: see; p. 77, p. 194

collected. Military operations greatly hampered and often completely prevented autumn planting and sowing on the Great Plain in the Trans-Tisza regions in 1944, while it prevented spring sowing in the Trans-Danube region in 1945, where only one third of the normal wheat area was sown.⁽⁸²⁾ Farmwork was generally neglected. Labour morale and discipline, under the prevailing confused conditions, were also at a very low point. While in 1943 the country produced some 22.7 million quintals of wheat, in 1945 only 6.5 million quintals were produced; even in 1946 production was only 11.3 million quintals.⁽⁸³⁾

Much of the agricultural resources, inter alia, was removed by the German and Russian military command. East of the Tisza, the Russian breakthrough of the front-line came so quickly and unexpectedly that the German and Hungarian commands had very little time to organise and coordinate an effective salvage operation. Under the earlier agreement to destroy strategically important objects and stocks, much in this region was destroyed, but significant amounts of stocks, especially wheat, stored away in the eastern region was left unavoidably behind, most of it to be taken away by the advancing Russian army.⁽⁸⁴⁾ Indeed, operations even in the region between the Danube and the Tisza were similarly affected. The authorities, however, managed to remove much more from Transdanubia. From here much agricultural produce, including livestock, was sent to Austria and Germany. Vast convoys, mostly agricultural produce and animals, but also machines, raw materials and even the contents of shops, were loaded up and moved west. Often as many as 4 to 8 train loads, with 100 axles or more, left Hungary daily. Much went also by road and water. No reliable statistical data appear to exist concerning the extent of these shipments. It was stated at the time by the Szálasi Government Departments that some 55,000 wagons of materials went, mostly to Germany, by the end of March 1945. Some got no further than Austria. There, they were scattered, used by German and Hungarian troops and civilians; some was auctioned.⁽⁸⁵⁾ Many of

the consignments in Austria were looted by the local population. Livestock too went the same way. Some of the animals were ultimately distributed to local peasants by British and American forces when they arrived. Naturally, the Russians expropriated for themselves what they found in their zone. The non-availability of data makes it impossible to apportion the size of looting between the Germans and the Russians. It was suggested that at the time of the Russian invasion some 18 million quintals of cereals was in public stores. The Red Army seized much of this and took it out of the country. Also, about half of the loss of livestock could be attributed to the Russians.⁽⁸⁶⁾

The growing shortage of agricultural produce, together with livestock, had seriously affected the food supply to the population, especially in the last stages of the war. The shortage, relative to demand, which developed was so great that it could not be relieved by the harvest of 1945. Transport and distribution difficulties and the growing inflation prevented the flow of produce to the urban population. In 1945 the supply and demand imbalance was 46 per cent for bread grain, including barley, for meat 74 per cent, for fats 56 per cent and for sugar 78 per cent. Consequently, during the winter of 1945 the section of the population that relied on centrally distributed supplies received only one third of its calorie intake. This was less than that of the German population or prisoners in England.⁽⁸⁷⁾

In April 1945 when the Red Army drove the German and pro-Nazi Hungarian armies into Austria, the towns and villages as well as the people and land had been totally devastated. The war ended, not only with Hungary's defeat, once again, but also with the virtual destruction of her economic system, including her agriculture. The 'new' Hungary which was to be born from this devastation still contained many of the problems of the 'old'. Hungary's agriculture, therefore, had to start out, after the war, from a very low point and she was burdened with almost the same unsolved problems as after the First World War.

Chapter 3

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42. Data compiled by the author from the following sources,
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44. Iván T. Berend - Miklós Szuhay, A tőkés gazdaság ... op.cit. p.263
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46. C.A. Macartney, October Fifteenth; a history of modern Hungary 1920-1945, Part II, Edinburgh University Press, 1957, p.461
47. Iván T. Berend - Gy. Ránki, A Magyar Gazdaság Száz ... op.cit., p.208
48. Iván T. Berend - Miklós Szuhay, A tőkés gazdaság ... op.cit., p.270
49. This conference had already followed special instructions from a conference that took place on 15th April, between Hitler, Funk, Speer, Ribbentrop and Veesenmayer
50. Gyula Juhász, Magyarország Külpolitikája ... op.cit., pp. 319-320
51. P.ZS. Pach (ed.), Magyarország Története ... Vol. 8, op.cit
52. C.A. Macartney, October Fifteenth ... op.cit., p.297 (information by Veesenmayer)
53. Gyula Juhász, Magyarország Külpolitikája... op.cit., p.319
54. The exact total payment is not known, but the Ministry of Defence acknowledged payments to the tune of 1157 million pengő, of which 611 million pengő into the Fund was for the provisioning of German troops
P.ZS. Pach (ed.), Magyarország Története, Vol. 8, op.cit., p.1165
55. *ibid.*, p.1166
56. According to an unwritten agreement with the Anglo-American powers no bombing was to commence until March 1944. Probably, no raids could have been carried out anyway until the end of 1943 because aircraft lacked the necessary range
57. *ibid.*, p.1166
58. In October 1944, when Soviet troops penetrated into Hungary, the Regent tried to sever Hungary's ties with Germany, but failed and was made a prisoner. Then an extreme Hungarian Nazi party, the Arrow Cross, led by F. Szálasi, was placed in power by Hitler
59. Walter Warlimont, Inside Hitler's Headquarters, 1939-1945, (translated by R.H. Barry), London, Weidenfelt & Nicolson, 1964, p.499
60. P.ZS. Pach (ed.), Magyarország Története ... Vol. 8, op.cit., p.1137
61. Albert Speer, Inside the Third Reich, Sphere Books, London, 1970, p.579
62. Iván T. Berend - György Ránki, Magyarország Gyáripára a második világháború előtt és a háború időszakában (1933-1944), Bp. Akadémiai Kiadó, 1958, p.541

63. According to point 12 of the Armistice Treaty, Hungary was required to pay 200 million dollars to the Soviet Union, 70 million dollars to Yugoslavia and 30 million dollars to Czechoslovakia. These payments were, largely, fulfilled by deliveries of industrial goods. It represented a heavier burden than figures would suggest, since it was based on the inflated prices of 1938 and also in real terms, due to differences in price levels, 1 reparation dollar = 10.21 pengő, instead of the official 5.14 pengő resulting in an actual payment, in real terms some 3000 million pengő instead of the actual 1500 million pengő. In 1945/46 this represented 17 per cent of the reduced National Income. The proportion gradually reduced by 1946/47 it was 10 per cent and in subsequent years 7.7 per cent until 1952, when it was completed
Iván T. Berend, A szocialista gazdaság fejlődése Magyarországon, 1945-1968, Bp. Kossuth, 1974, p.11
64. Ferenc Donáth, Reform és Forradalom, A Magyar Mezőgazdaság Strukturális Atalakulása 1945-1975, Bp. Akadémiai Kiadó, 1977, p.27
65. Magyarország Problémája és Mezőgazdasága (no author), Bp. 1946, p.46
66. Béla Fazekas, Mezőgazdaságunk a felszabadulás után, Bp. Mezőgazdasági Kiadó, 1967, p.40
67. Magyarország Problémája ... op.cit., p.46
68. Mátyás Timár, Gazdasági fejlődés ... op.cit., p.27
69. The Szálasi Government, initially toyed with the idea of total population resettlement, or evacuation, from occupied territories. But due to the resistance of the population ultimately only about 500,000 people were resettled, under the slogans 'To save our People over to the Reich' and 'the fruits of such noble deed will be blessed not only by the present day Hungarians, but all future generations to come'
Iván T. Berend, Magyarország Gyáripára ... op.cit., p.537
70. Iván T. Berend, A Szocialista Gazdaság, op.cit., p.12
71. Mátyás Timár, Gazdasági fejlődés ... op.cit., p.21
72. Iván T. Berend, A Szocialista Gazdaság ... op.cit., p.12
73. P.ZS. Pach (ed.), Magyarország Története ... Vol. 8, op.cit., p.26
74. Béla Fazekas, Mezőgazdaságunk a ... op.cit., p.39
75. ibid., p.39
76. The situation compared to one year earlier had improved marginally, since in the eastern part of the country where the war already moved on, some increase in livestock occurred
77. Béla Fazekas, Mezőgazdaságunk a ... op.cit., p.40
78. Ferenc Donáth, Reform és Forradalom ... op.cit., p.27

79. Béla Fazekas, Mezőgazdaságunk a ... op.cit., p.40
80. Ferenc Donáth, Reform és Forradalom ... op.cit., p.27
81. Béla Fazekas, Mezőgazdaságunk a ... op.cit., p.41
82. Iván T. Berend, - Gy. Ránki, A Magyar Gazdaság Száz ... op.cit., p.221
83. Mátyás Timár, Gazdasági fejlődés ... op.cit., p.21
84. C.A. Macartney, October Fifteenth ... op.cit., p.189
85. P.ZS. Pach (ed.), Magyarország Története ... Vol. 8, op.cit., p.221
86. Stephen Kertész, 'The Methods of Communist Conquest, Hungary 1944-1947', World Politics, Vol. III, No. 1, October 1950, p.36
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According to international standards calorie intake was set at 3125 calorie/person/day; in 1945/46 the population received 1648 calories. Reduced calorie intake, particularly shortage in milk and dairy products, adversely affected the health of the population, especially children. In year 1945, more than 32 per cent of children under the age of one died

PART II: PRELUDE TO COLLECTIVISATION, 1945-1948: THE PHASE OF TRANSITION

The period between 1945 and 1948 represents an independent phase in the history of Hungary: on the one hand, it completes the political and economic processes which began before 1945, on the other hand, new processes were initiated during this period.

The process of land reform, set into motion during the interwar period, came to a halt with the outbreak of the War. With the end of the War, in the spring of 1945, the time arrived to solve finally the land distribution question. The concept, the endeavours towards land reform and the aim were, of course, not new. As shown previously, they featured for years in the programmes of the now emerging democratic parties. Land reform immediately became the focus of attention of all these parties. Scarcely half of the country had been 'liberated' when the daily Délmagyarország carried an article, on 19th November 1944, pointing out that 'the success or failure of the new democratic Hungary lay in the satisfactory solution to the question of land reform The land reform is one of the most urgent and pressing national tasks.' Moreover, while the conquest of Hungary was still going on, orders for agrarian reforms were given by the Red Army. The reason for this urgency, however, was to induce the peasants, who were still fighting on the side of Germany, to desert.⁽¹⁾

Several factors, both exogenous and endogenous, contributed to the final dissolution of large estates. Thus, the emergence of the Communist Party, with its ally the advancing Russian Army, undoubtedly provided a most important impetus for reforms. Further, it was helped by the fact that all the non-communist parties emerging after the war, most of them from underground, were almost as radical as the Communist Party, especially on social and economic questions. There was a consensus among them, in principle, regarding,

e.g., the necessity of land reform, although, as will be shown, there were important differences of opinion regarding the extent, method and time of its execution. The Communist Party, in accordance with its latest policy on land reform, as adopted in the 1930s, did not forge ahead, as it did in 1919, with the nationalisation of agriculture, inspite of some hardline party members who tried to 'short-cut' the 'inevitable development' and proceed straight away with collectivisation of the expropriated estates.⁽²⁾ More, of course, will be said about this later. Therefore, the 1945 Land Reform, although on a much more extensive scale than ever attempted before, was conceived on the same basic principles as the reform in the interwar period. Its aim was to broaden the property base of the agrarian society, by a large scale redistribution of land, but it had no apparent intention of changing the organisation of agricultural production. The political realism, great caution and restraint displayed by the Communist Party at this time were undoubtedly in sharp contrast to its emotional political adventure in 1919.⁽³⁾ The party's overriding concern was to avoid the mistakes committed in 1919, by adjusting itself to the general mood of the country, while creating, speedily, a firm political base for its future operations. This cautious circumspection was, of course, fully justified since the party's power base in the country, discounting possible support by Russian military might in case of an emergency, was extremely modest. In 1944 the Communist Party membership, including the 'fellow travellers', numbered fewer than 12,000 people.⁽⁴⁾ It is not surprising then that the Hungarian Communist Party (HCP) turned its attention, primarily, to indiscriminate recruiting, to the questions of land reform and economic reconstruction and to the most susceptible and discontented section of society, the 'rural proletariat', where its efforts to attract the necessary support were expected to pay the highest dividends in the shortest time.

For the first time in history, that old dream, the development of agriculture on the lines of individual peasant farming, based on intensive cultivation, seemed to the democratic parties more real than ever before. Conscious of Hungarian mistrust of communism, Stalin proceeded somewhat more warily in the case of Hungary than of some other East European countries, notably Romania and Bulgaria, where the USSR fully exploited its position of strength. He adopted an incremental, gradualist, strategy which, at the beginning, emphasised the establishment of a progressive, multiparty, government (with a Soviet veto, however, on the composition of its cabinet), land redistribution and economic reconstruction - to the great disappointment of the HCP. Thus, apart from communists, and their crypto-communist allies, the Provisional Government formed in December 1944 at Debrecen, included the leading inter-war democratic opposition parties, i.e., the Small Holders Party (SHP), Social Democratic Party (SDP) and National Peasant Party (NPP). With a conciliatory mask, the HCP called for national unity and it also determined the speed of execution of the land reform. By insisting on initially indirect control over the Ministry of the Interior, the HCP was greatly aided in eliminating any potential political oppositon. Under the pretext of economic reconstruction the party successfully fought for reforms which extended the sphere of central government in the national economy at the expense of the private sector. With the well-known 'salami tactics' the SHP was gradually first rendered politically impotent - its leadership still hoped to survive the 'temporary' Soviet occupation by avoiding direct confrontation with the communists - and then completely destroyed. Through the techniques of infiltration and subversion both the SDP and NPP were eliminated from the political arena. By the August 1947 General Election, using devious and unlawful means, the HCP finally achieved its target of a majority. Soon after, the Cominform was established and the HCP was, at last, allowed to remove its 'political mask' by dropping all pretence of the

acceptance of parliamentary rule. And when the historical year 1948/49 arrived - the 100th anniversary of the lost 'Hungarian War for Freedom' of Kossuth and Petöfi against Habsburg oppression in 1848/9 - Hungary, again, lost its political freedom.

Chapter 4: The Post-1945 Land Reform

4.1 Preparation of the Reform

While the turmoil of the war was still going on strongly in Western Hungary, the HCP, with the generous help of the advancing Russian Army, was already beginning to form its network of organisations in the liberated areas. The almost total vacuum of political power it found in the country was ideally suitable for this operation. In the midst of initial confusion, in place of the distintegrated local administration, the organs of the People's Movement, composed largely of the more radical elements of the peasantry and the faithful old revolutionaries of 1919, spontaneously assumed power. Their authority, however, was short-lived because the HCP was quick to realise the inherent danger in 'dual power' and rapidly brought the movement under party control.⁽⁵⁾ The HCP was determined not to follow the clumsy and violent policy of 1919, which left such animosity among the people. This time it tactically concealed its main objective, the drive for ultimate political power in the country, and declared itself willing to cooperate in a coalition with the other democratic opposition parties and advocated the maintenance of democratic principles. The prime concern of the party was to gain the sympathy and popular support of the people. The peasantry, being the largest and most discontented element of the population, presented itself to the communist leaders as an obvious target which could be induced by the adoption of appropriate agrarian policies to provide the necessary support for their future operation. Thus, from the very beginning the accomplishment of a swift land reform, to satisfy the need of the peasantry, was regarded as the party's most important task. The HCP, therefore, went to great lengths to present itself as a strong believer in private farming, in order to dispel the peasantry's distrust of its policies. It loudly denounced all those who tried to keep alive the notion that the ultimate aim of the party was the collectivisation

of agriculture. On numerous occasions the party stressed that the collectivisation of agriculture was not the party's ultimate aim. Thus, the First Secretary, reiterating the changed attitude, said 'we do not want kolkhozes, but strong and prospering small farms'.⁽⁶⁾

Naturally, the communist leaders immediately realised the important advantages that could be derived from a land reform, which was designed to serve three specific purposes. Firstly, it was to be sufficiently radical to allow them to liquidate the aristocracy and the large land-owning class, whom they considered their greatest enemies. This measure contained an additional benefit in that large areas of land would be released which could be distributed among the many landless and land-poor peasants, in turn securing their support. Secondly, however, the reform was not to be excessively radical lest it should offend and alienate the middle peasantry and turn them against the reform. The communist leaders did not fail to appreciate the key position of the middle peasant and they foresaw, as early as this, the important role he was to play during the final collectivisation of agriculture. They were fully aware of the traditional distrust and enmity the middle peasant felt towards them, and the best they could hope for was that the by the pursuance of a middle-course policy they would be able to neutralise him. In their view, the middle peasant was not going to be unduly disturbed by the liquidation of the large land-owning class, because the middle peasant would willingly see the disappearance of one of his chief rivals in agricultural production. A radical land reform, in particular, one of a revolutionary character, would unequivocally drive him into opposition. Thirdly, the reform in their view had to be implemented with the utmost speed. There were several obvious reasons for this: (i) the volatile political climate was very much in their favour; most political parties already supported a land reform, at least in principle. The communist leaders acquired an important initial advantage over their main rival for power, the SHP, partly because of the

help they received from the Russian Military High Command, and partly because of their unquestionably superior organisational talent. These advantages had to be exploited. The SHP, on the other hand, at this crucial time was relatively disorganised and lacked a working programme. The explanation⁽⁷⁾ that it was caught unprepared because it expected the country to be occupied by the Western Powers is somewhat dubious. It seems more plausible that it expected Russian control of Hungary, accompanied by the introduction of the 'dictatorship of the proletariat'. What may have caught it unprepared was, perhaps, the unexpected relative freedom of the political arena, permitting democratic parties to organise themselves and play their part in the state machinery. The second important reason why the communists wanted a swift reform was to give the peasants a sense of permanency of ownership and by this to secure their support, to persuade them to see the HCP as the protector of their interest. Finally, the rapidly deteriorating economic conditions and urgent food supply problems, in all major cities but especially in Budapest, demanded an early resumption of agricultural production, if extreme hardships were to be avoided. In March 1945, a large supply of food-stuffs was delivered by the Russians to the already starving cities.⁽⁸⁾ As shown earlier, these loaned supplies were, in fact, a tiny proportion of the large quantities of grain and livestock seized by the advancing Russian Army in Eastern Hungary.

In view of these requirements, the HCP set the wheels of its political machinery into motion. As early as 30th November 1944, it was the first party to issue a programme, in Szeged, entitled the 'Programme for the Democratic Recovery and Reconstruction of Hungary: the HCP's proposal.'⁽⁹⁾ In this the party, on the insistence of Soviet advisers who, of course, saw the importance of including a comprehensive land reform in the inaugural programme,⁽¹⁰⁾ devoted considerable space to the question of land reform and set the tone for future development. It demanded, inter alia, that the reform was to be implemented

immediately and with the active participation of future beneficiaries. But this time it avoided elaborating on the extent of expropriation, simply declaring that the necessary land was to be acquired by confiscating the land and equipment of traitors, war criminals, 'Volksbund' members⁽¹¹⁾ and all those who served in the German army. The party's programme was, in principle, endorsed by the other parties of the 'Hungarian National Independent Front', formed on the initiative of the HCP on 3rd December 1944. ⁽¹²⁾ Shortly after this, the National Committees - the local branches of the 'Independent Front' - were formed throughout the country, also on the initiative of the communists. Although the principle of representation by all member parties of the Front was officially adopted, these National Committees were dominated, in reality, by the HCP. They were formed throughout the 'liberated' provinces, largely with the help of communist emissaries, who did everything in their power to include members who would be compliant about carrying out their policies.⁽¹³⁾

On 21st December 1944 the 'Provisional National Assembly', proposed and organised by the HCP, was convoked at Debrecen.⁽¹⁴⁾ The Assembly, after selecting and 'electing' the Provisional Government - it was closely supervised by the Allied Control Commission, whose chairman was Voroshilov - issued a proclamation which also defined the immediate future of the peasantry. It stated, inter alia, that 'we want a land reform. We shall provide land to the many hundreds of thousands of landless and land-poor peasants in order to strengthen Hungarian national power and to consolidate the democratic Hungarian State order for centuries.'⁽¹⁵⁾ Although both the National Assembly and, of course, the Provisional Government endorsed the programme generally, and the land reform particularly, it failed to give a time schedule for its execution.⁽¹⁶⁾ The main obstacle to a speedy and constitutional reform was the seemingly paradoxical fact that after their legitimizing role was fulfilled the members of the Assembly were sent home and their next convocation was

scheduled for 1st April 1945. The SHP maintained that if the reform was to be legal it had to be made law by the legislative body. Therefore, it proposed that the reform be postponed until the Assembly next met. This, however, was, unacceptable to the HCP, which demanded that the reform be effected by an appropriate Government Decree. The extra time to be gained, if the reform were postponed, would have been very important to the SHP since it would have provided an opportunity for it to organise and consolidate its political power. The large majority of the land holding peasantry in the country considered the SHP as their own, but Western Hungary, an important stronghold of the party, was still under German occupation. Thus, it was important to the party to play for time, to try to postpone the final decision on the reform until such time as the whole country was free to participate. ⁽¹⁷⁾ The HCP, of course, was aware of this and had begun to prepare in earnest for the reform.

The pressure on the SHP, and the campaign for the reform, began with the publication of an editorial in Néplap entitled 'When shall we have the land reform?' ⁽¹⁸⁾ In it the HCP launched a full scale attack on the 'delaying' tactics of the SHP. It unequivocally stated that 'it is absolutely out of the question to postpone the reform till after the signing of the 'Peace Treaty', the first steps have to be taken immediately'. Moreover, in early January 1945, the Debrecen Central Committee of the HCP was hurriedly convoked and passed a resolution regarding the direction of attack the party should adopt. It contained three major points: (i) the campaign at the local level was to be organised at once in order to exert pressure, from below, for an early reform. Peasant deputations, organised by the HCP, demanding the land reform were indeed arriving continuously from various parts of the country, urging the Minister President to initiate the reform. (ii) On 14th January 1945 a detailed land reform proposal by the NPP, the HCP's intermediary, whose leadership, as shown, included the crypto-communist Ferenc Erdei, was to be published in both newspapers, Néplap

and Délmagyarország.⁽¹⁹⁾ It was agreed that on 21st January both papers would also carry the official view of the HCP on what was ostensibly the NPP's proposal, embraced and promoted by the communists. (iii) Imre Nagy, the communist Minister of Agriculture was, at the same time, to prepare a draft reform decree, by 30th January 1945.⁽²⁰⁾ Prior to the launching of the reform campaign the other member parties of the 'Independent Front' were requested to submit their own proposals for the land reform. This request was entirely ignored by the parties who remained silent. As mentioned earlier, there was no opposition within the government to the principle of land reform but there was serious disagreement over its timeliness before the whole country was 'liberated'. Because of this, debates regarding the reform tended to drag on. The campaign initiated by the HCP was, undoubtedly, partly due to this 'negative' and 'passive' behaviour by the other parties, in particular the SHP,⁽²¹⁾ with which the communists were, of course, mainly concerned. The communists saw that their tactical speedy reform policy was in jeopardy. Due to the pressure exerted from below and the published reform proposal of the NPP - and its acceptance by the HCP, in accordance with the prepared plan - the other parties were, in a way, forced to attempt to make their official positions clear on the question of reform. It is interesting to note, en passant, the extent to which the NPP was used as a front by the communists on the question of land reform so much so that the HCP never really drafted a reform proposal of its own. But it did, of course, see great political advantages in distributing land, no matter how small, to all claimants. It also envisaged converting some of the large estates into State farms, to form the nucleus of a socialised agricultural sector.

The SDP was the first to make a statement on the reform. Instead of drawing up a new reform proposal it referred to its previous declaration, made to the National Assembly, which it was ready to reiterate now. It stated that the party's concept of the reform was formed, and published, in 1930 and it had no

reason to alter it.⁽²²⁾ After a brief period of vacillation during which some pressures was exerted by the communists, the SDP fell into line and accepted the NPP's proposals on 20th February 1945.

The SHP, on the other hand, decided to continue its struggle for the postponement of the reform and did not publish a detailed counter-proposal. It made a statement, however, in which the party expressed, once more, its agreement in principle with the land reform: 'We think it is necessary to dissolve the mammoth and large estates and by leaving the middle-sized holdings undisturbed to transform agriculture into a viable holding system'.⁽²³⁾ The SHP promised, at the same time, to submit a detailed formal proposal at the next meeting of the Assembly where, it hoped, it would be debated in a 'free' and 'dispassionate' atmosphere.

Events, however, overtook these expectations and the promised draft land reform proposal was completed but never debated in the Assembly. The content of this proposal was, in fact, not known until 1962, when it was found in the archives.⁽²⁴⁾ In retrospect, it is possible to establish that there were no differences, in substance, between the SHP and NPP proposals regarding the breaking up of large estates. Both draft proposals envisaged outright expropriation of land over 1000 cad. yokes and seizure of all but 100 cad. yokes of the smaller estates. An exception was made for the wealthy peasants - soon to be identified with the 'kulák' name - whose political neutrality was wooed by an allowance of 200 cad. yokes. The main differences were mostly regarding the size of compensation to be paid and, also, the SHP proposed to give additional land under the title of 'family protection'; a scheme by which each child of the owner, if willing to carry on farming, would be allowed to retain an additional 50 cad. yokes.⁽²⁵⁾ Perhaps the most important difference between the two proposals was the method of execution. While the NPP, and, of course, the HCP, proposed to rely on active peasant participation, in order to give 'revolutionary

character' to the land distribution, the SHP proposed to entrust the distribution to 'dispassionate' bodies of experts, rather than ad-hoc committees, the lowest of which was to be the rural district.⁽²⁶⁾ It is, however, clear from the proposal that the SHP wished to see the creation of somewhat larger farms and economically more viable ceilings, rather than chopping up the land into numerous small units. It was, at the same time, concerned and fully aware of the size of the landless and land-poor peasant population, waiting for their share of the land. But it considered it in the interest of efficient agricultural production to give more land per applicant and to solve the problem of surplus agrarian population, 'disguised' unemployment, in some other, as yet unspecified, way.

The initial projection for the completion of the reform was set for 1st October 1945. On 12th March 1945 the Political Committee of the National Assembly met to discuss the question of land reform.⁽²⁷⁾ It was agreed that the Assembly was still to be given the opportunity to debate the reform and subsequently to promulgate the Reform Law, on 1st April 1945. Instead of a lengthy parliamentary debate, in mid-March a curious event took place. The Soviet High Command, in effect Marshall Voroshilov, issued a statement regarding German preparations for an offensive, reinforced by Hungarian units, in western Hungary. In view of this operation, the military experts claimed, the best policy was to begin with the land distribution immediately in order to isolate these Hungarian units. It was hoped that redistribution would provide a disincentive for these units to fight and would induce them to return home for their share of the land,⁽²⁸⁾ and that this would generate popular support for a military push against Germany. Indeed, impatient with the lack of progress regarding the reform, Marshall Voroshilov publicly invited the peasants, on 15th March to seize land and then had the representatives of the HCP convoked in Debrecen. It is difficult to visualize exactly the impact land distribution would have had on the

fighting forces, composed, by then, largely of hard-core believers, determined to fight the Russians to the bitter end, even at that late hour. Moreover, it is also highly dubious whether there were any soldiers among the fighting force who still maintained any hope of receiving land when, and if, they returned - for one thing due to their fascist military records. It is reasonably clear that this issue was used only as a pretext, in collaboration with the HCP, to exert the final pressure to begin the land reform and, most importantly, thereby to preempt the deliberation of the Assembly.

Once the Soviet decision to interfere on behalf of the HCP was made, imposing a tighter schedule, events moved swiftly and smoothly. On 15th March 1945 an Inter-Party Conference was held, at which Voroshilov's draft on reform was imposed. ⁽²⁹⁾ At this conference the SHP, recognising that the balance of power was heavily against them, 'agreed' to the reform proposal, formally introduced by the Minister of Agriculture, Imre Nagy, without any further debate. After a brief token discussion, the Council of Ministers gave its consent to the reform on 17th March 1945, ⁽³⁰⁾ and the Provisional Government published its Decree No. 600/1945. Me.sz. on the next day, under the heading 'Termination of the System of Large Estates and Redistribution of Land to the Peasantry'. ⁽³¹⁾ The last comment on the reform decree came from Count Géza Teleki, a member of the Provisional Government ⁽³²⁾, when he observed:

I also believe in the necessity and benefits of land reform, but not in the unconstitutional manner in which it was pushed through. Originally, it was agreed that it would be a law and it should have been promulgated as a law. It ought to have been submitted to the National Assembly, since a decree is not a source of law. I gave no authorisation whatsoever to Secretary of State Balogh to accept the decree. I regard the decree as bad and the procedure as unlawful. ⁽³³⁾

The ideas embodied in the final Land Reform Decree, of course, reflected entirely the draft proposal submitted by the NPP on behalf of the communists. In

the preamble, the decree emphasised that the termination of the system of large estates 'safeguards the democratic transformation and future development of the country'. It also stressed that the execution of the reform was 'of vital national interest and economic necessity'. And it confirmed that 'after the termination of large holdings, agriculture in Hungary will rest on viable, healthy and efficient small holdings which will be the legal property of peasant landowners.'⁽³⁴⁾

The reform decree provided for two forms of expropriation: (i) all land, irrespective of size, and all property of traitors, war criminals, fascist collaborators and enemies of the Hungarian people were to be confiscated outright; (ii) owners of estates larger than 1000 cad. yokes were to lose all rights to retain any land or other farming assets, e.g., buildings, animals, equipment, but were to be compensated for their losses. Owners of holdings between 100 and 1000 cad. yokes were allowed to retain a maximum of 100 cad. yokes -except in case of land located within 30 km. radius of Budapest, where 50 cad. yokes was to be the top limit. The decree made a tactical distinction between gentry and peasant farms and in the latter case farmers were allowed to retain 200 cad. yokes, reflecting the political consideration of the HCP towards the middle peasants. Those who distinguished themselves in fighting against the Germans were allowed to keep up to 300 cad. yokes. The maximum retainable size in the case of vineyards and orchards was 20 cad. yokes, and all forests, above the size of 10 cad. yokes were to be nationalised and put under state management. One cad. yoke of vineyard or orchard was deemed to be equal to 5 cad. yokes of arable land, in respect of both expropriation and allotment. The decree, on the other hand, specified closely who was entitled to land: these included landless servants of large estates and agricultural labourers, dwarf-holders and smallholders wishing to enlarge their land, in that order of priority. An upper age limit of 60 was set for eligibility to claim land. The

maximum amount of arable land a claimant could be allotted was set at 15 cad. yokes (8.6 ha.), plus 3 cad. yokes of vineyards and orchards. In the case of privileged persons this could be raised to 25 and 5 cad. yokes respectively. The minimum size was fixed at 3 cad. yokes (1.7 ha). Land, of course, was not given free of charge to the new landowners. The decree stipulated that they were obliged to pay a 10 per cent down-payment of the purchase price - fixed substantially below the market value, at 20 times the value of net revenue per cadastral yoke. The remainder could be paid in 10 annual instalments. Former landless servants and labourers were given even greater concessions: they received three years grace before the first down-payment and had to pay the remainder in 20 annual instalments. The newly acquired land was also subject to important limitations since it could not be mortgaged or sold for 10 years. Since the land first went into state ownership, the new owners were to redeem from and make payment to the state. Interestingly, the state, in the first few years, put no pressure on the new owners for payment. Later, however, when agriculture became collectivised, the collection of these outstanding debts was used to exert economic pressure on private farmers to join collectives.

The decree contained promises of compensation to former landowners. An interesting aspect of the HCP's political manoeuvring is clearly expressed by its, seemingly, flexible attitude to the question of compensation. Traditionally, in principle, the party was opposed to any compensation. Political expediency, however, demanded that it accept this burden temporarily. It was admitted later that this was imperative, because the political conditions prevailing at the time did not permit the party to advocate a heated and prolonged debate on the issue. It anticipated, that by the time compensation payment was due the 'leading role' of the working class would be strong enough to arrange the question of compensation 'in a revolutionary manner'.⁽³⁵⁾ In any case, the decree was very vague on the question of compensation. It stated that a compensation fund was

to be set up from payments made by the new owners and used by the state to recompense 'according to its means' those whose land was expropriated. With the high rate of inflation, war losses and reparation payments, even if the intention was really there, the 'means of the state' must have been extremely limited. The whole question of compensation remained a promise. With the radical change in the climate of politics in 1948 the question of compensation was removed, for ever, from the agenda.

The most revolutionary feature of the whole question of land reform was, undoubtedly, the proposed method and speed of its execution. According to the decree, executive organs were to be set up at various administrative levels on a regional basis. A supreme executive body, the 'National Council for Land Distribution', was created, entrusted to deal with any modification of regulations, issue of decrees, and settling of disputes. Apart from legal aspects, the National Council also dealt with the technical, engineering and land registration problems in connection with the reform. It was assisted by a network of 25 County Councils for Land Distribution, which were the courts of first instance in all questions of expropriation and allotment. The main duties of administration, largely registration and the settling of legal complaints, were given to the National Land Office, with branches whenever an intermediate Land Distribution Council existed. These offices were subordinated to the Councils at their respective levels. The task of implementing the reform, after expropriation and allotment, was put into the hands of approximately 3200 Land-Claimants-Committees. These were made up from landless claimants, many of who were recruited into these Committees, and to the party, by communist agitators sent out into the countryside by the HCP. The nature of this 'direct participation', the communist orientation and unrestrained behaviour of these Committees - mobilised by the HCP for swift redistribution and to exert pressure on the Government gave a revolutionary character to the reform. The

entire hierarchical set-up was responsible to the Ministry of Agriculture, headed by the communist Imre Nagy.⁽³⁶⁾ The execution, due largely to the administrative set-up and the speed of implementation, created serious difficulties and was the source of numerous distortions and much friction, which ultimately led to the violation of the letter of the decree.

4.2 Implementation of the Reform

In the fact of vigorous organisational and political activities in the rural areas by the HCP, it soon became apparent that the real value of the land reform decree and the whole character of future agrarian development was decisively dependent on the manner in which the decree was implemented. From the very initial stages there were signs that the letter of the decree was going to be violated. In many places, particularly in Eastern Hungary, the more radical peasants did not even wait for the decree to come into full operation but simply expropriated the land on which they worked before and distributed it amongst themselves. Also, as a result of the constant canvassing and agitation by the HCP, 'Land-Claimant-Committees' began to be formed as early as February, before the enactment of the decree.⁽³⁷⁾ In other parts of the country, particularly in the Trans-Danubia region, the landless and land-poor peasants, on the other hand, did not exhibit such revolutionary zeal and waited until their land hunger was satisfied within the framework of legality.

When the decree became operational, the organisational work by all parties, but especially by the HCP, began in real earnest. The communist Minister for Agriculture and the communist dominated executive structure, especially at the grass-roots level, ensured the speedy and comprehensive implementation of the decree. The Soviet High Command, having already intervened at the preparatory stages of the reform, as noted, continued to keep a close eye on the implementation stages and actively participated, intervened and provided 'help' whenever it became necessary. Some local Russian Commandants went as far as to request the local administration to submit daily reports to them on the progress of the land reform.⁽³⁸⁾ Neither did the HCP spare any efforts, sending out its 'best' cadres to the countryside, to influence, 'advise' and control the composition of membership of the different administrative agencies. Its prime concern, of course, was to establish the Land-

Claimant-Committee and to fill them with recently recruited HCP or NPP members, all with a favourable disposition towards the party's distribution policies. By this, the party was able to achieve a strong organisational advantage throughout the country, at a level most directly involved in the execution of the land reform. Consequently, these Committees acquired a vested interest and direct representation in the land reform.

The County Councils for Land Distribution, the intermediate administrative organs of the reform, began to evolve sometime after the Land-Claimant-Committees were already organised throughout the country and land distribution, in fact, was already well under way, in some places even completed.⁽³⁹⁾ Their unhurried establishment, during and immediately after the first wave of land distribution, was an important tactical gain for the HCP. After they were set up, they were expected to endorse, as faits accomplis, the distribution decisions of the Land-Claimant-Committees, which led to serious disagreements and tensions between the two administrative levels; quite naturally and legally they were reluctant to accept a secondary, purely administrative, role without decision-making power. After protracted negotiations, the compromises reached 'above', in the higher regions of politics, were not respected by the Land-Claimant-Committees, which frequently refused to execute 'adverse' decisions made and passed down by the County Councils. At times, the relationship between these two executive organs deteriorated, in fact, so much as to force the National Council to take up the issues and to instruct the Land-Claimant Committees to respect the resolution and the authority of the County Council.⁽⁴⁰⁾ In spite of this, their relationship remained extremely tense.

Soon after their formation, these Land-Claimant-Committees began their work seriously. Their first duty was to draw up a list of holdings, in their respective districts, which were, in the terms of the decree, to be expropriated. At the same time, peasants began to register their claims for land. The

submission of applications for land, in the different provinces, did not show a uniform picture. In many places this process was hampered for various reasons. Initially, the peasants often, particularly in the region of Trans-Danubia, displayed a hesitant attitude and did not register their claims for some time.⁽⁴¹⁾

The result of traditional peasant mistrust of communists was often, as noted by a leading communist, that 'weeks, even months, passed and in many places the land was neither distributed nor tilled'⁽⁴²⁾ The prime motivation behind this cautious attitude was, undoubtedly, the fear of possible reprisals by the dispossessed landowners should, after all, the outcome of the war change in their favour: if, as they murmured, 'the English were to occupy the country', they would be able to return. The war, it should be noted, at this time, was still raging fiercely in certain parts of western Hungary. Also, the peasants often referred to the fact that many of them were hanged in 1919, when the political situation changed and the landlords returned. Many also complained 'what was the use of having land if there were no equipment and implements'.⁽⁴³⁾ Thus, although the peasants had a burning desire for land, they also had doubts as to the permanence of the reform.

After this initial hesitation, however, the reform was set into motion without any further delays. The few who had the courage to register their claims, and subsequently received allotments, spurred on the more hesitant and the distribution of land began expeditiously, if not without further difficulties. One of the main problems was caused by the intermittent inflow of applications for land, which caused an immense amount of extra work for the Committees and, inevitably, delays in distribution. In many places, as a result of late applications, the land already distributed had to be re-pooled and re-allocated, often two or three times, before the land distribution could be finalised.⁽⁴⁴⁾ In addition to late applications, there was also the problem of the slowly returning soldiers, ex-prisoners of war, who as they returned challenged the results of the

land distribution, 'finalised' during the spring and summer. According to the decree, 5 to 10 per cent of distributable land was to be reserved for this category, but this condition, in most places, could not be satisfied because of land shortage, particularly in the eastern provinces.⁽⁴⁵⁾ Indeed, applicants in many places did not succeed in securing an allotment. Already, during the first few weeks of the reform, disputes developed between the former farm servants and landless agricultural labourers as to who was to have priority to land. Although the decree categorically stated priority for the first group, this was ignored in many places.⁽⁴⁶⁾ Moreover, disputes developed between neighbouring villages because the differences in distributable land resulted in smaller allotments.

In areas where land was in short supply the Government proposed to solve the problem by re-settling the applicants to areas where land was available, e.g., mostly in former Volksdeutscher villages whose population was repatriated to Germany, in accordance with the Potsdam Agreement. This, however, posed an immense dilemma for the administration since most of the peasants, quite naturally, refused to move and maintained that they should be given land in their own villages. Rather than move, they demanded the distribution of the available 200 cad. yokes holdings, protected by the decree, and the subsequent settlement, with equivalent land compensation, of their owners.⁽⁴⁷⁾ This proposal, however, was unacceptable to even the HCP which, at this stage, was anxious not to offend this class of peasants. By August 1945, when it became evident that land would not be forthcoming, some finally agreed to re-settlement. The whole procedure of re-settlement was extremely slow and many settlers faced further difficulties due to lack of living quarters, other buildings etc., destroyed by the war, and ultimately many of them withdrew their application. For a time the whole operation of re-settlement came to a standstill. In September 1945, the Provisional National Assembly was compelled

to discuss the problem and the question of re-settlement was finally regulated in May, by Law No. IX of 1946⁽⁴⁸⁾, after which the movement of farm population began once again, but the final re-settlement was not completed until much later. Although the quality of operation improved, partly because the law reassigned the administrative duties to the National Council - from the People's Welfare Office, which the HCP claimed was infiltrated by reactionaries - on the whole the policy of re-settlement did not succeed in solving the acute land shortage problem; it was, nevertheless, able to alleviate it.

Owing to the great pressure for land and, often, to the veiled encouragement and blessing of the HCP, the implementation of the reform went far beyond the provisions of the Land Decree. In many places, the dissatisfied mass of peasants, with the connivance of the Land-Claimant-Committees, interpreted the confiscation clause of the Decree in an arbitrary manner. In many instances, landowners, who by the size of their land would not otherwise come under the category, were declared war criminals, traitors and/or enemies of the people, without any evidence or justification, and their land was seized and distributed.⁽⁴⁹⁾ A number of holdings in the 100 to 200 cad. yokes category, sometimes even smaller ones, were affected in this way. The higher executive organs were practically powerless, at this stage, to prevent and reverse these happenings. Many intentional, and unintentional, illegalities were also committed at the surveying stage, when the size of the holdings was established. This particularly affected the 1000 cad. yokes estates, since if the size was declared to be over 1000 cad. yokes nothing was required to be left to the owner. Since, in many instances, the Land Registration Certificates had either been destroyed by the war or removed by the fleeing administration, the Committees were faced with genuine problems and situations where this could be exploited. It is because of these arbitrary and often over-zealous actions at the grass-roots level that many present day writings question whether it was Land Reform or Agrarian Revolution:

- a) its characteristics carry the stamp of reform, since it was brought about by Decree, compensation for owners below 1000 cad. yokes size of holdings was promised and the recipients had to pay for the land
- b) but, these were observed only to a small extent or not at all, and the Parliament often legalised actions and passed statutes which were initiated, in the first instance, from below.

After the middle of 1945, by which time the lion's share of the land was distributed, peasants - with the support of the Land-Claimants-Committees - began a vigorous campaign for the extension of the scope of the land reform. Mostly, they were attempting to revise the upper limit of peasant holdings, downwards, to 50 cad. yokes, thereby freeing more land for distribution.⁽⁵⁰⁾ The campaign was also extended to trying to legalise the status of the lands already confiscated.

Owing to the many excesses, the Land-Claimant-Committees came under constant, if ineffective, fire from the landowners and also the higher executive organs, in which the SHP had some, if nominal, influence. Numerous complaints and petitions were filed all over the country by land owners against the rough justice they received from these Committees, which seized more than specified from kuláks, gentry etc. In a letter, e.g., to the Minister of Agriculture, the County Csanád branch office of the SHP complained that:

the work of the Land-Claimant-Committee in our county, in our opinion, deviated from the letter of the law because after the distribution of legally distributable estates it now submitted, several - one after the other - confiscation proposals for the farms of hard working, honest smallholders, especially if they are members of our party. This was already established by the National Council for Land Distribution.⁽⁵¹⁾

and the letter from County Bács, complaining about the illegal composition of the local Land-Claimant-Committee's membership:

The Land-Claimant-Committees, in most places, are formed illegally and their membership is not made up of those who are eligible for land, they operate contrary to the letter of the law: after, first, satisfying themselves these, otherwise ineligible, Committee members provide others, equally ineligible, with land.⁽⁵²⁾

Because of these 'spontaneous' allocations of land and the favouritism they displayed towards their members, relatives and friends, the Land-Claimant Committees also became the target of attack by the peasantry. They accused the Committees of giving more and better quality land to their preferred people.⁽⁵³⁾

Apart from various excesses and favouritism the frequent dissolution and re-constitution of the Committees resulted, invariably, in the modification of previously agreed land distribution plans, causing immense confusion and discontent and delaying the completion of the reform.⁽⁵⁴⁾ Towards the end of the reform instead of promoting they hindered its completion. It is not surprising then, that by then even the HCP, in a memorandum prepared by the Political Committee, called for their abolition.⁽⁵⁵⁾ Their final dissolution together with the County Councils did not come, however, until February 1947.

The political scene changed significantly, if only for a short period, with the decisive electoral victory of the SHP in November 1945. The politics of the period will be discussed soon. For the moment it is sufficient to say that the party obtained almost 60 per cent of the seats in the Parliament. It came as a great surprise to the HCP, who expected to do much better. This defeat showed clearly that the communists had not succeeded in obtaining the overwhelming support from the agrarian proletariat which, of course, had been their greatest hope. The new landowners had become class-conscious and strong supporters of private ownership and voted for the parties which championed the sanctity of private property as they did also in 1947.⁽⁵⁶⁾ As a result of the SHP victory, the Ministry of Agriculture was promptly taken over by Béla Kovács.⁽⁵⁷⁾ Inspired by

its victory and, perhaps, by the veiled tactical encouragement of the Russian High Command⁽⁵⁸⁾, the party believed that the time was ripe to show a more vigorous opposition towards the HCP and its policies. It should be noted that, in spite of its defeat at the elections, the HCP continued to hold the key positions in the Government, including the Supreme Economic Council, which controlled the overall economic policy.

The mistakes and discontent regarding the reform, already voiced in many quarters, presented the party with an excellent opportunity to launch its attack. Being in fundamental agreement with the reform, it did not attack its principle, but launched a forceful campaign against the method and the manner of its execution. It publicised the excesses that were committed. The main thrust of the accusations was that the peasants failed to observe the 100 and 200 cad. yokes limits, prescribed by the decree, but distributed many such holdings.⁽⁵⁹⁾ The party also accused the Land-Claimant-Committees of not adhering to the principle of impartiality. Moreover, it accused the HCP of trying to monopolise the land reform as its own achievement. It stated that:

we all wanted a land reform. The SHP fought for it for 15 years. But the 'direct democracy' prevailing at present, institutionally, almost completely excluded the Smallholders' Party from participating in its execution.⁽⁶⁰⁾

Subsequently, the SHP embraced the cases of many who had been unfairly dispossessed during the distribution and urged a tightening up of the confiscation procedure and a judicial review, if necessary, of all land allocations made thereto, with priority, of course, for the contested cases. It proposed that while the investigation was in progress, all land distributed was to be regarded as leased property.⁽⁶¹⁾

The overall questioning of the manner in which the reform was executed and the prospect of re-examination could not but fail to raise the hopes of even

legitimately dispossessed landowners that perhaps the reform could be reversed and their land returned to them. These high hopes were, however, quickly dashed. The SHP refused to identify itself with this sectional interest. The number of lawsuits filed by landowners against illegal confiscations, however, increased drastically, and in some instances the courts issued re-possession orders.⁽⁶²⁾ This turn of events, of course, disturbed the HCP; it was something it could not accept since it weakened the whole work and progress of the reform. The party was determined to prevent the eviction of peasants from their new farms. Although the SHP clearly stated that those recipients 'who acquired land in accordance with the decree have nothing to fear'⁽⁶³⁾, this did not seem to have alleviated the widespread alarm and bitter reaction that arose among the ranks of the peasantry. They saw the 'permanence of the reform' in jeopardy. This feeling was reinforced by the fact that only very few new settlers received the final title to their farms. The ensuing confrontation between the HCP and the SHP was brief and intense. In response, the HCP Central Committee launched a counter-attack by calling the communist members of the Land-Claimant Committees to a National Conference, which proclaimed a campaign with the slogan 'land we will not return'.⁽⁶⁴⁾ The HCP instructed all district and provincial party organs to organise and prepare the workers and peasants for the struggle, and for some 8 weeks communists, using propaganda, manipulated mass demonstrations to show, in their words, to

convince the SHP leadership that even the multitude of votes cast for them cannot provide protection against force, but only the use of counterforce, which they do not have at their disposal.⁽⁶⁵⁾

Thus, in March 1946, on the initiative of the HCP the 'Left-wing Bloc' was formed by the party with the SDP, NPP and Trade Union Council.⁽⁶⁶⁾ More about this later. For the moment, it is enough to say that, led by the

communists, the Left-wing Bloc took the offensive and began to give ultimatums to the SHP, in the name of the Hungarian people, to restrain itself and behave as a progressive democratic party. It was, in fact, the beginning of an all-out attack on the SHP. Those who opposed or disagreed with the demands of the Left-wing Bloc were quickly denounced as 'fascists' and 'enemies of the people'. This type of manipulation and the pressure exerted by the demonstrating masses, reinforced by the Russian presence, left no alternative to the isolated SHP, but to retreat. Already, at this stage, power began to shift to the left. The formation of the Left-wing Bloc was, undoubtedly, the most skillful tactical step by the HCP, undermining the SHP, and by using this alliance over the next two years it gradually, through ceaseless internal manipulations, manouvered the SHP into a self-liquidating process. At this stage, however, the HCP, as will be shown, considered it politically premature to effect a full liquidation. It merely wished to keep the influence of the SHP within controllable bounds, in order to avoid more serious difficulties later.

Soon after this, the SHP was 'persuaded' to withdraw its demands for the revision and re-examination of the reform and the party reached a 'compromise' with the Left-wing Bloc. So, for all the arbitrary injustices the SHP felt that these were best left as faits accomplis and legislation confirming this was duly passed by Parliament in Law No IX. 1946, in May of that year. The law stipulated that land could not be taken back from anybody and it forbade the restoration of any land, expropriated before 1st January 1946, to the previous owners. There was only one exception: if the expropriated land was smaller than 50 cad. yokes, it had to be returned to the owner. The new statutes then legalised most of the excesses committed up to then, and the illegally dispossessed landowners had no further recourse whatsoever. A further concession to the communists was made by the Prime Minister, Ferenc Nagy, on 23rd February 1946, when he replaced the moderate Béla Kovács with the crypto-communist István Dobi, as Minister of Agriculture.

Although the new law did not altogether stop further argument about the execution of the reform, it reduced it drastically. By ratifying the status of all distributed land it succeeded in calming down the peasants. After this, illegal land confiscations by the Land-Claimant-Committees largely, though by no means completely, ceased to be a problem and land that was confiscated illegally, after 1st January 1946, was soon, on instruction, returned to the owners.⁽⁶⁸⁾ The chief problems that remained during 1946 were two: (i) reorganisation of the Committees and the fact that new plans for distribution were still being drawn up in many places prevented the final completion of the reform and (ii) the extremely slow progress by the official surveying teams delayed the entry of allotments in the registry books.⁽⁶⁹⁾ Resulting from this, it became clear by the end of 1946 that the reform could not be concluded unless some of the executive organs were removed. On 14th January 1947, Law No. V. 1947 was passed by Parliament 'For the promotion of an early completion of the Reform'.⁽⁷⁰⁾ The law finally abolished both the Land-Claimant-Committees and County Councils. It also transferred some of the administrative duties of the National Council for Land Distribution to the National Land Office, and its network of country branches. This was the final act regarding the land reform, after which the reform was successfully concluded during 1947.

4.3 Balance Sheet of the Reform

As a result of the reform, the agrarian character of the country changed radically. The large latifundias, predominant in the past, completely disappeared; although some land was retained by the state and converted into State Farms. Their place was taken by small and medium individually owned peasant holdings, which came to rule the agrarian scenario, if only for a relatively brief interlude. The HCP regarded the reform as one of its own greatest achievements. At no time did it accept that the reform was the tail end of a reform movement which originated in the years between the wars and which prepared the ground so much so that, even without the emergence of the HCP as a force in post-war politics, land reform, oriented to be sure towards more economic considerations, would have been implemented. Be that as it may, it is true, of course, that the HCP achieved an important tactical success by using the reform as a basis to make political inroads. It flows from this that the principle feature of the reform was entirely political in character, transcending all purely economic considerations.⁽⁷¹⁾ The HCP was well aware of the fact that the economic benefit to be gained from a reform of this kind was, in the short and, especially, in the long run, minimal. What was totally clear to them was the political lesson of 1919 and Stalin's policy of 1929: the land had to be given to the agrarian poor, the landless, and not to the more efficient small and medium peasants. The party was unconcerned whether the reform would lead to the further development of agriculture towards more efficient farming. For the HCP the reform was intended to secure the basis of support amongst the agrarian poor, the landless labourers and dwarf holders to increase, as in Russia, the 'class conflict in the countryside'. Alas, Hungary was significantly different to Russia. The peasants showed remarkably little gratitude to the HCP for the reform, no neat divisions existed among the layers of the peasantry, while the excesses committed by the Land-Claimant Committees left much distrust, and

litigation amongst the actual beneficiaries of the reform and alienated the wealthier peasants from the leftist parties.

The land reform was accomplished, as shown, with considerable speed and was, in its major proportions, impressive. The total amount of land made available by the reform for distribution was 5.6 million cad. yokes, which represented 34.8 per cent of total arable land area.⁽⁷²⁾ Of this total, 3.26 million cad. yokes, i.e., 58.2 per cent was actually distributed to individual peasants and their families and 2.34 million cad. yokes was retained as communal pastures, state property, household plots or put aside for various other forms of public use.⁽⁷³⁾ Although it was of no practical significance, 57 per cent of the total number of holdings was obtained by confiscation and 43 per cent by expropriation with the 'promise' of compensation.⁽⁷⁴⁾ The fact, however, that the area of confiscated land, heavily concentrated in Trans-Danubian regions, represented only 10 per cent of the total indicates that predominantly small holdings were so affected, which highlights the political significance of confiscations affecting 'Volksbund' members and senior civil servants of the previous regime etc. In the course of the reform some 75,000 holdings were redistributed.⁽⁷⁵⁾ The proportion of land redistributed for different kinds of land use is shown in Table 4.1.⁽⁷⁶⁾ Altogether, some 750,000 persons submitted applications for land, but in accordance with the decree there were 663,000 eligible applicants among them. Of these, some 642,000 individuals and their families obtained allocations of land under the reform⁽⁷⁷⁾, leaving some 21,000 rightful applicants without allocation in order not to carve up the agricultural land of the country into even smaller farms. Their real number, however, was much higher than this figure would tend to suggest since it excludes many of those who, although eligible, failed to submit applications at the right time, e.g., returning soldiers etc. The distribution of allotments by number and occupation of beneficiaries is shown in Table 4.2:⁽⁷⁸⁾

TABLE 4.1 - Proportion of land re-distributed for different kinds of land use

Uses	total area of holdings in '000s of cad. yokes	land area re-allocated by the reform in '000s of cad. yokes	re-allocated land area as % of total	% distribution of land area by use
Ploughland	9.763	2.879	29.5	51.4
Garden	219	42	19.2	0.8
Meadows	1.104	345	31.3	6.2
Vineyards	355	46	13.0	0.8
Pastures	1.701	550	32.3	9.8
Forests	1.922	1406	73.1	25.1
Reeds	50	29	58.1	0.5
unsuitable for agricultural purposes	967	302	31.2	5.4
Total:	16.081	5.599	34.8	100.0

Source: m. 76, p. 237

TABLE 4.2 - Distribution of allotments according to the number and occupation of beneficiaries

Occupation of beneficiaries	Beneficiaries		Total distributed area in cad. yokes	Average area of allotment per person in cad. yokes
	Number	% distribution		
Agricultural labourers	261.088	40.6	1.288.463	4.9
Farm servants	109.875	17.1	922.255	8.4
Dwarf farmers	213.930	33.3	829.477	3.9
Small holders	32.865	5.1	143.131	4.4
Rural craftsmen & artisans	22.164	3.5	53.866	2.4
Qualified agriculturalists	1.256	0.2	14.548	11.6
Forestry employees	1.164	0.2	6.998	6.0
Total:	642.342	100.0	3.258.738	5.1

Source: see m. 78, p. 237

The largest segment of rural society, 91 per cent, to benefit from the reform were the poorest peasant agricultural labourers and farm servants - both entirely landless - and the dwarf holders. Of these, the farm servants benefited by far the most with an average of 8.4 cad. yokes per person. According to recognised agronomists this figure constitutes, under Hungarian conditions, an absolute minimum upon which a farmer can derive an acceptable living for himself and his family. The change wrought in the life of some 109 thousand families was immense. These people, formerly employed on yearly contracts, as farm servants on large estates, had previously the lowest social status in the rural hierarchy. Now they became masters of their own. There is a significant difference between the two landless groups, agricultural labourers and farm servants, regarding the size of allotment. The reason for this is that the agricultural labourers lived in concentration in regions of the country where the number of large estates was small and, consequently, the land available for distribution was also smaller. Farm servants, on the other hand, lived on large estates where land was more abundant. The basic allotment was, of course, the same as for others, but farm servants tended to have larger families which also tended to increase the size of their allotment. The average allotment given to agricultural labourers enabled them to upgrade their economic status to that of a dwarf holder, but they still had to find some seasonal employment to supplement their farm income. With the dissolution of large estates, however, employment opportunities for them, and for those who remained landless even after the reform, became extremely limited, creating great employment problems. The significant feature of the reform is that out of the 746,000 wage-earning landless agricultural proletariat, that existed before the war (see Table 1.3, Chapter 1, p.11), the reform, by allocating land to some 370,000 of them,⁽⁷⁹⁾ still left over 375,000 entirely landless. This insuperable problem was recognised by the Government, that there was simply not enough land available for distribution.

This was, partly, the reason for the tremendous pressure exerted by the peasantry during the reform to reduce the maximum retainable size of holdings. Assuming that 27.8 per cent of all expropriated and confiscated land retained by the state⁽⁸⁰⁾ had been distributed, it would have provided approximately a further 4.3 cad. yokes on average for those who remained landless. This, however, would have been entirely impractical and contrary to the national economic interest since the lion's share of this was forest land. Apart from differences in average allotments between the agricultural labourers and the farm servants, considerable regional differences also existed. The disproportions in regional redistribution could not be reduced by the re-settlement policy. Although some 25,000 families moved into former German villages, primarily re-settled from Czechoslovakia, only some 10,000 poor peasants volunteered for land on large estates by settlement; making a total of 35,000 poor peasants re-settled.⁽⁸¹⁾ The high cost of re-settlement and the dire shortage of financial resources in war-ravaged Hungary prevented greater incentives being offered.

In evaluating the results of land reform, it is important to examine the new farm size distribution and the impact the reform had on the structure of agriculture. This is given in Table 4.3⁽⁸²⁾

The pre- and post-war comparative land distribution pattern, demonstrating the changes that occurred in respective categories can be conveniently shown from the computations of Table 1.5 on page 27 and Table 4.3. This is shown in Table 4.4. Since the above tables are more or less self-explanatory only a few observations, relating to the major changes, are really called for. On analysing these tables it becomes apparent that as a result of the reform the interrelation between the various categories of holdings, in terms of numbers and area, changed considerably. The reform, although it did not eliminate the inequalities in land ownership completely, did reduce them

TABLE 4.3 - Distribution of Farms in Hungary in 1947

Size Class in cad. yokes	Number Farms in each class	% of total	Area in cad. yokes Farms in each class	% of total	Av. area in in each size class in cad. yokes
0 - 5	1,406,325	68.1	2,871,958	17.9	2.04
5 - 10	388,179	18.8	3,388,857	21.1	8.73
10 - 20	175,428	8.5	2,789,353	17.3	15.90
20 - 50	71,164	3.4	2,359,004	14.7	33.15
50 - 100	14,864	0.7	1,295,506	8.1	87.16
100 - 200	5,525	0.3	714,512	4.4	129.32
200 - 1000 ^(a)	4,034	0.2	1,352,728	8.4	335.33
1000 - 3000 ^(a)	504	0.0	796,007	4.9	1579.38
over 3000 ^(a)	91	0.0	513,919	3.2	5647.46
Total:	2,066,114	100.0	16,081,844	100.0	7.78

(a) These are state holdings: data include land taken into public, communal ownership, mostly pastures and forests. The share of arable land in holdings above the size of 100 cad. yokes after the reform was approx. 4 per cent. None of these categories were privately owned.

Source: see n. 82, p. 238

TABLE 4.4 - Changes in the number and area of holding as a result of the 1945 Land Reform

	increase (+) or decrease (-) in number of holdings	Percentage change in number	increase (+) or decrease (-) in area of holdings	Percentage change in area
0 - 5	+ 221,542	+ 18.7	+ 1,240,712	+ 76.0
5 - 10	+ 183,708	+ 84.9	+ 1,911,481	+ 122.6
10 - 20	+ 31,242	+ 21.6	+ 763,407	+ 37.6
20 - 50	- 2,499	- 3.3	+ 186,704	+ 8.6
50 - 100	- 376	- 2.4	+ 259,344	+ 25.0
100 - 200	- 267	- 4.6	- 90,652	- 11.2
200 - 1000	- 1,168	- 22.4	- 722,073	- 36.3
1000 - 3000	- 264	- 34.3	- 454,592	- 36.3
over 3000	- 211	- 69.8	- 3,044,311	- 88.3
Total:	+ 431,707	+ 26.4	-	-

drastically. The total number of holdings increased by more than 431,000 as compared with 1935. More than half, i.e., 51.3 per cent, of the newly created holdings occurred in the 0 to 5 cad. yokes category. Compared with the pre-reform situation the number of dwarf-holdings had increased in absolute but decreased in relative terms. The area of these holdings, however, increased both in absolute and relative terms. The biggest single increase in the area of holdings took place in the 5 to 10 cad. yokes category. The number of holdings in all categories above 20 cad. yokes decreased, although the reduction in the categories of 20 to 50 and 50 to 100 cad. yokes was not accompanied by a corresponding decrease in their total areas. As a result of these changes, in numbers and areas, the average size of holdings, up to 100 cad. yokes, shows an economically healthy improvement, although it was still far from ideal.

The distribution of the total land area, i.e., 16,081,000 cad. yokes according to ownership was: 12,758,000 cad. yokes privately owned, approximately 296,000 cad. yokes state owned and 3,027,000 cad. yokes some form of public or communal ownership.⁽⁸³⁾ The most significant change brought about by the reform was in the structure of private ownership. The percentage change in the distribution of private holdings in the various categories, compared with 1935, is shown in Table 4.5.⁽⁸⁴⁾ The dramatic shrinking in the area of holdings above the size of 100 cad. yokes can be seen from the table. The number of holdings was reduced in the below 100 cad. yokes size categories, with the exception of 5 to 10 cad. yokes category, but the total area increased. So, after the reform the ownership structure had changed dramatically - the gentry type of holdings, above the size of 100 cad. yokes, ceased to exist, together with the type of wealthy peasant holdings, soon to be called 'kuláks', above the 200 cad. yokes. All holdings above this size went exclusively into some form of public ownership.

TABLE 4.5 - Percentage change in number and area of farms in 1945 compared with 1935

Categories	Distribution of private holdings in			
	numbers		area	
	1935	1945	1935	1945
0 - 5 cad. yokes	73.0	68.5	12.9	22.5
5 - 10 cad. yokes	12.6	18.9	11.7	26.5
below 10 cad. yokes	85.6	87.4	24.6	49.0
10 - 50 cad. yokes	13.2	11.8	32.4	39.5
below 50 cad. yokes	98.8	99.2	57.0	88.5
50 - 100 cad. yokes	0.8	0.6	6.7	8.6
below 100 cad. yokes	99.6	99.8	63.7	97.1
above 100 cad. yokes	0.4	0.2	36.3	2.9

Source: see n. 84, p. 238

Apart from land, reference should also be made to the fact that during the land reform other live and capital assets, i.e., livestock, buildings, seed stocks, machinery, implements, etc., were also expropriated and some were distributed. More than 1500 castles and manor houses, with almost 8000 cad. yokes in total, largely in the Trans-Danubian regions, went into state ownership. In addition some 65 to 70 million m³ of buildings were expropriated, some of which were given to beneficiaries of the reform and some to communal, cooperative organisations. Some 160 spirit distilleries, 228 flour-mills, 210 rural industrial plants and 175 other small scale plants were transferred to cooperative ownership. Cooperatives were also given some 6950 tractors and steam-ploughs and some 600 threshing-machines. The new landowners received some 160,000 smaller soil cultivating and some 250,000 other small items of machinery. The total value of capital assets was equivalent to the value of 18 to 20 million quintals of wheat, which meant that an average recipient in addition to the land was given, directly or indirectly, the equivalent value of 35 quintals of wheat.⁽⁸⁵⁾

It is clear from the above data that the post-1945 reform achieved substantially more, in a much shorter time, than the reforms of the inter-war period. The major achievement of the reform was, undoubtedly, that it completely abolished the latifundia in the country, and changed radically the land ownership structure. The clear winners were the 642,000 poor peasants and dwarf-holders, the losers the large estate owners. But many problems remained unsolved. Looking at the agricultural scenario, it is true to say that a large segment of the peasantry could not claim a qualitative improvement in their lives. The problem of poverty still remained since the poor and landless peasants still constituted approximately 50 per cent of the agrarian population. Many of those who were given land could not cultivate it efficiently due to lack of either training or equipment or both. It is not surprising that much dissatisfaction still

remained in the years after the reform amongst those who were not given land and also amongst some of the new landowners. By distributing land to so many, a myriad of small units was established and these could not ensure the efficient productivity of the new farmers. The relative efficiency of the new land structure, however, was not to be fully tested, for the peasant's permanent fear of collectivisation was realised within a few years. For the moment, however, by neglecting economics in favour of political gains, the land reform created problems in agriculture which haunted the policy-makers for many years to come. As a result, to various degrees, all political parties were caught in a dilemma regarding the policies for the further development of agriculture.

PART TWO

1. Michael Károlyi, Memoirs - Faith Without Illusion, Jonathan Cape, 1956, pp. 327-332
2. Miklós Molnár, László Nagy, Imre Nagy, Reformateur ou Revolutionnaire, Geneva, 1959, p.32
3. A full discussion on the HCP's tactical intentions will be given below
4. Francois Fejtő, Behind the Rape of Hungary, New York, McKay, 1957, p.8

Chapter 4

5. The People's Organ were largely absorbed by the creation of National Committees, formed on 3rd December 1944, and by the establishment of the new local administrative agencies. By 4th January 1945 they were fully excluded from exercising their power
6. Szabad Nép, 16th October 1945
7. Ferenc Donáth, Demokratikus Földreform Magyarországon 1945-1947, Bp. Akadémiai Kiadó, 1969, p.65
8. Tamás Földi, György Ránki, A Szovjetunió gazdasági segítsége az újjáépülő Magyarországnak 1945-1948, in Miklós Lackó: Tanulmányok a magyar népi demokrácia történetéből. (Studies from the history of People's Democracy). Bp. Kossuth, 1964, pp. 377-378
9. M. Magda Somlyai, Földreform 1945. Tanulmány és Dokumentumgyűjtemény, (Landreform 1945 ; Studies and collection of documents), Bp. Kossuth, 1965, p.31
see also: A Magyar Kommunista Párt és a Szociáldemokrata Párt határozatai 1944-1948. (The Resolutions of the Hungarian Communist Party and Social Democratic Party 1944-1948), Bp. Kossuth, 2nd ed., 1979, pp.37-41
10. Mihály Korom, 'Az ideiglenes Nemzetgyűlés és Kormány létrehozásának előkészítése', Párttörténeti Közlemények (PK), (Journal of Party History), Vol. 20, No.4, 1974, pp.116-120
11. A paramilitary Hungarian-Nazi organisation
12. The 'Independent Front' was composed of the : HCP, SHP, SDP, NPP and Bourgeois Democratic Party
13. Stephen D. Kertész, 'The Methods of Communist Conquest: Hungary 1944-1947', World Politics, Vol.VIII, No. 1, October 1950, p.26
14. The composition of the Provisional Assembly: 71 communists, 55 smallholders, 38 social democrats, 16 peasant party, 12 Bourgeois Democratic Party, 19 Trade Unions and 19 non-party affiliated.

Magyar Történelmi Kronológia, (ed.) P. Gunst, Bp. Tankönyvkiadó, 1968, p.338

15. Magda M. Somlyai, Földreform 1945 ... op.cit., pp.31-32
16. No explanation was found as to the reasons for this important omission. Since the period followed was centered around the argument of time, it can reasonably be assumed there were already disagreements
17. The time factor was very important. This is illustrated by the fact that Hungary was finally 'liberated' fully on 4th April 1945, and the Assembly meeting was scheduled for 1st April 1945
18. Néplap (Debrecen), 6th January 1945. (Néplap was the news organ of the HCP)
19. Dél Magyarország, News organ of the 'National Independent Front'
see: a Magyar Kommunista Párt és Szociáldemokrata Párt határozatai 1944-1948 ... op.cit., pp.50-52
20. Ferenc Donáth, Demokratikus földreform ... op.cit., p.66
21. The other two parties, namely the NPP and SDP, were not the main concern of the HCP. The NPP was infiltrated and largely dominated by the HCP. The SDP, while still in underground, as shown, concluded a collaboration agreement with the HCP, on 10th October 1944. The second point of this agreement stated the necessity of uniting the two workers' parties. Its execution was left for the post-war period. Mátyás Rákosi, A fordulat Éve, Bp. Szikra, 1950, pp.204-205 (a collection of speeches)
22. Magda M. Somlyai, Földreform 1945 ... op.cit., p.37. See also A Magyar Kommunista Párt és Szociáldemokrata Párt határozatai ... op.cit., p.63 and Népszava, 23rd February 1945
23. Ibid., p.35
24. Ferenc Donáth, 'Az elkésett földreform', Agrártörténeti Szemle, No.1-2, 1962, pp.283-291
25. Ibid., p.289
26. Magda M. Somlyai, Földreform 1945, ... op.cit., p.37
27. Ferenc Donáth, Demokratikus földreform ... op.cit., p.69
28. Ibid.
29. Ibid., p.70
30. Ibid., p.71
31. For the full text of the decree see: Magda M. Somlyai, Földreform 1945 ... op.cit., pp.205-218, also, Magyar Közlöny, 18th March 1945 and Néplap, 18th March 1945. The Decree, eventually, was raised to the

status of law by the National Assembly on 16th September 1945, as Land Reform Law No. VI, 1945

32. Son of the Prime Minister, Count Pál Teleki, who committed suicide when Hungary joined Germany in the attack of Yugoslavia. Géza Teleki did not attend the meeting of the Council of Ministers, but sent State Secretary István Balogh, as his emissary.
33. Magda M. Somlyai, Földreform 1945 ... op.cit., p.44
34. Ibid., p.205 (for full text see footnote 31)
35. Magda M. Somlyai, Földreform 1945 ... op.cit., p.47
36. Imre Nagy held this office between 23rd December 1944 and 15th November 1945
37. Sándor Szakács, Földosztás és agrárfejlődés a magyar népi demokráciában, Közgazdasági and Jogi Könyvkiadó, Bp. 1964, p.35. The first executive order no.33,000 1945, F.M. sz.r.4. given directives regarding the establishment of Land-Claimants-Committees, was published on 28th March 1945. It authorised the National Committees to organise a network of Land-Claimant-Committee.
38. Ferenc Donáth, Demokratikus földreform ... op.cit., p.89
39. Ibid., p.154
40. Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.40
41. Magda M. Somlyai, Földreform 1945 ... op.cit., p.51
42. Sándor Nógrádi, Történelmi lecke, (memoirs), Bp. Kossuth, 1970, pp.281-283
43. Ferenc Sánta, Hús Óra, Bp. Magvető Zsebkönyvtár, 1964, p.122
44. Ferenc Donáth, Demokratikus földreform ... op.cit., p.111
45. Ibid., p.115
46. Magda M. Somlyai, Földreform 1945 ... op.cit., p.62
47. Ibid., p.71
48. For the full text of the law, entitled 'For the Re-Settlement and the furtherance for the completion of the reform', see: Magda M. Somlyai, Földreform 1945 ... op.cit., pp.496-504
49. Ferenc Donáth, Demokratikus földreform ... op.cit., p.93
50. Magda M. Somlyai, Földreform 1945 op.cit., p.87
51. Sándor Szakács, Földosztás és agrárfejlődés, op.cit., p.43

52. Ferenc Donáth, Demokratikus földreform ... op.cit., p.216
53. Ibid., p.119
54. Ibid., p.343
55. Ibid., p.357
56. see: discussion in present study pp.327-330
57. From 15th November 1945 to 1st March 1946, the Minister of Agriculture was Béla Kovács
58. Ferenc Nagy, The Struggle Behind the Iron Curtain, New York, Macmillan, 1948, p.154
59. Magda M. Somlyai, Földreform 1945 ... op.cit., p.92
60. Ferenc Donáth, Demokratikus földreform ... op.cit., p.224
61. Magda M. Somlyai, Földreform 1945 ... op.cit., p.99
62. Ibid., p.100
63. Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.58
64. Ibid.
65. Ferenc Donáth, Demokratikus földreform ... op.cit., p.236
66. Magda M. Somlyai, Földreform 1945 ... op.cit., p.110
67. See footnote 48 for the source of full text
68. Ferenc Donáth Demokratikus földreform ... op.cit., p.258
69. Ibid., p.334
70. For the full text see: Magda M. Somlyai, Földreform 1945 ... op.cit., p.522-524
71. Imre Kovács, Agrárpolitikai Feladatok, Misztótfalusi, n.d. (1946?) p.23, (this was admitted soon after the reform)
72. Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.66
73. 'A földreform számokban', Közgazdasági Szemle, January 1955, p.100
74. Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.67
75. Ibid., p.66
76. 'A földreform számokban', ... op.cit., p.99
77. Ferenc Donáth Demokratikus földreform ... op.cit., p.123

78. 'A földreform számokban', ... op.cit., p.72
79. 109,875 farm servants plus 261,088 agricultural labourers
80. Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.70
81. Ferenc Donáth, Reform és Forradalom, Bp. Akadémiai Kiadó, 1977, pp.77-78
82. Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.74
83. Sources for state ownership, Magyar Statisztikai Zsebkönyv 1948, p.105; for private ownership, István Friss, A jövőt építjük, Bp. Szikra, 1951, p.77; the public ownership was calculated as a difference between the above two sectors
84. 'Mezőgazdaságunk helyzete 1947-ben, Különös tekintettel az 1938-1947 közti szerkezeti változásokra', Mezőgazdasáspolitikai Intézet Közleményei, No. 10, 1947, pp.5-6
85. 'A földreform számokban', ... op.cit., p.100

Chapter 5: Individual Peasant Agriculture: the Economics

5.1 The 'dilemma' of further agricultural development

After the war the HCP, together with other urban based parties, especially the socialists, inherited an attitude on the part of the peasants which they did not really know how to overcome. First, because of the 'Kún experiment', discussed earlier, in the memories of the peasants the communists remained those 'enemies who wanted to collectivise'. Second, a traditional antagonism had prevailed between the rural and urban population. Both of these attitudes had been reinforced by the general climate of uncertainty in the post-war period.

The wide difference of interests and hostility in Hungary was not between the 'classes', but between the 'city-folks' on the one hand, and the 'peasants' on the other. The city with its modern Western way of life and 'unaccented' city language had very little in common with the language of the peasantry. The city people looked down on the peasants as either 'stupid' or 'cunning', regarded them as 'primitive' in their attitude, 'funny' in their peasant costumes and backward and traditional rather than modern. To the city the peasantry was a stratum of society which always had, at least, enough food for survival and often managed to get rich at the expense of the urban population. The peasants, of course, reciprocated these feelings, regarded the 'city-folks' as hostile towards them and equally 'funny' in their manner. The peasants generally feared the city, because it possessed coercive powers over the life of the peasantry.⁽¹⁾ In later years, incidentally, these hostile feelings decreased, but the rural-urban differences remains strong even today. The 'magyar' peasant rated amongst the most confirmed 'rugged individualists' on earth. In many ways he still retained an acute distrust of 'big people', 'city folks' and government representatives. This mutual distrust was partially responsible for the

fragmented society that existed at the end of the Second World War. It represented a formidable obstacle to the establishment of a permanent and mutually acceptable agrarian policy, in varying degrees by any of the coalition parties, but particularly the communists and socialists.

In view of this difficult background, further augmented by the problems of war losses and post-war political developments, it was difficult, in the immediate post-war years, to introduce and develop a long-term viable agrarian policy that was acceptable to the participants. The question, as shown earlier, was not about the need for land reform. That was undisputed and supported by all the coalition parties. Since most of them had 'preached' the need for a land reform throughout the interwar years, politically all parties committed themselves to a land reform, even though most of them knew that a radical land reform was not the panacea for Hungary's agricultural problem and could not solve the poor and landless peasant problem. The HCP accepted that the nationalisation of land and the collectivisation policies of the 'Hungarian Soviet Republic' were disastrous. And while the HCP leadership secretly wanted to follow Soviet agricultural practices, with the lessons of that experiment in mind and also perhaps because it could not reliably see how long the coalition regime would run, the party opted for tactical reasons for the policy of 'land to the peasants'. But, quite apart from political considerations, the need for a land reform was also clear on economic grounds. It was considered by many to be the cheapest way for the agricultural recovery. Without the reform, perhaps, as many as one-third of arable area would have remained uncultivated. Also, the regeneration of the highly concentrated large holding system would have required large amounts of capital, diverted from industry, a priority sector of the HCP. Instead, by relying purely on spontaneous peasant accumulation the road was opened for immediate and quick recovery from the war damage. It was estimated that a full agrarian recovery to pre-war level would have needed

approximately $2\frac{1}{2}$ three-year plans, i.e., $7\frac{1}{2}$ years. But, by relying on internal resources of peasant vitality and enthusiasm, recovery was achieved within one three-year plan period⁽²⁾ This reasoning, however, disregarded the fact that the new ownership and land structure, created by the reform, was also potentially high capital intensive if, at some later stage, the fragmented smallholding system was to be properly consolidated. For obvious reasons, to be detailed later, that longer-term view was no serious concern to the HCP.

The main question, however, which also had important implications for further agrarian development was not the 'need' for land reform but what type of land reform was to be introduced. The HCP and the radical NPP, drawing upon Soviet and previous Hungarian experience, decided that land had to be given to the agrarian poor and landless rather than, as favoured by the SHP, to the middle or productive smallholding peasant farmer who could work it more efficiently and with greater productivity, for both himself and the country. Although in the end the SHP accepted the type of reform proposed by the other coalition parties, recent documentary evidence, in Section 5 of the 'Draft Agrarian Proposal of the Smallholders' Party'⁽³⁾ shows that significant differences existed between the parties from the outset. The SHP too, of course, wished to break up the mammoth estates, but it believed that the land should be given to those who could expertly and efficiently work it. The party considered that it was economically a mistake, as proposed by the NPP and HCP, to redistribute land to those who could just survive from its proceeds but could never establish a proper living out of it. To this extent, the party originally envisaged an upper limit of retainable land at 500 cadastral yokes, to create economically viable farms on which modern mechanisation could be introduced. These types of farms, it stated, could be used to teach the dwarf and smallholders better methods of cultivation etc., perhaps even to encourage them in their interests to 'pool their fragmented land' into viable cooperatives. For the benefit of agricultural

production, the party stated, even some 1000 cadastral yokes holdings should be left intact to serve as model farms. These proposals, however, remained on paper and were never accepted by the HCP.

Thus, giving land to the peasants, in the final form of the reform, was not supposed to enhance the development of agriculture and increase productivity. It had been clearly envisaged as an intermediate step, especially for the HCP, to establish a political basis of support among the poor peasants and agrarian proletariat in order to win their sympathy for the government. As such, the reform reflected the transitional nature of internal political forces. It was not really a genuine land reform since its objective was neither to give the peasants permanent rights of ownership nor to help them become more effective producers.⁽⁴⁾ The atomised ownership of land which followed created, as expected, a new set of problems in almost all sections of agricultural production and marketing. Furthermore, poverty and unemployment remained a real problem and, as discussed earlier, the poor and landless still remained a large proportion of the agrarian population. As shown earlier, even during the pre-war years, it was obvious that Hungary was in the throes of an agricultural crisis which could not be solved without a complete transformation of economic life. Large-scale industrialisation to absorb the growing population surplus and to supply agriculture at reasonable prices and under easy conditions of payment with the fertilisers, machines and other industrial products it needed and at the same time to extend the market were essential. Hungary's agricultural problems could not be solved by a mere land reform, which could not provide a livelihood for the poor and landless agrarian proletariat. Agriculture, in relation to the technical level and extensive structure of production, was overpopulated.⁽⁵⁾ The land reform, by the end of 1947, brought about a commendable reduction in the virtually landless population, but, at the same time, it had concentrated the old problem within relatively narrow limits. The land reform, which had given so

many the independence they desired, created too many smallholdings to be beneficial to production. The new and slightly enlarged holdings covering about 20 per cent of the total arable land, owned by some 889,000 peasants, relied heavily on family labour without any technical skill and had no access to capital, or only a very small amount, to purchase even the most basic implements. Soon it became evident that many of these holdings could not survive in the long run. Holdings over 20 cadastral yokes, numbering about 78,000, largely privately owned, including the Church, were generally regarded by the HCP and its 'left' coalition partners, as potentially dangerous to the regime and were hindered financially. Only about half of them managed to participate in the subsequent, constructive, agricultural reorganisation process. The approximately 700,000 peasants in the 5 to 20 cadastral yokes category, with about 60 per cent of total arable land area, full of vitality and enthusiasm, made a desperate effort, despite compulsory deliveries (more about this below), war losses and the severe droughts in 1945, 1946 and 1947, to revive agricultural production.⁽⁶⁾ Their performance will be evaluated later. Suffice to say here that despite lack of equipment they succeeded in making remarkable progress between 1945 and 1948. At constant prices, gross agricultural production recovered to 85 per cent of the 1939 level.⁽⁷⁾ The share of marketed output was, of course, smaller since the poor peasants increased their own consumption appreciably.⁽⁸⁾

In the years following the land reform it became increasingly evident that the structure of agriculture created by the reform was handicapped by two fundamental weaknesses. First, the problem of growing rural poverty, associated with increased rural overpopulation. This created much dissatisfaction among those who did not receive land at all, but the new land owners too remained dissatisfied. The persistence of agrarian under-employment, which is complementary to agrarian overpopulation, was well illustrated by Peter Veres, in his book Paraszti Jövendő (Peasant Future).⁽⁹⁾ He claimed that the

dwarfholder, with less than 5 cadastral yokes of land, was only adequately employed for about 100-150 days per year and had no prospect of improvement; the smallholder, with land between 5 to 10 cadastral yokes had work for 150-200 days. Only farmers with more than 15 cadastral yokes had a good 300 days of work in the year. While the land reform enabled most of the village poor to subsist, it could not provide full employment for the rural population. The tally of unemployed increased rapidly between 1946 and 1948 and their number was also constantly swollen by masses of prisoners-of-war returning home.⁽¹⁰⁾ The reconstructed and gradually expanding industrial sector created some opportunities for employment but many of the peasants, hopeful that their lot might yet improve, were unwilling to give up their symbolic status as land-owners.

Second, agriculture was in urgent need of modernisation, in both methods of production, to increase productivity, and in marketing. The prerequisite for this transformation, to substitute machinery for labour, was capital. But the small production units created by the land reform were not suitable for mechanisation or the application of scientific farming techniques. It had always been anticipated that the new smallholding system would prove to be more uneconomic than the big estates. Small strip farming, in addition to its inherent inefficiency, also brought instability into agriculture, as new farmers have less sense of the market and if crops succeed they tend to overproduce, creating gluts in local markets.

Although agricultural war damage was, largely, overcome by 1948, there were hardly any resources left over from industrial reconstruction and expansion for further agricultural developments. Investment in agriculture, prescribed by the Three-Year Plan, remained underfulfilled: only 4400 of the 7700 tractors planned were actually delivered. This restricted that section of the farmers who grew crops for the market.⁽¹¹⁾ The fact, on the other hand, that mechanisation

in agriculture was retarded by the other claims of industry had, of course, the benefit of not reducing agrarian employment too suddenly. But none of the three categories of farmers mentioned above, i.e., dwarfholders, smallholders with 5 to 20 cad. yokes, and those with over 20 cad. yokes, could muster even a fraction of the capital required to obtain the tools of technological progress. Uncertainty of landownership and the restricted credit policy of the regime precluded the possibility of long-term loans for farmers. So the necessary funds could only come from public sources and government guarantees.⁽¹²⁾

Thus, growing partly out of the legacy of pre-war Hungary and partly out of the type of land reform introduced, largely because of political dogma, the agrarian problem remained far from solved. The course of future development of agriculture had still to be decided. Although the land reform accomplished what it set out to do, namely the liquidation of the latifundia in Hungary and redistribution of the land to those 'who tilled it', it failed to provide an unequivocal answer to the most important long-term question: what was to be the character of further agrarian development in the country? The parties of the coalition, under the prevailing political atmosphere of antagonism and mistrust, were unable, and to a large extent unwilling, to conduct open, clear and rational discussions regarding the nature of agriculture after the land reform was completed. Most of the long-term proposals submitted by the parties concerning the agrarian scene were extremely vague and unconstructive. It was fairly obvious to all parties after the first 'storm' consolidation would necessarily have to follow and that the question of whether and, if so, for how long, this 'harmony' in the new agrarian relations would last would sooner or later have to be faced. But while most parties entered the post-war political arena with a prepared comprehensive plan, publicly stated, for the land reform, no such plans seem to have existed, certainly not in the immediate post-war years, for further agrarian development, as a sequence to the land reform. It was clear that the mere

redistribution of land would not be enough to establish successful peasant farming. It needed to be accompanied by (i) some kind of reorganisation, again, to bring agriculture into an acceptable operating form, (ii) education for the peasants, since many had no previous farming experience and had now suddenly become owners of land, and (iii) financial support for the new and old smallholders to enable them to consolidate the somewhat precarious position in which they were left by the land reform and which was further aggravated by the problems of war destruction. The failure to follow up such redistribution as took place in Hungary with the necessary complementary agrarian policies gave rise to a whole series of problems which, had a realistic and decisive 'second stage' agrarian programme put into effect, could have been avoided or, at least, moderated.

From the beginning, however, the coalition regime faced a political 'dilemma' regarding the future development of agriculture. Hungarian agricultural specialists envisaged four possible, to some degree interrelated, alternative scenarios:

1. to pursue a flexible credit assistance policy and to foster development towards 'intensive cultivation' based on the individual smallholding system
2. to provide viable farm units with capital and promote the consolidation of scattered holdings through cooperation
3. to allow the controlled growth of rural capitalism, the possibility of which was already projected by the land reform
4. to turn, as in the Soviet Union, towards collectivisation

On the theoretical level, the majority of economists, liberals and social democrats, the technical journals and the press, wishing to maintain the individual smallholding system stressed that the predominance of small farm units and the high density of agrarian population urgently required Hungary to change production over to primarily intensive cultivation, i.e., to increase the

value produced on one cadastral yoke of agricultural land. On this question the coalition partners, essentially, all agreed. They all believed that the reform of production was unavoidable, and necessary, and that it should be accomplished without disturbing the ownership relations established by the land reform. At the time, this was also accepted by the HCP which in the first point of its 'Peasant Programme' stated that its aim was 'to consolidate and strengthen the smallholding ownership system' and that it considered it a fundamental condition:

that the new and old pleasant owner should equally feel secure that no-one would disturb them and that their land ownership was defended by peoples' democratic laws, ensuring that they would enjoy the fruits of their labour, undisturbed.⁽¹³⁾

Similar sentiments were expressed by the party at its 3rd Congress, in 1946, in its report on agriculture. Tactically, this was quite a natural position for the HCP to take. It, too, believed in the necessity to reform the agricultural production structure. But to change the ownership relations established by the land reform under the prevailing political circumstances would have entailed consequences that were difficult to foresee.

However, the public defence of the newly evolved ownership system, regarded by all coalition partners as of paramount importance, concealed different political and agrarian policy aims. In the case of the HCP, it meant that by strengthening the new smallholding system a new economic and social polarisation could be prevented. It served as a tool by which the party could block the possibility of a renewed expansion of rural capitalism.⁽¹⁴⁾ While the SHP, at the other extreme, hoped it would provide a safeguard against a slide towards collectivisation. So, while the parties agreed on the need to reform the production structure without any significant change in ownership relations, this did not mean that the political aims of the parties were identical.

The issue of the change in production structure not only preoccupied the parties but was discussed widely by the entire country. During the debate a number of different concepts were born, which found expression, primarily, in the rapid development of intensive cultivation in agriculture. This, of course, was not new, but a revival of an old idea which originated in the pre-war period, when it was popular, particularly within the populist movement. According to this view, fairly widely held, it was believed that in Hungary one of the main preconditions for increasing the National Income and standard of living of the country was the promotion of labour intensive crops. In the pre-war years the country's high population density, and the high proportion of agricultural population, combined with the extensive grain cultivation methods in use on most big farms, resulted in widespread unemployment in agriculture. The consequences of that were extremely low wages and unending financial security for millions. The plan was put forward to transform Hungary into a horticultural country, to correct the one-sided agricultural production, and to introduce labour intensive, high income, lucrative crops - to concentrate on vegetables, fruit, industrial crops such as sugarbeet and sunflower seeds, dairy products and livestock, especially pigs and poultry. This view was expressed by many, but particularly clearly by József Takács in his book, published soon after the land reform had begun. Thus,

for us there is no alternative but to change to horticulture. This is not only because the marketing of these crops created no problem even in the critical years and because horticulture needs five times more workers than extensive grain production, but because it results in higher incomes for the farmers and raises the National Income many times. In horticultural produce, at the present, we are unbeatable because our fruit and vegetables surpass those of all the other European countries in their high content of vitamin. The horticultural economy of Denmark, Holland and Bulgaria is more developed than ours, but their fruit and vegetables compare very unfavourably with ours in terms of flavour, colour and vitamin content because these countries have different climates.⁽¹⁵⁾

Similar sentiments were expressed by Imre Kovács:

our agriculture has to be transformed onto intensive lines, grain production should only satisfy our domestic requirements and even that at a low cost so that it could withstand international competition, below world market prices. The land so released should be turned over to the production of industrial crops. Fruit and vegetables, because of their vitamin and calorie content, would be best for exports, but even domestic consumption could absorb large quantities; industrial crops, tobacco, hemp, flax, sugarbeet, castor-oil plant etc., would be the most rational line towards which we should shift our production. Great emphasis should also be put on animal husbandry. It will take sometime to recover our losses (i.e., war losses), the domestic market could also absorb large quantities of meat, fats, eggs but only of good quality.⁽¹⁶⁾

or, in a somewhat later period, Péter Veres also noted that:

The only saviour of Hungary is to shift as far as possible from extensive grain production to intensive cultivation centered around animal husbandry and fattening, based on large-scale fodder production.⁽¹⁷⁾

It was proposed to transform Hungarian agriculture by means of a judicious credit distribution along the lines of the 'Danish pattern' suit the potentialities of small farms;⁽¹⁸⁾ to transform the former 'granary of Europe' from extensive production of grain, the export of which was heavily subsidised and difficult, as shown earlier, even in pre-war years, into a large vegetable garden, dotted with dairies and orchards, and producing wheat for domestic consumption only. Intensive cultivation was believed to be vital not only to boost National Income but also to ensure the viability of small farms. Some experts, however, cautiously pointed out that the Hungarian climate was harsher than that of Denmark, Holland or Belgium, where intensive cultivation was carried on and they envisaged an intermediate system, combining the mechanical large-scale production of grain with the intensive production of vegetables, pigs, dairy products, fruit, tobacco etc. It was also envisaged that parallel to the shift towards intensive agriculture the agricultural processing industries should also be developed, and the area under irrigation greatly extended, together with

technical education. These concepts and ideas for further agrarian development, quite rational and attractive, implied, however, that Hungary was to remain part of the West European system and that those countries would support, in their own interests, a planned development of this kind in Hungary.

In the opinion of many agricultural experts the road to further agricultural development in Hungary and, perhaps, to stave-off the establishment of a Soviet-type of collective system, was the creation of a strong and broad network of farm cooperatives. If only the peasants could be persuaded and taught to pool their work, resources and marketing, dividing their group profits equally, a greater measure of rural prosperity might be achieved. The advocates of a cooperative movement, however, found little enthusiasm: the task of selling the cooperative idea to the peasant who had just managed, for the first time, to obtain rightful and legal ownership of a small piece of land, proved to be a difficult, almost hopeless, undertaking. The individualistic peasant was convinced that he knew better than anyone else how to grow his crops; and if he had good horses, good ploughs, why share them with other peasants. As for cooperative marketing, why trust some other peasant, a community representative, to get better prices than he himself would get.

Nonetheless, it was clear to all coalition parties that, due to the structural change in agriculture, some form of cooperation had become necessary. However, no purposeful attempts in this direction supported by resolute financial measures were made by any of the parties. There was an air of uncertainty over the future of agrarian development. To a large extent, the difficulty in formulating a long-term policy was created by the historical attitude of the HCP, which, in spite of its declared acceptance of private ownership relations, was looked upon by the sceptical peasants as a Marxist party with a Marxist view of agriculture and Lenin's slogan 'abolish private ownership' on its banner despite its tactical modification of the orthodox Marxist doctrine.

True, the HCP missed no opportunity to deny vehemently the rumours that collectivisation of agriculture was its ultimate aim; nevertheless, there remained amongst the peasants a feeling of uncertainty and insecurity, a suspicion that it was probably just a question of time before the redistribution of land would lead to the 'inevitable' establishment of collectives as in the Soviet Union.

However, to promote the development of a large scale cooperative movement also required the fulfilment of three basic conditions: (i) sizable government funds, (ii) a broad educational programme and (iii) peasants sufficiently enlightened to be receptive. In Hungary, at the time, all of these conditions were lacking and none of them could have been secured, except after a period of years of concentrated efforts.

Looking at the parties' agricultural programmes briefly, two things become immediately noticeable. First, as mentioned earlier, apart from the programme for land reform, no detailed agrarian policy plan was prepared by any of the parties until 1946/47. The question of further agrarian development was until then almost completely neglected. Second, the programmes which began to emerge during 1946/47 had been largely designed to serve electioneering purposes, taking into account what was, more or less, undisputed and was politically and economically acceptable to the coalition partners and would not endanger their continued cooperation.⁽¹⁹⁾ These largely avoided longer-term projections, especially their ideological and conceptual aspects. Instead, all parties concentrated their efforts on solving the most pressing practical aspects of agricultural tasks and problems. This was strange, since all parties including the communists, were fully aware that the land reform was only the starting point of a development process, and in its final structural form was certainly not the ultimate solution for Hungarian agriculture. Words during this period, however, did not seem to have sufficient authority to convey any long-term development plans.

Insofar as the HCP was concerned, it clearly stated that as a result of the land reform 'the smallholding system became the basis of production in Hungary',⁽²⁰⁾ and the task of People's Democracy was the 'economic prosperity of the country, which depended on the development and modernisation of the smallholding system'.⁽²¹⁾ In order to achieve this the party also accepted the need, as noted earlier, for the gradual transfer of agriculture to 'intensive farming' and the establishment of a network of agricultural processing industries, on a cooperative basis.⁽²²⁾ Under Section 5 of its 'Peasant Programme', on farming cooperatives, however, the party lent its cautious support to the encouragement, with government help, of the voluntary cooperation of dwarf and smallholders, to secure the advantages of large-scale farming. Its support, however, was noticeably less forthcoming when the discussion turned to the material requirements for cooperation.⁽²³⁾ The party simply could not follow any other policy than to express its support for the new ownership structure. The low-key reference to cooperatives was not accidental but closely related to the general anti-kolkhoz sentiment amongst all peasant strata, which was particularly strong in 1945/46, although it later diminished somewhat due to the propaganda campaign by the HCP. It re-emerged, however, with great force towards the turn of 1947/48. In summoning the peasants of Hungary to break up the large estates the HCP was merely applying a strategy the effectiveness of which had been proven by history.⁽²⁴⁾ It certainly did not mean that the HCP, following a Marxist-Leninist programme, had changed its belief about the viability of a smallholdings system.⁽²⁵⁾ Indeed, Leninist strategy, on the whole, illuminates well the attitude of the HCP towards the peasants. Their position in Hungary after the war was in some way analogous to that of the peasants in pre-revolutionary Russia. Great feudal domains existed, making it possible to divide the land in 1945. But, there were two important differences: though objective conditions may have favoured revolutionary mass movement, the peasants were

informed about Russian developments. They did not believe the communists were sincere about land division. Any reference, however vague, by the HCP regarding the advantages to be gained from 'cooperation' was received with the utmost suspicion by the peasants. The HCP, however, did not at this point propose either the collectivisation of agriculture, for reasons discussed at length elsewhere, nor did it commit itself to any other clear-cut development programme regarding the long-term future of agriculture. Primarily for political reasons, the party was caught in a dilemma after the land reform: it knew what it wanted to achieve but the time and atmosphere were inappropriate for its purpose. There was simply no 'rationally' possible alternative policy available after the reform. In lieu of a long-term programme the HCP focused its attention, primarily, on uncontroversial, immediate practical agricultural problems. Essentially, until the 'year of change', in 1948, the party was preoccupied with the full completion of the land reform, demonstrating its concern to consolidate the position of new owners and to increase agricultural output within the relatively narrow limit of state financial support.⁽²⁶⁾

The other worker's party, the SDP, on the other hand, was quite free to assume a posture of unequivocal commitment on the cooperative question. Everybody knew, and to differentiate itself the party made no secret of it, that the SDP did not want the dreaded 'kolkhozes', the most worrying question and the 'acid test' of the parties' agrarian policy intentions for the land-owning peasantry. It could therefore declare with candour, without arousing any suspicion, its longer-term vision and its support for the development of a strong cooperative movement, on the 'Danish' principle, when it presented its detailed plans for agriculture. Thus,

we want the new order in Hungarian agriculture to be based on smallholdings, but with a strong cooperative network which would progress towards the actual realisation of the communal principle in the economic order.⁽²⁷⁾

The plan was a peculiar mixture of an action programme and a long-term vision. With regard to the further development of agriculture, in Chapter 2 the SDP declared its belief in the necessity of increased central intervention and emphasised the need to establish a network of 'Councils for Agricultural Reconstruction' at regional and central levels, to 'guide' agricultural activities and to safeguard the social welfare of agricultural workers.⁽²⁸⁾ The party also stressed that the correct direction of agricultural development was to shift to intensive cultivation, horticulture and animal husbandry, which specially suited the natural endowments of the smallholding system.⁽²⁹⁾ Thus the main difference between the workers' parties, in respect of agriculture, was the way they handled the cooperate question and how they perceived the future. While the SDP adapted an old political line, first established in the inter-war period to new conditions, the HCP, in response to the 7th Comintern Congress, was obliged to follow a new political line in which pragmatism and ideology closely interacted. For a time, however, the latter was pushed into the background and the party devoted its energy primarily to solving the question of political power, which needed urgent and constant attention. It ignored, or perhaps more accurately postponed, all the ideological questions related to agriculture. This was acknowledged later by Mátyás Rákosi, when he admitted that:

during the past three years we were far too preoccupied with solving current problems, which needed our immediate attention ... and we devoted less effort than required to questions of ideology and theory.⁽³⁰⁾

This statement must be open to different interpretations regarding the real reason for the neglect of agriculture. Reflecting on past and future developments, there can be hardly any doubt that it was because the party wished to 'cloud' its true intentions on the future of agriculture until the political power struggle was resolved in its favour, when it decided to come out into the open.

The two agrarian parties, the SHP and NPP, while completely different in many other aspects, were both unquestionably ready to go, at least in principle, as far as the two workers' parties in respect of agricultural reconstruction, mechanisation and modernisation. Hence it is only proposed here to refer only briefly to the differences in the agricultural perspectives which they promised the peasants. The difference, especially in ideology, was greatest between the SHP and HCP. This was clearly characterised by the SHP as follows:

the HCP is a Marxist party, while we are not a Marxist party. We consider ourselves to be a radical, progressive bourgeois party. The ultimate goal inscribed on our banner is the establishment of democracy. As a radical party we may call this people's democracy ... although we regard this as verbiage, since democracy is synonymous with government by the people. What is the political goal of the Marxist parties is no secret, they make no secret of it, we are all clear about it. Looking at the goals of these parties, while some differences exist, nevertheless we can firmly say that their ultimate goal is socialism.⁽³¹⁾

The SHP, having accepted the new ownership structure as the starting point, envisaged the development of agriculture to the level of Denmark, Holland, Finland and Belgium in production, culture and lifestyle.⁽³²⁾ The party promised the opportunity to all peasant strata to 'get rich' on the basis of honest profits and the security for private investment needed to develop agriculture. From the party's formal programme proposal it becomes clear that, like the other parties, the SHP regarded the cooperatives as the future basic organisational form in agriculture. Thus,

cooperatives must become the basic organisational institution of Hungarian economic life. The individual peasant should join cooperative life out of free will, without coercion.⁽³³⁾

The party maintained that all agrarian-related cooperatives in other fields than production, e.g., Hangya (Ant), Futura, National Central Credit Cooperative, and others, should be given to and operated by the peasants, to serve their own interests.⁽³⁴⁾

The NPP, on the other hand, faced a completely different political situation. Since the party was well aware of its own political limitations, it knew for certain that it had no chance whatever to achieve a significant share of political power and was thus totally permeated by the spirit of 'coalition politics'. For a long time, due to an internal split, the party did not even devote any effort to producing an independent overall agrarian programme for the future. Only individual members of the party attempted to formulate some plans, amounting to no more than semi-official bare outlines.⁽³⁵⁾ From these it transpired that both factions in the party believed in the necessity for some form of populist cooperative system in future.

Thus, in conclusion, it can be said that on current, practical tasks in agriculture the policies of all parties were fairly similar, but important differences existed in their views of the future of agriculture. The HCP, as shown, only gave a decisive view on private ownership. It would have liked to be more decisive on the cooperative question, if only the 'nightmarish' consequences could have been avoided. But the party was not impatient. It knew that first it must get political power and control over industry. The party was very cautious about uttering any statement regarding the future. The SDP, on the other hand, produced a much clearer vision and richer programme for the future of agriculture. Regarding the two agrarian parties the SHP programme contained many interesting, if somewhat vague, concepts in the direction of 'cooperative capitalism', while the NPP, the closest to the latent communist view, wished to establish 'cooperative socialism'.

On the whole, however, none of the parties had provided a clear unequivocal perspective plan for the future of agriculture. Looking at the historical events, perhaps, none of them could have provided this. The peasants, on the whole, remained uncommitted and at subsequent elections they voted for those parties which gave more information about perspective agrarian plans or, perhaps, voted on the basis of what they guessed or perceived to lie behind those plans. The ideological differences between the two extremes, the SHP and HCP, were of course much greater than their programmes revealed. Both parties acted with circumspection regarding the future in order that some proposal or statement about the future should not unwittingly give political advantage to the other party. The final realisation of these agrarian concepts depended, primarily, on which party could gain the greater political and administrative power. The political dimensions and their consequences became of overriding importance. It was not irrelevant, for example, how much of credit and investment was allocated to agriculture, how it was divided between industry and agriculture and who controlled and divided it. The Supreme Economic Council - under the control of the HCP - gave very little support to financial policies which could possibly have strengthened the long-term viability of small-scale peasant farming. While all these, and similar questions, appeared as economic issues, in reality they were not, since they influenced the results of political power relations. To this extent, the economic problems really always appeared at the political level, which did not encourage their solution. The parties perceived that all decisions regarding politics or economics influenced the future and therefore they were cautious about committing themselves to any conceptual solutions, lest these might adversely affect them tomorrow.

So, in respect of agriculture, the HCP remained in the background. It was more preoccupied with the stabilisation of existing relations and its major concern, to which it devoted considerable energy, was to restrict the ad hoc

development of capitalist influence in agriculture. The party systematically attacked any proposal which, after closing the 'Prussian-Road' of development, could conceivably lead towards the unrestricted development of an 'American pattern' of farming. Indeed, Imre Nagy, of the HCP, stressed that 'the restriction of the development of capitalistic tendencies was the more important task of the party's agrarian policy, it can be said of our entire economic policy.'⁽³⁶⁾ The closing of the 'Prussian-Road' and the land reform, of course, had not, on their own, precluded the possibility that: (i) agricultural development might unfold in the direction of rural capitalism, or (ii) that development might show the signs of restrictions blocking these capitalist tendencies. While the former position of agrarian capital was considerably weakened by the land reform, the possibility of capitalist ownership, in the form of the 100 and 200 cadastral yoke holdings which remained after the reform, could have formed the basis of a revival in rural capitalism. Under certain conditions even the new landowners represented a potential for capitalist development because ownership was the basis of the land reform. It is, of course, true that they were already restricted to a significant degree since the land given to the peasants under the land reform could not be 'alienated', i.e., sold, within ten years, but it could be leased, and other former smallholders could sell their land. An 'American pattern' of development could only take root if the 'capitalist' tendencies had finally won. But the characteristics of political developments contradicted the 'American pattern', both in theory and practice, because of the decree preventing the new owners from selling their land, precisely to prevent capitalistic concentration of land. To this extent, after the reform the development potential of agriculture had changed from the 'Prussian Road' to an impure 'American pattern' of development. While the central figure of the village was not the 'capitalist' but the small peasant producer, agriculture was full of contradiction in these years. The HCP was determined to prevent a

development of this 'American' kind, fearing that it would lead to the entrenchment of 'kuláks' who, once established, would be very difficult to dislodge.

The final outcome regarding the alternatives for further agrarian development depended on the course of the political struggle. In the end, political considerations steered agrarian development in a different direction - towards collectives. The development of cooperatives, intensive cultivation and rural capitalism had to give way to collectivisation, with emphasis on extensive farming. The natural endowments of the country, in terms of population density and land scarcity - where high productivity of land was the proper objective - were totally ignored. The great need for intensive cultivation, however, emerged again in the post-1956 period.⁽³⁷⁾ In the period under consideration, however, the arguments in favour of it mistakenly had little impact on the final policymakers.

5.2 Agricultural performance and the emerging economic problems

Any large-scale change in the structure of a country's agriculture initiates a process of shifting and adaptation in the sphere of production, which almost inevitably results in some difficulties and waste of resources. This would be true even if land reform were carried out under normal circumstances but is all the more so if it is done at a time when the whole economy has been severely damaged and dislocated by a ruinous war, as was the case in Hungary.

Apart from the losses Hungarian agriculture had suffered as a result of the war⁽³⁸⁾, its successful revival was hindered by several factors. It is a known fact that farming on small-scale holdings requires more draught animals and equipment, on the same area, than on large-scale holdings. The demand for both therefore increased significantly with the redistribution of land to formerly landless and land-poor peasants. But, due to the war losses and the relative increase in demand for capital, neither were available. Some of the machinery and equipment left over from the large estates was unsuitable for small-scale farming. Indeed, after the land reform much of the tools, buildings, equipment and machinery of large estates, retained for communal ownership, remained idle, leading to severe shortages.⁽³⁹⁾ There was no small-scale machinery and equipment. The peasants, especially at the start, had no choice but to use primitive tools and methods, like hoe and spade, for cultivating large tracts of land. Indeed, in many instances, peasants harnessed themselves in front of ploughs for lack of animals.⁽⁴⁰⁾ The enthusiasm of the peasants, however, derived from the satisfaction of personal ownership of land and their hopes for the future, well compensated for the shortage of draught animals and lack of small-scale machinery and equipment. Determined to lay the foundations of a better life, they overcame great hardships and displayed superhuman efforts to show results. This is perhaps best demonstrated by the increase in land area brought under cultivation during the first post-war years. Even in 1945, under

the most adverse conditions, 86.1 per cent of the total pre-war normal agricultural land area was under cultivation. This was further increased to 93.9, 97.2 and 98.4 per cent in 1946, 1947 and 1948 respectively.⁽⁴¹⁾

Agricultural production results, in the first three years were, however, rather disappointing. This was so for several reasons. First, the lack of fertilisers, which was so crucial for the exhausted and neglected land. The low level of chemical fertiliser supply, even before the war, had contributed significantly to stagnating crop yields; now, with the reduction in livestock numbers the supply of natural fertiliser was cut drastically, adversely affecting the productivity of the soil still further.⁽⁴²⁾ Second, production was hindered by acute seed shortages. In September 1945 the total supply of seed at the disposal of the government was a mere 100,000 quintals, when the full requirement for the 1945/46 economic year was more than 2,300,000 quintals in wheat seed alone.⁽⁴³⁾ The government expected that subsequent requirements would be secured by production from peasant farms, but many, particularly the new landowners, were not in a position to do this. Most of them could not rely on previous reserves either. Third, and this probably was the most serious effect, the disastrous droughts that struck the country in three successive years, 1945, 1946 and 1947 crushed all expectations for the good harvests that were so badly needed. The annual precipitation in 1945, 1946 and 1947, compared to the average of 1929-39 was 83 per cent, 69 per cent and 56 per cent respectively.⁽⁴⁴⁾ Hungary's major crop, bread grain, was worst affected; in 1946 agriculture harvested less than needed for its own consumption.⁽⁴⁵⁾ The results in other crops were not much more favourable. The average yield of bread grain, due to the drought in 1947 - the worst year - had in many instances dropped to as low as 2.0-2.5 quintals/cadastral yoke and in some parts of the country the crop was burnt out altogether.⁽⁴⁶⁾ Besides climatic factors, the low average crop yields were undoubtedly also the result of deficient methods of cultivation. Table 5.1 shows the changes in yields of major crops during the first four post-war years:⁽⁴⁷⁾

TABLE 5.1 - Changes in yields of major crops

Crop	yields of major crops					
	1931-40 average:	1938	1945	1946	1947	1948
	average yield, quintal/cad. yoke					
Wheat	7.9	9.5	5.0	5.6	4.8	6.6
Rye	6.5	7.3	4.6	5.2	5.0	7.3
Barley	7.8	9.2	4.6	5.1	5.2	9.1
Oats	7.1	7.9	5.1	5.1	4.4	8.8
Maize	10.8	12.0	8.3	6.2	7.7	12.3
Sugar-beet	117.1	126.4	51.4	49.5	68.4	89.9
Potatoes	39.5	42.3	30.8	23.5	21.9	44.0
Lucerne	23.5	27.5	17.5	15.8	14.1	21.6
Mixture of oats and vetch	60.7	64.1	49.4	48.7	48.1	68.1
	total output as % of the average of 1931-1940					
Wheat	100	122	30	51	52	72
Rye	100	113	43	60	69	110
Barley	100	115	70	70	64	110
Oats	100	109	60	69	59	117
Maize	100	122	86	62	82	131
Sugar-beet	100	101	18	54	120	184
Potatoes	100	107	85	57	53	106
Lucerne	100	130	87	67	67	106
Mixture of oats and vetch	100	104	85	88	82	102

Source: see n. 47, p. 291

The drought, increasing in severity over the years, finally abated in 1948, the first post-war year when more or less normal weather conditions prevailed. It thus provided the first real opportunity for the smallholding system and the peasant forces released by the reform to show results. It can be seen from the table that the harvest improved considerably in that year. The average yield of major crops, with the exception of wheat and sugar-beet, was significantly better in 1948 than, indeed, the average for 1931-1940. Although sugar-beet only reached 77 per cent of the pre-war level, with the $2\frac{1}{2}$ times increase in sown area the total harvest increased by 84 per cent compared with the pre-war level. For some crops the sown area was reduced, hence the pre-war levels could not be matched. Apart from the improved weather, agricultural prices, which by this time had increased, providing greater incentives to produce, were also a contributory factor in the improved production.⁽⁴⁸⁾ The position of the smallholder was strengthened and, at last, it seemed as if the road had opened for further agricultural growth, establishing a strong process of development to middle-peasant holder.

Livestock production displays a greater degree of uniformity. The drought did not significantly affect their numbers - although some had to be slaughtered because of fodder shortage - but rather their quality and conditions. Changes in livestock numbers during these years are shown in Table 5.2.⁽⁴⁹⁾ As can be seen from the table, the number of cattle by 1948 was 118,000 more than in 1938, while the number of horses reached 80 per cent of the pre-war level. The growth in output of animal products, however, especially meat, was considerably less spectacular. The farmers, apart from favourable prices, received no financial support from the state for animal husbandry. Because of the fodder shortage the peasants favoured those animals which needed longer breeding time, e.g., cattle and horses. Both of these were, of course, in especially great demand by the peasants because they represented the indispensable draught power.

TABLE 5.2 - Changes in livestock numbers

Time	Cattle	Pigs	Horses	Sheep	Standard animals
1000 head					
15th March 1938	1875	5224	814	1629	2863
31st May 1945	1070	1114	329	328	1270
31st May 1946	1100	1327	399	370	1377
31st May 1947	1841	2792	575	570	2292
31st May 1948	1993	2771	651	579	2473
1938 = 100					
31st May 1945	57.1	21.3	40.4	20.1	44.4
31st May 1946	58.7	25.4	49.0	22.7	48.1
31st May 1947	98.2	53.4	70.6	35.0	80.1
31st May 1948	106.3	53.0	80.0	35.5	86.4

Source: see m. 49, p. 291

TABLE 5.3 - Indices of industrial, output (1938 = 100)

	1946	1947	1948
Heavy Industry:	56.9	92.1	124.4
Light Industry:	21.7	62.2	86.4
Food Industry:	29.5	65.3	93.8

Source: see m. 52 p. 291

During the period between 1945 and 1948 the volume of agricultural production increased by 50 per cent and by the end of the period it reached approximately 85 per cent of the pre-war level. The marketed production, however, even by 1949 remained about 25 per cent below the pre-war level.⁽⁵⁰⁾ There were two main reasons for this: first, the newly established farms, in all the major crops, failed to achieve the same average yields as large estates and second, a considerable share of the production was consumed on the farms by peasants. Agriculture was the sector of the economy which lagged farthest behind pre-war levels: all other sectors grew faster than agriculture, some considerably faster, e.g., mining and metallurgy output was 12 per cent above and manufacturing and energy production reached 92 per cent of the pre-war level.⁽⁵¹⁾ The food and light industries, however, remained below pre-war production levels. Changes in the structure of industrial output in this period are shown in Table 5.3⁽⁵²⁾ The deficiency in agricultural production, particularly the large-scale wheat and meat shortages, the former aggravated by the shift in policy in favour of industrial crops to supply the growing industry, the devastating inflation, affecting the entire economy, and the 'agrarian price scissors' that appeared had an adverse and cumulative affect on the supply of food to the urban population. Because of the level of agricultural production and the increased food requirements imposed by the reparation payments - falling heavily on agriculture - and the food supply to the Soviet occupying forces, the imbalance in food supply became so severe that a number of products were taken out of the sphere of normal market relations and collected by the state, at low officially fixed compulsory delivery prices. Because of the low, and unpredictable, food rations - supplied from these 'controlled' products - the 'black market' became an important source of supply. The prices there, however, at times reached five times the official prices.⁽⁵³⁾ The general scarcity of food, even of freely marketable products, was reflected in soaring prices too. Apart from scarcity,

speculation undoubtedly also contributed to the high prices. The majority of small farmers, especially the newly established ones, derived no comfort or benefit from the highly inflationary price increases in food since they had hardly anything to sell. After fulfilling their quota obligations, because of the low average yields of most products, they had just sufficient food left for their own consumption. Towards the last states of the inflation, in early 1946, money lost its value so rapidly that it was impracticable to sell. This applied to the majority of peasants, in all categories. Then, the money economy was replaced by direct barter of products between town and countryside. Moreover, the land reform, which established 1.4 million holdings of less than 5 cad. yokes - subsistence holdings - undoubtedly aggravated the food supply problem even further. It was the combined effect of all these factors that made the increase in rural consumption so significant during this period.

The financial stabilisation programme, which introduced the new unit of currency, the Forint, instead of the defunct Pengö, on 1st August 1946, caused, contrary to expectations, even further deterioration in the position of the peasantry. The HCP, in charge of the economy, could, of course, have halted the inflation, but found it an expedient and cheap way of financing the country's economic, i.e., industrial, recovery. The monetary reform was biased heavily against the peasants.⁽⁵⁵⁾ The prices of agricultural products in relation to industrial goods, were fixed far below what was justified. The HCP played a great role in this. After determination of agricultural prices the communist-dominated 'Supreme Economic Council', which was responsible for overall economic policy, presented estimates 'proving' that unless the industrial price level was raised, industrial production would be greatly endangered.⁽⁵⁶⁾ The necessity for this was also publicly stated by Jenö Varga, the HCP's economic spokesman, who pointed to the comparative reduction in the real incomes of industrial workers.⁽⁵⁷⁾ The emerging predominance of the industrial sector over

agriculture was already clearly evident. Apart from ideological, and domestic economic, considerations, industry was also important to the Soviet Union, since a large proportion of the reparation payment was to be in industrial goods. No allowance was made by the Russians for the adverse economic conditions prevailing in the country and Hungary was obliged to begin reparation deliveries in 1945; in 1946/47 they amounted to 12 per cent of National Income.⁽⁵⁸⁾ The reparation payments, due to the bi-lateral agreement imposed by the USSR, were far in excess of the original amount. At the end of July 1948, by which time Hungary was securely under full and open Soviet domination, a new Soviet-Hungarian reparations agreement was signed, which reduced the amounts of goods, industrial and agricultural, to be delivered. This, however, only resulted in a shift to other methods of economic exploitation.

The officially calculated 'agrarian price scissors' was 43.9 per cent. But according to other independent estimates, with certain corrections, it had really amounted to 51.7 per cent. Even that failed to represent the true picture since the peasants, due to various deductions, did not receive the full calculated amount for their product while, on the other hand, the prices they paid for industrial goods were substantially higher than the wholesale prices on which the calculation was based. According to this author 'it is not exaggerated to say that the opening of the agrarian price scissors is 100 per cent'.⁽⁵⁹⁾ These extremely unfavourable terms of trade had, of course, far-reaching consequences for agricultural growth and development. Apart from destroying any incentive to produce for the market, adding to the serious food supply difficulties, it also prevented the much needed capital accumulation in the countryside because farmers' money incomes were insufficient. This, in turn, hindered the process of growth, the economic consolidation of peasant holdings and the development of agriculture towards intensive cultivation. The result of this was particularly strongly felt because agriculture - being already visibly treated as a secondary

sector by the policymakers in the communist controlled 'Supreme Economic Council' received a meagre financial support from them. These initial price relations between industry and agriculture could not be maintained for long since they led to hoarding of stocks and encouraged 'black market', both of which jeopardised the aim of stabilisation. By the end of 1947 agricultural prices had to be increased, which had a favourable effect on incentives and production.

In the early post-war period, apart from land and some nominal amount of seed, agriculture received virtually no other support at all:⁽⁶⁰⁾ during what was probably its most vital period of reconstruction agriculture was given no credit assistance but was left totally to its own resources. After the stabilisation between August 1946 and July 1947, agriculture was granted 434 million Forints of credit, which was less than the credit given to industry in the single month of July 1947. The total amount given over the period was only 16 per cent of the amount given to industry.⁽⁶¹⁾ Whatever economic or political arguments are put forward in favour of the degree of support given to industry, it was totally unjustifiable that the urgent needs of agriculture were so completely disregarded.⁽⁶²⁾

These difficulties affected, to a greater or lesser degree, the entire cross section of the farming population. They undoubtedly hit the new dwarf and smallholders proportionately much harder. The medium and wealthier peasants started out, after the war, with a relative advantage. This was only partly on account of the size of their land holdings. Their main advantage was that the majority of them were, even before the war, well established farmers, often with a certain amount of seed in reserve and with equipment, livestock and draught animals in reasonable quantity at their disposal. They were also more experienced in the techniques and problems of farming. To this extent, they were much better endowed not only to survive the prevailing hardships but to increase the economic differences between themselves and the newly landed.

In the absence of an effective agrarian policy, providing initial state aid to the needy landowners, it was inevitable that the deteriorating economic conditions would lead to the development of 'capitalistic tendencies', a term used by the HCP to describe the 'opportunistic' behaviour of wealthier peasants who exploited the handicaps of their less fortunate compatriots. A number of the new farmers, unable to succeed on their own under the prevailing economic conditions, turned for help to the better established richer farmers and traded their labour for the loan of seed, draught animals, transport or equipment e.g., the price of ploughing 1 cad. yoke of land was 6-10 days of work.⁽⁶³⁾ It was estimated that of the 642,000 recipients of land some 400,000 were still in need of the most important basic farm tools and equipment in 1947.⁽⁶⁴⁾ Others gave up hope altogether temporarily and leased their land to the wealthier peasants. Having become 'landless' again, they rejoined the ranks of floating casual agricultural workers, badly paid, inspite of agricultural Trade Union wage regulation in the spring of 1947. Since much of industry was in ruins it did not, for the time being, require labour from agriculture. In fact, many urban workers flowed back into rural areas due to lack of employment opportunities and food etc. Thus only agriculture could possibly provide employment for the large rural population. Agriculture still represented 54.5 per cent of all wage earners.⁽⁶⁵⁾ Later, the growing industries exerted some attraction for agricultural workers, but this was limited because according to the Census, as late as 1st January 1949, four-fifths of the 126,000 registered unemployed were industrial unemployed. Apart from them, industry could also have drawn upon the many who were employed in clearing the rubble, engaged on rebuilding and the like.⁽⁶⁶⁾ Employment opportunities in agriculture were extremely scarce. The reform, as discussed earlier, had left the agrarian surplus labour problem largely unresolved and with the influx of this newly released labour the surplus increased considerably, aggravating further the already tense labour market. The

number of wage-earners in agriculture was approximately between 300-400,000. These could more than satisfy the labour requirements of the richer farmers.⁽⁶⁷⁾ With the liquidation of the large estates the casual and seasonal agrarian labour could now only look to the more limited number of richer peasant farms for employment. To alleviate tensions on the labour market, in 1947 the government prohibited the use of threshing machines and harvesting had to be done by hand.⁽⁶⁸⁾ Unfortunately, no accurate labour statistics exist for the period between 1945 and 1948. Statistics were published for 1949, but by then migration from agriculture to industry has already begun. Even some migration outside the country, e.g., from Mezökövesd to Sweden was reported, but later on emigration was banned.⁽⁶⁹⁾

Working on their inadequate land, aggravated by the three years of drought, new and old, dwarf and small farmers either became increasingly disillusioned or went bankrupt and sold their land. The richer, more ambitious, farmers wasted no opportunity and by 1948 had exploited the inevitable consequences of the land reform and, by violating the law regarding 'non-alienation' of new holdings, a law which affected approximately one-third of the total agricultural land, they bought up or rented some of the land, thereby starting a process of re-concentration of land ownership. It is difficult to establish the importance of this process since no land purchase transactions were recorded at the time. According to the Census taken in 1949 the total number of land purchasers between 1945 and 1948 was 33,760, of whom some 28,602 owned land previously. The total area affected was less than 63,000 cadastral yokes.⁽⁷⁰⁾ These figures would not indicate an alarming degree of land re-concentration. The affected area was less than 2 per cent of the total re-distributed land area. It is, however, true that if land renting by the richer peasants is taken into consideration, though this can only be regarded as of a temporary nature, the re-concentration of land becomes more significant. The

proportion of rented area, in relation to the total area of holdings, was 12.1 per cent.⁽⁷¹⁾ It is interesting to note, en passant, that land re-concentration, either by purchase or tenancy, was most pronounced in the 20 to 35 cadastral yokes peasant farm category. This, in a way, would tend to vindicate the correctness of the SHP land reform proposals to create economically more viable units. The re-concentration was a process of 'natural selection'. But the HCP made full use of the prevailing agrarian problems. With increasing frequency, particularly between 1947 and the summer of 1948, it conducted a campaign against the richer peasants, accusing them of grain hoarding, speculation and general 'capitalist' exploitation of the smaller peasants. The party proclaimed that it was its duty to protect the smaller peasants against this exploitation. This, however, created some controversy among party members. Many believed that the land re-concentration should be stopped. Others believed that the economy could not depend only on small farmers, who barely produced enough for themselves, but that Hungary also needed the richer peasants, who produced primarily for commercial sale and were eager to grow progressively richer. The HCP's policy, however, became more and more restrictive. This trend was particularly noticeable from the early months of 1948. In the end it had serious political consequences and led to even greater government intervention, in the form of heavily progressive taxation on the richer peasants, who also had to pay a capital levy. Moreover, landless agrarian workers were recruited to inspect their threshing in 1948.

While the relative shortness of the period under consideration may not permit definite conclusions, it appears more than probable that small-scale peasants farming, even if left to its own resources and despite the difficult climatic conditions would, sooner or later, have been able to equal the production results of the large estate system. The period was full of opposing economic forces, some of which, for example, the sheer peasant enthusiasm

recognising no obstacle, propelled agriculture to achieve a remarkable recovery. Behind the achievements, however, lay many unresolved problems inherent in small-scale farming, for which the system had not provided answers. The major problems were in the following spheres:

1. the question of unemployment, both open and hidden which could only be solved in two ways: (i) moving increasingly towards 'intensive cultivation', (ii) if other branches of the national economy required the rural manpower.

2. the question of marketed produce; while the standard of living of many peasants, by consuming on the farm, was raised by the reform, the question of a better supply to the urban population and for exports, particularly important for the national economy, presented serious problems. There was only one way to resolve this problem. By increased output and marketed production, with an appropriate incentive system. Increased marketed production could be achieved by: (i) permitting a measure of controlled and limited 'capitalisation' in the countryside, reinforced by a move in the direction of 'intensive cultivation', favourably affecting the employment problem, which would have corrected the ills of the land reform. This solution was total 'anathema' to the HCP. Alternatively (ii) an appropriately organised and integrated co-operative system, based on the prolonged maintenance of individual small-scale peasant farming could be espoused. This, as shown previously, was supported by most parties initially and, at least in a tactical sense, even by the HCP, but the majority of peasants did not want it. Parallel to the above, (iii) either solution could have been reinforced by the development of food industries, which would have

provided additional employment to many peasant families not sufficiently occupied on the small farms. Either of these solutions would have been able to provide the framework for industrialisation. What rate of industrialisation either of these solutions could support remained for ever untried. Because of the radical changes in the international and internal political scenes, to be discussed in Part III, both of these possible alternatives were removed from the agenda and replaced by collectivisation.

5.3 Early administrative measures

In view of the extremely unfavourable economic, climatic and operational constraints agriculture had to face in the first years after the war, it was, perhaps, unavoidable that certain transient measures to restore orderly economic activity in agriculture had to be taken by the government. While the extent of state intervention and the methods of its control were, at the beginning, no stronger than during the war, in many aspects, however, it frequently went beyond what was dictated by purely social and economic considerations. Sometimes overtly, sometimes covertly, some of the measures were taken by the HCP primarily to assist and further its political and economic control in the countryside and, particularly after the spring of 1947, gradually to prepare agriculture as far as possible for the party's concealed final goal. The influence of the HCP on the economic life of the country was made possible largely through the establishment of the 'Supreme Economic Council' in December 1945.⁽⁷²⁾ Although the nominal head of the Council was a member of the SHP the real power was in the hands of the Secretary General, Ernő Gerő, a member of the HCP. The administrative power and supervisory role of the 'Council' in all matters of high-level economic policy were more important than the increasing numbers of ministries charged with supervision of large sectors and advising on economic and financial matters.⁽⁷³⁾ The newly created Planning Office functioned as an inter-ministerial coordinating body.

The very first agrarian measures taken by the Provisional Government in 1944-45 were concerned with the regulation of agricultural labour and, because of great shortages, the utilisation of draught power and equipment. Farmers whose main occupation was in agriculture were obliged by law to perform all agricultural work on their own or with the help of their family. Extra outside workers could only be employed if the family's combined labour was insufficient. Conversely, if a farmer's land was too small to provide him with full-time

employment he was obliged by law to offer his labour for someone else's farm. Animal draught power, too, was systematically regulated. The law, for example, prescribed in detail the size of land area every team of horses, or cattle, had to cultivate, and draught animals had to be shared with others, especially with new land owners, who in return were obliged to pay for the service by their own labour. Similar regulations applied for tractor-power and other machinery and equipment.⁽⁷⁴⁾ These measures were considered necessary under the circumstances in order to secure the expedient use of resources at the disposal of agriculture; they were, however, only partially successful in easing the shortcomings that existed.

It was in the economic year 1945-46 that more systematic direct state intervention in agriculture began to develop. From then on, the most important aspects of agricultural production came under detailed regulation. A series of government decrees determined the proportion of land to be ploughed, sown and harrowed during the autumn and spring seasons. The government also determined the area to be allocated for wheat and other major crops, asking Regional Administrative Organisations to prepare and submit production plans for most aspects of agricultural activities.⁽⁷⁵⁾ Similarly, the production of some of the most important industrial crops, considered essential for the envisaged industrial development, also became closely regulated.⁽⁷⁶⁾ Concerned, however, that the peasants would be unwilling to implement the regulation, since industrial crops were grown on large estates previously, the government offered very advantageous terms to growers, supplemented with additional incentives for growing crops above the quota.⁽⁷⁷⁾ In terms of production the measure proved to be a success. It did, however, create some friction between the smaller and larger landowners because the better-off peasants, far from attempting to resist the production of these crops, particularly sugar-beet, tried to squeeze the small peasants out of this lucrative business.⁽⁷⁸⁾

Alongside the direct methods of government intervention to regulate agricultural production, the 'compulsory delivery system' (beszolgáltatás) based on low official prices inter alia, served also to ensure the cultivation of certain crops. The economic crises after the war may have made retention of a delivery system, with some modifications, unavoidable for a transitory period. It was scarcely possible to supply the peasants adequately with manufactured goods to call forth a minimum amount of food supply needed for the towns, especially since agricultural production was also low. Compulsory deliveries at low prices, consisting in effect of a tax payable in kind, therefore had to be relied upon to prevent, or alleviate excess consumption of hoarding by the peasants. Thus in May 1945, immediately after the 'exploitative' Juresek-system was abolished, a modified system which 'ostensibly' had the peasants' interest at heart, was introduced in its place.⁽⁷⁹⁾ The early 'ad hoc' decrees regulating compulsory deliveries were greatly extended after the stabilisation in August 1946 both in scope, covering an increasing number of products, and in severity. The decree which abolished the old and introduced the new system, also ordered every farmer to surrender, at officially fixed prices, all the reserves of wheat, rye, barley, oat, maize, beans, lentil and potatoes above a specified quantity they possessed until 31st May 1945 for communal use. After the brief initial period when the calculation of delivery quotas was based on the size of sown area, the base was changed in 1946-47 to the arable area of land. In 1945-46 the delivery obligations, in kg/sown cadastral yoke, according to the size of holding were in force and are shown in Table 5.4.⁽⁸⁰⁾

It can be seen from the table that some progressivity had already prevailed from year 1945/46; soon holdings with less than 1 cad. yoke were totally exempted from delivery obligations. The decree which introduced the system of compulsory deliveries, however, came under heavy criticism from the dwarf and smallholders.⁽⁸¹⁾ Their criticism was not so much directed against its

TABLE 5.4 - Compulsory delivery quotas in force in 1945/46

Sown area cad. yoke	delivery quotas in kg.				
	bread grain	barley, oat	maize	potato	millet
- $\frac{1}{2}$	-	-	-	200	-
$\frac{1}{2}$ - 1	-	-	50	500	-
0 - 1	-	-	-	-	50
1 - 2	-	-	100	1000	80
0 - 2	25	40	-	-	-
above 2	-	-	-	1500(a)	-
2 - 4	50	60	150	-	-
2 - 5	-	-	-	-	100
above 5	-	-	-	-	150
4 - 6	60	80	200	-	-
6 - 8	60	100	250	-	-
above 8	-	-	300	-	-
8 - 10	100	120	-	-	-
10 - 20	120	140	-	-	-
20 - 30	150	170	-	-	-
30 - 50	200	200	-	-	-
above 50	250	200	-	-	-

(a) in better potato growing districts of the country 2000 kg.

Source: See n. 80, p. 293

principle but because they claimed the decree was biased against the new land owners, who were largely in the less than 10 cad. yokes category. They also complained that the quota rates were not progressive enough and they objected to the use of the same average yield figures as the base for small and large holdings.⁽⁸²⁾ The widespread discontent seems likely to have played a part in the revision of the decree when, at the time of the currency stabilisation, the lower limit of holdings exempted from delivery obligations was raised to 5 cad. yokes.⁽⁸³⁾ Every farmer, however, still had to pay the land-tax, introduced in the summer of 1945. Initially this land-tax was payable in money (pengö) but later it was changed to wheat: 1 kg. for every gold crown (aranykorona) of net income per cadastral yoke, without progressivity regarding the size of holding.⁽⁸⁴⁾ It was planned that in 1947/48 the exemption limit would be raised, first to 8 and then to 15 cad. yokes, but due to the adverse climatic conditions resulting in bad harvests in successive years this never materialised.⁽⁸⁵⁾ The raising of the lower limit gave the small holders access to a much more favourable free market outlet for their produce instead of the low official prices, which increased their incomes. The imposed delivery system, however, for the other farmers meant reduced incomes, hindering the necessary capital accumulation in the countryside. A significant increase in delivery burden for the richer farmers, however, came with the introduction of a new delivery quota system for year 1946/47. In that year farmers with 20 to 50 cad. yokes of arable land had to deliver 30 - 60 per cent and those with above 50 cad. yokes 400 per cent more of certain major crops than e.g., farmers with between 5 and 20 cad. yokes of arable land. In the following economic year, 1947/48, quota rates were further increased, as if to foreshadow things to come. Moreover, significantly higher grain delivery quotas were fixed in that year for holdings above 15 cad. yokes of arable land.⁽⁸⁶⁾ Similar more progressive rates had also been introduced for the general taxes payable by all holdings. More about these in a moment. The

compulsory delivery system, contrary to expectations and promises, rather than being an emergency measure for the reconstruction period featured prominently among agrarian policies until 1956. In addition to regulating production the system was designed with a political aim in mind, to put into effect, cautiously, certain socio-political principles. In this respect, the HCP - always using the national economic crises as an excuse - ensured that the compulsory delivery system contained an element of 'capitalist restriction' in the countryside from early 1945 on. This was most effectively expressed in the steeply progressive distribution of burden which in the case of the richer farmers fulfilled the function of 'capital draining'.

Later, the exaggerated industrial growth policy pursued after 1949 put a heavy demand on agriculture to secure at low cost the requirements of industrial sectors. The delivery system was tightened and expanded beyond economic rationality. Moreover, the steeply increasing progressivity of the system, especially after 1950, featured as one of the most effective instruments in 'dislodging' the richer peasants, or 'kulaks' as they became labelled, leading to the liquidation of the majority of kulak holdings. A full discussion on the quantitative and qualitative aspects of the system's evolution, and its consequences, is postponed until later.

Another method of extracting produce from the farmers, in a sense a part of the compulsory delivery system, was the 'tithe' (dézsma), which operated on all holdings irrespective of size. It was a sort of due paid for custom-grinding (Vámörlés) of bread-grain, barley, maize etc. Farmers with 'self-sufficient' certificates could only obtain a permit to custom-grind for their own consumption - up to a limit, of course, stipulated by quota-rations per head ; if they first delivered a specified 'dézsma' quota to state designated collecting points. The quotas were fixed as follows: one-quarter for bread grain, one-third for oil-pressing, one-tenth for barley and maize.⁽⁸⁷⁾ It meant that a farmer

wishing to custom-grind 100 kg of bread-grain had to surrender 25 kg to the state; or, to put it in another way, to custom-grind the rations for 4 persons meant the delivery of a fifth portion to the state - instead of eight he had to load 10 quintals on to his cart.⁽⁸⁸⁾ The 'dézma', of course, disproportionately affected the smaller farmers, causing great resentment. And when it was reduced by 30 per cent in 1946/47 and 40 per cent in 1947/48, compared with 1945/46, it brought considerable relief for them.⁽⁸⁹⁾ Nevertheless, it remained extremely unpopular with the peasants, who perceived it not as a 'grinding fee' but as an extra tax.

There was another important sphere of economic policy measures which adversely affected the development and operation of peasant holdings. This was the distribution of direct 'rates and taxes' (közterhek), with a progressive scale according to the size of holding. Compared to 1938, 'rates and taxes' (közterhek) in 1948 for a holding of 10 to 15 cad. yokes with good quality land giving 20 gold-crowns of net income/cad. yoke increased by 50 per cent, for 25 cad. yokes by nearly 200 per cent, while on holdings above 25 cad. yokes the increase was 250 per cent.⁽⁹⁰⁾

In addition to the foregoing, the position of the individual peasant was also considerably affected by the introduction of a form of planning with the Three-Year Plan.⁽⁹¹⁾ The Three Year Plan was eminently not a plan of agricultural development. It was geared, in essence, to the reconstruction and development of key industrial sectors, e.g., mining, heavy industry, transport and power supply etc., and agriculture was conspicuously neglected. The neglect of agriculture was not, of course, accidental but a conscious policy. For agriculture the Plan was, above all, an instrument of compulsion to secure the food and raw material requirements of industry, to enable the regime to initiate a rapid industrialisation programme at the expense of agriculture. The Plan, apart from certain industrial crops, failed to initiate a process of change to more intensive

methods of farming, which as discussed earlier, was regarded by experts as a necessary concomitant of the land reform. The more or less compartmental approach to agriculture prevented the correction of the maladjustments already in evidence between agriculture and the other sectors of the economy. Capital investment in agriculture is a precondition of improved farm technology, to increase productivity both per acre and per capita. Of the total 6585 million Forints, allocated to finance the Plan's investment programme, however, only 912 million Forints, i.e., 13.9 per cent, according to official sources, and only 9 per cent according to U.N. figures, was apportioned to serve directly agricultural development.⁽⁹²⁾ A large proportion of the so-called agricultural investments were, in fact, intended for the reconstruction and construction of plants manufacturing agricultural machinery and fertilisers, for electrification and building of schools and roads in rural areas, something to which at that time, in view of the urgency of other agricultural needs, it was questionable to give such high priority. Although the budgeted figures were revised upwards within the period, due to inflationary price movements it meant very little in real terms for agriculture. Greater financial help in this most crucial period could have changed the face of agriculture and would have also ensured the fulfilment of the Plan's objective, stated clearly in no uncertain terms that:

the purpose of the Three Year Plan is to establish a flourishing agricultural economy and set up a well-to-do cultured and contented agricultural population. This will be achieved by: the radical reform and intensification of agriculture which will bring about a material improvement in the standard of living of the farming population.⁽⁹³⁾

This promise was patently not fulfilled by the Plan. Indeed, it was not achieved within the period under consideration.

In addition to decrees requiring the peasants to devote a certain amount of their land to the cultivation of specified crops, as discussed earlier, the growing of some produce was brought under more centralised control by specialised agencies under the so-called 'contractual purchase' system, which consisted of contracts concluded between the individual peasants and central agencies. The system secured the contracting peasant a guaranteed price for his product and provided additional privileges, such as the supply of quality seed and fertiliser and credit facilities. In mid-1948 approximately 10 per cent of arable land was under contractual cultivation.⁽⁹⁴⁾ It was regulated by decrees according to which contracts could only be concluded with the permission of the Ministry of Agriculture, acting on the recommendation of the National Planning Office. When entering into contracts central agencies were to give priority to members of 'Farmers' Cooperatives' (Földművesszövetkezet)⁽⁹⁵⁾

Direct and indirect government intervention in agriculture had a much wider foundation than discussed up to now. Apart from control over labour, draught power, structure of production and land ownership, credits, tax and price policies and state control of trade in specified products, the influence of the state was already developing in other important areas. A new and revolutionary feature of the Three Year Plan was the introduction on 20th November 1947, on the initiatives of the HCP, of the first Machine Tractor Stations (Állami gépállomás).⁽⁹⁶⁾ These were owned and operated by the state and their assets, on average 10 to 14 tractors etc., had largely originated from the machinery expropriated from the large estates. They were envisaged, as will be discussed in detail later, as the arms of socialised industry in agriculture. They were, ostensibly, set up to promote more efficient, mechanised farming and were to provide assistance to small and medium-sized peasant holdings by ploughing their land at prices fixed by the government and paid in kind. While in some cases these stations may have helped the individual peasants in farming their land, on

the whole, because of the prevalence of small strip holdings as a result of the land reform, and the ineffective organisation and operation of the stations, their contribution to efficient farming fell considerably short of expectations. Their early contribution, however, cannot be viewed only, or even primarily, in terms of economic efficiency. The real role of these stations soon became evident when, together with State Farms - whose development from 1947 was also stepped up, they were instrumental in extending the control over agricultural production and diminishing the independence of the peasantry. Towards the end of 1947 the sale of tractors, threshing machines and other large agricultural equipment to private persons had been prohibited. This guaranteed that the richer peasants could not significantly increase the number of machines they owned, though they could still buy second-hand machines. The consolidation and expansion of Machine Tractor Stations started in the spring of 1948. By the end of 1948 they numbered 110 with 1484 tractors, out of the total of 14,400.⁽⁹⁷⁾ They were seen as essential instruments, first, to restrict and then to break the monopoly of richer farmers over draught power. They played an important initial role in laying the foundations for the socialist transformation of agriculture. Thus, compared to the Soviet Union, a significant difference seems to have been that the extension of Machine Tractor Stations in Hungary preceeded the development of collectives and from a very early stage they became an important basis for collectivisation.

State farms in Hungary played a rather limited role up to the end of 1948, being confined, essentially, to the state or, more accurately, 'treasury-owned' agricultural undertakings that existed in pre-war Hungary, which had been maintained as the mainstay of modernisation in agriculture. Before the war, apart from a number of military establishments - providing the breeding grounds for some of the finest horses - six large and a number of smaller civilian, budget-financed, farms were under state control. After 1945, only the three

internationally most famous of these large state-owned farms, 'Mezőhegyes', 'Kisbér' and 'Bábolna' remained in state ownership and even their size was reduced.⁽⁹⁸⁾ Of the pre-war total of 68,000, only 21,000 cad. yokes remained, the rest was redistributed to the peasants. During the land reform, however, in addition to these three another 59 and by mid-1948 a further 37, state farms, making a total of 96, were created. Their land was largely obtained from former estates which were not redistributed by the reform but expropriated and kept intact, as well as from the 'Land Fund', which administered land remaining from the resettlement programme in the various regions, or land in areas vacated by peasants of German ethnic origin who were expelled. Thus, in the period up to 1948 there were 99 state farms occupying an area of 70,932 cadastral yokes, of which a relatively low proportion, 43,470 cad. yokes, was arable land, the rest being pasture, vineyards, forests and other land. The average size of these farms was 716.4 cad. yokes.⁽⁹⁹⁾ The total area occupied by them was just over 2000 cad. yokes more than before the war. Their function, according to the Decree which set them up,⁽¹⁰⁰⁾ remained largely as before, i.e., to introduce new production methods and to set an example to the rest of agriculture as large-scale 'model' production farms, highly efficient and profitable. They were established as financially independent production units, supervised directly by the Chief Department of State Farms, under the Ministry of Agriculture. Along with politically motivated reasons, it was envisaged that they would play an important economic role in solving the country's agricultural supply problems. According to a report in the middle of 1946, it was estimated that the optimal total area needed for state farms, to cope with the newly emerging agricultural tasks, was 380,000 cad. yokes; of this, 200,000 cad. yokes was arable land, 130,000 cad. yokes reserved for animal husbandry and a further 50,000 cad. yokes for other specific purposes, e.g., for agricultural processing industries, experimental stations etc.⁽¹⁰¹⁾ Thus the 70,932 cad. yokes towards the end of

1948 was less than 19 per cent of what was considered optimally necessary for state farms to play their full economic role.

The financial performance of state farms, especially the newly established ones, fell short of the ideals set out in the decree. Financially, rather than being independent, they became at an early state very much 'dependent'. Only in terms of operation did they remain relatively free. There were many problems that hindered their efficient operation. First, much of the land given to them had been lying, often for long periods, idle, uncultivated and unfertilised, which adversely affected its productivity. Second, many of the newly established farms received land from the 'Land Reserve Fund', whose immediate concern was to take care of land which otherwise would have lain fallow and to lease it, temporarily, to companies, institutions, etc, with the result that the future of these lands remained undecided, often for years. Thus, they were not looked after properly. Third, disrepair, neglect and shortage of draught power, equipment, livestock and buildings added to the farms' operational difficulties. Fourth, the internal disproportion in land structure, relatively small size and dispersed location further aggravated their production problems. Fifth, there was a lack of labour discipline on the workers with high wage costs - compared to the national average - and overmanning, while management and agronomists recruited mainly from the former large estates were often politically not very sympathetic and perceived their positions as temporary.⁽¹⁰²⁾ Moreover, like all other farms, they too had been affected by the compulsory delivery system and were obliged to deliver specified quotas to the state at low prices. It did not come as a surprise then that rather than being self-financing and operating as 'model' farms - as envisaged - they incurred constantly increasing losses. In the economic year 1946/47 their debts already amounted to 8.2 million Forints. The communist controlled 'Supreme Economic Council', however, in collaboration with the Ministry of Agriculture, and despite

serious parliamentary criticism, paid their bills and provided a further 6 million Forints float to cover any operating loss incurred in future. Their economic position, despite great hopes, failed to improve and by the summer of 1948 reports were circulating referring to the 'colossal debts' incurred by state farms, which by then had lost another 15 million Forints on top of the 6 million already provided.⁽¹⁰³⁾ Many experts, and the general public, considered them a great burden on state finances, at a time when scarce resources could have been spent much more profitably. Interest in putting them on an economically more viable foundation was expressed by the 'Supreme Economic Council' which, in March 1947, instructed the Ministry of Agriculture to prepare a draft plan to amalgamate them into more viable units. No report, however, was produced. Further debts, however, rekindled interest and at the Council's meeting in October 1947 the question was raised again, but no effective decision was taken.⁽¹⁰⁴⁾ Evidently, far too little was done during 1945-48 to solve the problems of state farms. Perhaps the most important reason lies in the absence of a clear-cut and openly stated concept on the part of the political parties regarding the role and future of state farms. Without any doubt, state farms could have played an important role in the post-land reform period, when efficiently functioning 'model' state farms could have provided the assistance needed by many private peasant farms, supplying at least some of them with quality seed and livestock, and encouraging further agricultural development. Most parties had expressed some interest in them and agreed on a number of aspects of their importance for the future. Despite this degree of consensus, the entire question of state farms was largely neglected and pushed into the background and hardly ever mentioned in the agrarian programmes of the parties. The communists by this time had, of course, ample evidence that state farming could not immediately be made the prototype or even an important part of agricultural organisation. Hence, they did not elevate them to priority status.

Also they did not wish to alarm the agricultural population and believed that after the power struggle was decided there would be ample opportunity to rationalise and settle the question. This, again, was one problem which was subordinated, or better ignored, because of longer-term strategy.⁽¹⁰⁵⁾ The SDP exhibited similar, and ambiguous, sentiments. On the whole, the party allocated an important role to state farms, but in terms of immediate policy it remained undecided and in its practical approach to the problems of agriculture it did not wish to make too great sacrifices at this stage, but believed, too, that after the power struggle was decided the whole question of state farms could be settled much more simply and with much less risk.⁽¹⁰⁶⁾ With regard to the other two agrarian parties, the SHP and NPP, both had given some limited role to state farms in their programmes. Their reference to them, however, was so limited that the extent to which they saw their importance is difficult to assess. The SHP, of course, long before the war, had committed itself on the question of 'model' farms and quality seed, etc., so that it is possible to say that some role, much more limited than any of the other parties envisaged, had been allocated to state farms. It is also true to say, however, that this question, at this stage, was not high on their agenda as there were much more important problems facing the party. Hence it, too, tended to neglect the whole question.⁽¹⁰⁷⁾ This tendency to 'neglect' was, of course, quite understandable. Since the aim of the parties during this period was not to reveal too much of their strategy on sensitive issues, but rather to conceal it, or ignore them altogether.

In conclusion, it can be seen that by early 1948, at which time collectivisation was far from being officially announced, most of the main elements of control soon to be so widely used during the collectivisation drive, were already present in agriculture.

Chapter 5

1. Joseph Held (ed.), The Modernisation of Agriculture: Rural Transformation in Hungary, 1848-1975, East European Monographs, Boulder, dist. by Columbia University Press, New York, 1980, pp.361-362
2. Sándor Szakács, A Népi Demokratikus Agrárfejlődés kezdetei, Magyarországon 1945-48, Bp. Akadémiai Kiadó, 1971, p.96
3. See file on Zoltán Tildy, later to become the 'President of the Republic', Institute of Party History Archives, (hereafter cited P.I. Archives), 285/2-8, A Független Kisgazda és Polgári Párt programtervezete
4. D. Warriner, Land Reform in Principle and Practice, Oxford, Oxford University Press, 1964, p.14
5. Béla Fazekas, Mezőgazdaságunk a felszabadulás után, Bp. Mezőgazdasági Kiadó, 1967, p.44
6. Ferenc Erdei, 'Agrárfejlődésünk a felszabadulás után', Közgazdasági Szemle, No.12, 1965, p.415
7. Péter Szakál, 'A magyar mezőgazdasági termelés fejlődése 1950-1956 között'. A Magyar Tudományos Akadémia Közgazdaság Tudományi Intézet Közleménye, No.16, 1961, p.3
8. Iván T. Berend - György Ránki, A magyar gazdaság száz éve, Bp. Kossuth, 1972, p.243
9. Péter Veres, A paraszti jövő, Bp. Sarló, 1948, pp.16-17
10. Iván T. Berend - György Ránki, A magyar gazdaság ... op.cit., p.238
11. Ibid., p.242
12. Lewis Fischer - Philip Uren, The New Hungarian Agriculture, McGill-Queen's University Press, Montreal and London, 1973, p.30
13. A Magyar Kommunista Párt Parasztprogramja. Tervezet a mezőgazdaság helyzetének javítására, (The Peasant programme of the Hungarian Communist Party: Plan for the improvement of agriculture), bp. 1946. Szikra, pp.3-4
14. A Közdazdaság Évkönyve (Yearbook of the Economy), Bp. 1947, p.105
15. Józef Takács, Új agrárpolitika a magyar demokráciában, Bp. Népszava, 1945, p.30
16. Imre Kovács, Agrárpolitikai feladatok, Bp. Misztótfalusi, 1946/47, pp.33-34
17. Péter Veres, A paraszti jövő, ... op.cit., p.111
18. Imre Kovács, Agrárpolitikai, ... op.cit., p.35

19. This could not in reality be portrayed as a genuine 'coalition', it was more an inter-party agreement based exclusively on the struggle for positions
20. A Magyar Kommunista Párt Parasztprogrammja ... op.cit., p.2
21. Ibid., p.3
22. Ibid., p.7-8
23. Ibid., p.10
24. As is well known, Lenin modified considerably the orthodox marxist doctrine on agriculture, for strictly political reasons. Marx thought that the small peasant holdings would not in the long-term stand up against competition of large estates, for only the latter could afford the investments required for the modernisation of production methods. Marxian doctrine also had a great disadvantage of making it impossible for the workers' parties, inspired by it, to exploit the discontent of smallholders.
25. Lenin's decision to support the economic demands of the peasants in the hope of securing their political support did not imply that he became converted to the revisionist thesis of the viability of smallholdings. He rejected as illusory the view, according to which a system of smallholdings could be established on the ruins of feudalism. His answer to Kautsky, who in 1918, charged him with deviating from Marxism was:

"The proletarians said to the peasants: we shall help you reach 'ideal' capitalism, for equilateral land tenure is the idealisation of capitalism by the small producer. At the same time, we shall prove to you its inadequacy and the necessity of passing to the cultivation of the land in common."

V.I. Lenin, Selected Works, Vol.3, Foreign Languages Publishing House, Moscow, 1960, p.458

In other words, Lenin wanted first of all to win the peasants as his allies. Then, he thought once his party was in power it would be easy to steer the peasantry towards collectivisation by means of the COOPERATIVE (stress is mine) movement. It must be borne in mind at all times that the Hungarian Communist Party was, and remained, a Marxist-Leninist party!

26. Ferenc Erdei, A földhöz jutatott parasztság sorsa, Bp. 1947 and
Ferenc Donáth, 'A falu szocialista fejlődésének kérdései', Társadalmi Szemle, February, 1949
27. P.I. Archives 283-1/254, A Szociáldemokrata Párt programtervezete a földművesnép helyzetének megjavítására és a mezőgazdasági termelés fejlesztésének előmozdítására
The 'Programme' is without a date, but assumed to have been drafted in the first months of 1947, for the spring General Elections.

28. Ibid., Chapter 2, Section 1 of the 'programme'
29. Ibid.
It proposed to establish a universal 'land register' taking into account climatic, soil, rainfall and working conditions, then to draft a rational production plan, according to local conditions, with special attention paid to exports
30. Mátyás Rákosi, Következő Lányszem, in 'Építjük a nép országát', Bp. 1949, Szikra, p.64
31. Független Kisgazda Párt Politikai és Gazdasági Tájékoztató, No. 29, Bp. 18th November 1947, pp.9-10
32. P.I Archives, 285/2-7, 'A független Kisgazda és Polgári Párt programtervezete'; P.I. Archives 285/2-8, Ferenc Nagy, Mit kell tudni a Független Kisgazda, Földmunkás és Polgári Pártról? Kiskáté.
33. P.I. Archives 285/1-40
34. P.I. Archives 295/2-7, Kiskáté ... op.cit., Section 32
35. Imre Kovács, Agrárpolitikai feladatok ... op.cit., and Péter Veres: A paraszti jövő ... op.cit.
36. A Közgazdaság Évkönyve, 1947, op.cit., p.105
37. Szabad Nép, 18th October 1956; Közgazdasági Szemle, No. 11-12, 1956, p.1286 and no. 7, pp.546 and 711
38. See Chapter 3.1 pp. 204-211
39. Béla Fazekas, A mezőgazdasági termelészövetkezeti mozgalom Magyarországon, Bp. Kossuth, 1976, pp.20-21
40. Ferenc Nagy, The struggle behind the iron curtain, MacMillan, 1948, pp.112
41. Béla Fazekas, Mezőgazdaságunk a felszabadulás ... op. cit., p.45
42. In 1946/47 the supply of natural fertilisers was 64 per cent, the nitrogenous fertiliser 28 per cent, the phosphatous fertiliser 3.5 per cent of the quantity used per cad. yoke in 1938/39
Iván T. Berend, Ujjáépítés és nagytöke elleni harc, Bp. Közgazdasági és Jogi Könyvkiadó, 1962, p.269
43. Sándor Szakács, Földosztás és agrárfejlődés a magyar népi demokráciában, Bp. Közgazdasági és Jogi Könyvkiadó 1964, p.100
44. Béla Fazekas, A mezőgazdasági termelészövetkezeti ... op.cit., p.21
45. Ferenc Nagy, The struggle behind op.cit., pp.257-258
46. Iván T. Berend, Ujjáépítés és a nagytöke ... op.cit., p.269

47. Béla Fazekas, Mezőgazdaságunk a felszabadulás ... op.cit., p.46
48. Béla Fazekas, Mezőgazdasági termelészövetkezeti ... op.cit., p.22
49. Béla Fazekas, Mezőgazdaságunk a felszabadulás ... op.cit., p.48
50. Iván T. Berend - György Ránki, A magyar gazdaság ... op.cit., p.243
51. Béla Fazekas, Mezőgazdasági termelészövetkezeti ... op.cit., p.23
52. Iván T. Berend - György Ránki, A magyar gazdaság ... op.cit., p.241
53. György Kemény, Economic Planning in Hungary 1947-1949, Royal Institute of International Affairs, London, 1952, p.49
54. In 1946/47 e.g., only 45 per cent of the 1938/39 amount of agricultural products were, in one form or another, marketed while the consumption of peasants, as percentage of the sum total of incomes, increased from the figure of 38.1 per cent in 1938/39 to 55.1 per cent in 1946/47. This implies that food consumption of the agricultural population was about 80-85 per cent of pre-war level, while the agricultural production was still approximately 40 per cent lower than before the war
Sándor Szakács, Földosztás és agrárfejlődés, ... op.cit., p.148
55. It was decided that 1 pengő = 3 Forints. But on average agricultural prices instead of being multiplied by 3 were multiplied by 2.0-2.5, while the multiplier for industrial prices was 6.0. Further complications also arose from the application of differentiated multipliers for agricultural prices, but in all cases they were below 3.
Imre Kovács, Agrárpolitikai feladatok ... op.cit., p.42
56. Ferenc Nagy, The struggle behind ... op.cit., p.256
57. Szabad Nép, 23rd September 1946
58. Iván T. Berend - György Ránki, A magyar gazdaság ... op.cit., p.236
59. Imre Kovács, Agrárpolitikai feladatok ... op.cit., pp.44-45
60. Ferenc Donáth, Demokratikus földreform Magyarországon 1945-1947, Bp. Akadémiai Kiadó, 1969, p.375
61. Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.99
Industry in July 1947 was granted a credit of 505.44 million Forints, and the total for the corresponding period was 2654,89 million Forints. During the first 3 Year Plan, starting in August, 1947, agricultural state support was about 16 per cent of the total credit extended to industry.
György Ránki, Magyarország gazdasága az első három éves terv időszakában, Bp. Kossuth, 1963, p.214
62. It was particularly ill-considered in view of the fact that the war loss inflicted on agriculture amounted to 10-12,000 million Forints, while industrial loss was approximately half this amount, i.e., 6,000 million Forints. Imre Kovács. Agrárpolitikai feladatok ... op.cit., p.53

63. Szabad Nép, 11th July 1948
64. Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.135
65. Ferenc Donáth, Reform és Forradalom: A magyar mezőgazdaság strukturálist átalakulása 1945-1975, Bp. Akadémiai Kiadó, 1977, p.92
66. Iván T. Berend - György Ránki, A magyar gazdaság op.cit., p.238
67. A Közgazdasági Évkönyv, Bp. 1947, pp.449-457
68. Decree No. 171 200/1947. F.M. and further restricted by Decree No. 171 201/1947. F.M.
69. Rene Dumont, Types of Rural Economy: Studies in World Agriculture, Methuen, 1957, p.469
70. Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.136
71. The proportion of rented area in relation to the total area of holdings was 12.1 per cent. Its distribution according to the types of holdings is shown in table below:

Types of Holdings (cad. yoke)	Rented Area in % of the area of holdings
0 - 1	5.2
1 - 5	8.1
5 - 10	9.9
10 - 20	14.6
20 - 25	22.7
25 - 35	17.8
35 - 50	10.9
50 - 100	6.6
above 100	8.6

Total holdings

12.1

- Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.137
72. The Council was brought into existence by Decree No. 12090/1945, Magyar Közlöny (Hungarian Gazette), 9th January 1945
73. Iván T. Berend, Ujjáépítés és a nagytöke ... op.cit., pp.94-95
István Friss, 'A magyar népgazdaság fejlődése a felszabadulás után', Közgazdasági Szemle, December 1954, p.279
74. On regulation of employment see: Decree No. 25100/1945 F.M; 1700/1946 U.M.; 8430/1946 U.M. in Magyar Közlöny, 28th October 1945, 30th March 1946 and 19th May 1946 respectively. For the utilisation of draught power, see Decree No. 50500/ 1946 F.M., 4100/1946 F.M. and 72600/1947 F.M. in Magyar Közlöny, 31st October, 1945, 13th March 1946 and 13th February 1947 respectively

75. Decree No 25100/1945 F.M. stipulated that half of the total cultivatable area was to be farmed in the autumn and that one-third of area was to be allocated to wheat. The decree also specified that peasants without equipment or seed or in shortage of these should report without delay to the 'Production Committees' who would arrange assistance. Neglect or non-compliance was to bring the charge of sabotage and prosecution. Magyar Közlöny, 28th and 31st October 1945. See also Decree No. 4000/1946 F.M. in Magyar Közlöny, 18th October 1946
76. Decree No. 10060/1945 M.E. specified that 8 per cent of total arable land was to be allocated to industrial crops. The decree also gave detailed instructions for the growing of industrial crops on different types of holdings. Thus, e.g., a farm with less than 4 cad. yokes of arable land the area allocated to industrial crops was 6 per cent, while one above 25 cad. yokes it was 10 per cent. Magyar Közlöny, 31st October 1945
77. Those who fulfilled their contractual obligation in respect of e.g., sugar-beet, hemp, flax etc., were given access to sugar, hemp or flax products. At a time of great shortage in these products, and many others, these were important privileges
78. Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.135
79. The infamous Jurcsek- system of compulsory delivery, introduced in 1943, was abolished by Decree No. 11850/1945 K.M., Magyar Közlöny, 4th May 1945; the new compulsory delivery system was re-established through a number of decree. See for years 1945, 1946/47 and 1947/48 Decrees Nos. 4300/1945 M.E., 10400/1946 K.M. and 100700/1947 K.M. respectively
80. Sándor Szakács, A népi demokratikus agrárfejlődés ... op.cit., p.107
81. Szabad Nép, 8th July 1946
82. Dokumentumok a Magyar Mezőgazdaság Történetéből 1945-1948, Források a Magyar Népi Demokrácia Történetéből, Vol.2., Document 42, Bp. Kossuth, 1977, pp.114-117
83. Decree No. 10850/1946, Magyar Közlöny, 3rd August 1946
84. Sándor Szakács. A népi demokratikus agrárfejlődés ... op.cit., p.135, 63 n
Gold Crown (Aranykorona) is a unit of calculating the quality of land. It represents the net income obtained from one cad. yoke expressed in 1875 value of money. Since much had changed in the way of production and quality of land since the middle of the last century, this basis of calculating net income is outdated. Since no better method of land rating system had been found this way of calculating net income from land is still in use today. The national average value of net income obtained from one cad. yoke is 11 gold crown.
Imre Kovács, Agrárpolitikai feladatok ... op.cit., p.53
85. Szabad Nép, 6th June, 1947

86. Iván T. Berend, A szocialista gazdaság fejlődése Magyarországon 1945-1968, Bp. Kossuth, 1974, p.62
87. Sándor Szakács, A Népi Demokratikus Agrárfejlődés ... op.cit., p.162
88. In reality the farmer did not, of course, put the entire quantity for the year on his cart, because grinding occurred in small 'ration-portion' over time
89. Ibid., p.163
90. Iván T. Berend, A szocialista gazdaság ... op.cit., p.62
91. The Three Year Plan covered the period 1947-1949, embracing the entire economy. It was introduced on 1st August 1947 and aimed to increase investment and industrial production, but it consisted of general directives and stopped short of the Soviet model
92. The Hungarian Three Year Plan, Hungarian Bulletin (Mimeo), no pub. date. p.4. For the breakdown of the 2000 million Forints total, allocated under various headings for agriculture, see Appendix 1. For the UN figures, see Economic Survey of Europe, UN, Geneva, 1949, p.203
93. The Hungarian Three Year Plan ... op.cit., p.4
94. György Kemény, Economic Planning in Hungary: 1947-1949 ... op.cit., p.103
95. Szabad Nép, 18th August 1948
Consumer, Credit and Marketing Cooperatives, operating according to the Rochdale principle, had a long history in Hungary prior to 1945. Some of these cooperatives continued to function after the war. At the same time, the newly organised 'Farmers' Cooperatives' began to sprout all over the country. At this time they dealt with the common use of machines and equipment that became available from the large estates; in addition they engaged in marketing products to a small extent and in retailing. They also established their national organisation the 'National Centre of Cooperatives'. Rezső Nyers: Szövetkezetek a Magyar Népi Demokráciában, Bp. Kossuth, 1959, pp.55-56
96. On 20th November 1947 the first Machine Tractor Station was set up at Kisszállás and in early December, 1948 the 100th at Tard. Hungarian news and Information Service: Agricultural News from Hungary, 9th June 1950, p.3
97. Béla Fazekas, Mezőgazdaságunk a felszabadulás ... op.cit., p.267, p.269
98. Ákos Varjú, 'Az 1945-évi földbirtok reform eredményei és jelenégi állapota', Bp. Valóság, March 1947, p.69
99. Sándor Szakács, A népi demokratikus agrárfejlődés ... op.cit., pp.10-12
100. Decree No. 90770/1945 F.M.

101. Sándor Szakács, A népi demokratikus agrárfejlődés ... op.cit., p.31
102. Ibid., p.208
103. Sándor Szakács, Állami gazdaságaink helyzetének alakulása 1945-1948,
Bp. Akadémiai Kiadó, 1969, pp.45-47
104. Sándor Szakács, A népi demokratikus agrárfejlődés ... op.cit., p.201
105. Sándor Szakács, Állami gazdaságaink ... op.cit., p.100
106. Ibid., p.101
107. Ibid.

Chapter 6: Individual Peasant Agriculture: The Politics

6.1 Ideology and Political Intentions of the HCP

According to their ideological belief every communist regime is committed to carrying out the collectivisation of agriculture.⁽¹⁾ As is well known, the peasantry as a social class never really fitted into Marxist-Communist ideology.⁽²⁾ Marx did not know, understand or even like peasants. He was unfamiliar with their stratification, considered them as a sack of potatoes. In 'The Communist Manifesto' he put them together with other 'reactionary elements', e.g., the petty-bourgeoisie, artisans and small retail traders. They were looked upon with suspicion and were regarded as the 'shepherds of the old spirit'. Marx gave them no role to play in his vision of revolution; in marxist ideology agriculture and agricultural production were considered more important than the working peasant himself. Marx expected the same sort of concentration to happen in agriculture as in industry and believed that land would finally be taken in to communal ownership from a few hands. Later, collectivisation is justified by ideological reference to Stalin's 'law of development', which asserts that socialist industrialisation has to be accompanied by a socialist transformation of the countryside.⁽³⁾ An independent peasantry, with its spontaneous mode of production, was considered incongruous in an otherwise fully planned and controlled economy. To this extent the peasantry as a social group was predestined to disappear. Its status was to be reduced to that of employed labourer, thereby putting the peasants on to a similar footing as industrial workers. Moreover, the socialist transformation of agriculture was also to enable the state, apart from securing control over food supply for the rapidly growing industrial population, to drain off the surplus labour that existed in agriculture for industrialisation, through the introduction of mechanisation into large-scale farming. Finally, and perhaps most importantly, it was to enable

the state to squeeze out of the agricultural sector, on the cheapest possible terms, the economic surplus necessary to finance rapid and large-scale industrialisation; an industrialisation programme such as was envisaged was obviously not possible in a system based on small-scale individual farming, the type generally favoured by the peasants.

The task of transforming the 'un-reformed' Hungarian agriculture, based on private property, into what in fact was to be a mirror image of the Soviet 'kolkhoz' system based on collective property, must have been viewed by the Hungarian communists in 1944/45 as extremely difficult if not impossible. The almost insurmountable opposition such a process was certain to encounter from the peasantry had already been sampled in 1919 when just such an experiment was attempted. The general attitude of the peasants towards collectivisation had grown steadily worse during the inter-war period when they gained ample information on the actual meaning and results of the Soviet kolkhoz system. The inter-war regime in Hungary, concerned about the spread of communist ideas, spared no effort in disseminating information among the peasants regarding the nature of the Soviet collectivisation experiment and the hardships it had brought upon the Soviet peasant. That the Hungarian peasant 'absorbed' this information is reflected in Rákosi's speech, delivered to the Central Committee Plenum on 5th-9th March 1949, when he warned against this 'mythical' image ingrained in the minds of the Hungarian peasants regarding the Soviet kolkhoz system. He stated, inter alia, that the distrustful attitude the peasants displayed towards collectives could only be dispelled by tolerant and exemplary work. At that time he said:

collective farming symbolizes to our peasantry not only a new way of farming but in addition, due to the terrible colours in which it has been depicted to them during the last two decades, it means the things allegedly accompanying it like the communal mess-tin and the trough.⁽⁴⁾

Moreover, it was a difficult task since Hungarian agriculture in 1945 was much more developed than Soviet agriculture in the 1920s; its traditions were different and it was much more deeply rooted in private ownership of land. Difficult it may have seemed, nevertheless, there was no doubt in the minds of the communist leadership that somehow, at some stage, the transformation of the country to 'socialism' and with it the transformation of agriculture onto a socialist base would have to be accomplished. The very first indication of what might come appeared as early as September 1944 when, in its manifesto addressed to the Hungarian people, the HCP flatly and clearly asserted that:

In the minds of the Hungarian people the Communist Party is closely identified with the intent of wishing to establish the 'dictatorship of the proletariat' ... this intention the party did not and will now give up for ever! We know, the existence of the Soviet Union proves it, that the problems of mankind and thus also of Hungarian society can only be solved by socialism. For this reason, we can never, and never will we, relinquish the idea of establishing a Hungarian socialist society as our ultimate aim.⁽⁵⁾

Now, taking into account the fact that the HCP's leaders had a very strong ideological orientation and total subservience to the Soviet Union - manifestly more so than in most other East European countries - it can safely be assumed that they meant to fulfil the above proclamation and that at the same time the party regarded the socialist transformation of agriculture as an integral element of its concept of socialism.

After the war, as shown previously, when, for the first time, the opportunity presented itself to forge ahead with the socialisation of agriculture, the HCP had opted for Land Reform and distribution instead. Under the slogan 'land to the peasants' the HCP gave the illusion of being committed to a democratic solution to the agrarian problems. This was in accord with, and formed an integral part of, current Soviet and HCP 'general strategy' for working

towards their ultimate goal of total power, when conditions became favourable. Since, in their view, conditions might not be favourable for some time - the HCP expected the 'coalition-regime' to rule longer in Hungary - perhaps this was also a reason which influenced the HCP decision to introduce a Land Reform. In order not to alienate the peasants, indeed hoping to gain their support, the party gave its tacit support for the temporary development of individual peasant farming in Hungary. To be sure, it was not only contrary to the HCP's socialist ideology but the reform, by the liquidation of large individual farms, also destroyed the framework of large-scale farming.

The interesting question which arises in this connection is this: was there such an intention, formulated in a precise plan of 'strategy', which for tactical reasons, was obviously not made public? Unfortunately, available data do not permit a definite conclusion but the party's actions, its behaviour towards its political adversaries and subsequent statements by senior party members argue forcefully that this was the goal towards which it worked consistently from the outset.⁽⁶⁾

Between the end of 1944 and the spring of 1945 the HCP was, essentially, fully preoccupied with its own organisational problems in the country. Having been in illegality it had to build a functional national network and to establish with other parties its National Front policy. It re-affirmed that its main objective was a free, democratic and independent Hungary, a new type of democracy, a People's Democracy, administered by a government in which all the democratic parties were represented. This, of course, was also in accord with the basic 'Declaration' drawn-up by the Allied Powers, which stated that after the war the countries in the region should establish governments which included 'all the representatives of democratic forces'. This was an accepted Soviet policy and Rákosi and his colleagues were instructed to work towards this end. The 'Whitsun Conference', in May 1945, the first legal gathering of the party

since 1919, discussed, inter alia, and endorsed the party's coalition and power sharing policy instead, as many expected, of proclaiming immediately the 'dictatorship of the proletariat'. In deciding to adopt this line it was not altogether without opposition.

There were, within the party, two rigid doctrinaire groups in communist parlance 'left-opposition' who were not in favour of the official line and who wanted a tough approach. One group, composed largely of the 'old guards' of the 1919 revolution, 'nostalgic' for the Hungarian Soviet Republic, was advocating the immediate assumption of power. Although somewhat on the periphery, this group was a cause of some embarrassment to the party which, precisely because of the lessons of 1919, wished to proceed very cautiously and was trying to project an image of loyal partner in the coalition and demonstrating its eagerness to participate in the national recovery project. At all costs it wanted to avoid the impression that these old revolutionaries' ideology was to be revived in 1945. They were too inflexible to understand the party's tactical National Front Policy, which they must have seen as the leadership's 'unprincipled' courting of bourgeois politicians. Confined largely to the Trans-Tisza region, the influence of this group had to be suppressed. At the 'Whitsun Conference' and later also, the party did not cease to criticise them as 'sectarians', 'left-deviationists':

those 'leftish', 'sectarian' communists who cannot understand this (i.e., the party's coalition policy) and stubbornly continue their harmful work have no place among the party's ranks.⁽⁷⁾

By demonstrating its rejection of this group the party hoped, also, to turn this to its own advantage. Soon to be branded a '1919 revolutionary' meant harsh treatment, often exclusion from the party's activities.⁽⁸⁾

The second group was made up by the indigenous communists, led by László Rajk. While the first group received wide publicity, the latter, being uncomfortably near to the locus of party power, received none at the time. The proof of their existence only emerged years later when Rákosi, addressing the Party Academy, on 29th February, 1952, referred to this early disagreement.

Thus:

At the beginning of 1945, when our country was liberated and after 25 years of underground activity, the HCP was able to enter the political arena legally and openly, we soon realised that the majority of our communists did not understand the strategy and tactics of our party ... The greater part of those comrades who were not acquainted with or did not understand our strategical plan devised during the war, were surprised at such a broad coalition, composed of heterogenous elements, and treated it often with antagonism. How often, during those weeks, were we reproached by good comrades: 'this is not what we expected of you'. And they told us what they wanted 'now that the Red Army has liberated us - let us profit by this opportunity to restore the proletarian-dictatorship'.⁽⁹⁾

Rajk, and his group believed that after the war, with Soviet help, the HCP would take control. They were undoubtedly greatly disappointed to learn from Rákosi that, for a while anyway, they were expected to work within the coalition and to share power. The 'coalition policy' created a sharp division in the HCP. Rajk argued for an anti-coalition line and pressed for the proclamation of 'proletarian-dictatorship' with all the paraphernalia of political and economic concentration of power, including the collectivisation of agriculture,⁽¹⁰⁾ probably in a similar way as the Yugoslavs nullified the coalition agreement in Romania and Bulgaria, too, where it was drawn up by the Allied Powers, it had a short life. But since the coalition policy originated with Stalin, Rajk could do very little other than acquiesce in the official Stalin-Rákosi line. This ideological disagreement was, however, well concealed from the public and, unlike in Poland where intra-party debates were conducted with reasonable publicity, the HCP succeeded in

maintaining a facade of near complete unity. Still, while grudgingly accepting the official line, Rajk continued to display a measure of impatience with this strategy. At the 3rd Congress of the HCP, in 1946 he stated that:

we have stopped half-way, although we are not simply a Bourgeois Democracy, nor even a People's Democracy ... we shall shortly get out of this ambiguous situation.⁽¹²⁾

Another group, denying the possibility of the 'dictatorship of the proletariat', also existed, outside the HCP. Their opposition too was related to the events of 1919. Composed largely of the pre-war Hungarian Populist writers, this group believed that Hungary should progress to socialism by a 'Third Road', between Western and Eastern versions of democracy. Its programme, which sparked off a public debate in 1945, was based on the peasant masses led by the intelligentsia and envisaged a peasant 'revolution' in which western style social democracy would be adapted to the needs of the peasantry. This group expressed the view that with the failure of the 1919 revolution the industrial working-class movement had forfeited its historical role and was unfit to lead a 'new revolution'.⁽¹³⁾ It argued that a democratic reformist alliance of the NPP and SDP could prevent the polarisation of political forces between the communists, on the left, and the more conservative section of the SHP, on the right. It was denounced by the communists, who said that such centre-democratic consolidation was a 'historical illusion'.⁽¹⁴⁾ This group's influence on subsequent events was negligible, although by its tradition it influenced the minds of some HCP members, especially those connected with the People's Colleges. It is worth noting at this stage that the group emerged again as an influential voice in the 'Petröfi Circle' during the 1956 uprising.

While the party leadership adopted a firm ideological stand against these groups on the theoretical question of 'dictatorship of the proletariat', it had to

take a position on the form of state system there was to be while the process of transformation from capitalism to socialism was completed. Socialism, whichever way it was defined, and whatever elements it included, must have been considered, under Hungarian conditions, as a distant possibility which could only be achieved through a 'transitional' system called 'People's Democracy'.⁽¹⁵⁾ This form of state system, later radically redefined, was a sort of progressive bourgeois democracy which reflected the fact that power was wielded by a number of different social and political groups, and also that it did not preclude the existence of small-scale private ownership of land. Unlike in Poland - where it could be argued that this new idea of a transitional system might have represented a serious effort on the part of the communists to evolve a system compatible with Polish conditions rather than just a 'Trojan Horse' put on record in public debates - in Hungary, this new concept of democracy does not seem to have represented a serious and sincere belief. This was shown by subsequent efforts on the part of the HCP to develop a system compatible with the different conditions in Hungary compared with the Soviet Union. Certainly, there was an ideological dilemma here too in respect of strategy, concerning the form and name of state system, and the attempt to find an ideologically acceptable interpretation to fit it into communist theory. But this ideological problem did not mean that the communist leadership, with the possible exception of Imre Nagy, believed in a distinct 'Hungarian Path' to socialism, without the collectivisation of agriculture.

The HCP could, of course, have proclaimed 'proletarian dictatorship' had this been Soviet policy; Stalin had different plans. Soviet discouragement of an immediate single-party system, and the adoption of a multi-party People's Democracy, a coalition regime, as a state system, was the strategy prepared during the war years. Now a variety of reasons can be given why this transnational policy was adopted. Both Stalin and Rákosi agreed that 1919 had

left unhappy memories in Hungary among almost all social classes.⁽¹⁷⁾ This fact could not be ignored; they had to act with circumspection. It would seem that the communists quite seriously believed that after the war, with the 'liberation' from Nazi Germany, and participation in the re-construction project, they would make good progress in securing popular support. That this was a mistaken view only transpired later. With increased popularity and respectability it might have been thought just possible that the 'fight for socialism' could be won without recourse to confrontation, thereby avoiding the disruption, suffering and sacrifices which accompanied 1919, and through which the Soviet Union herself had to go when she proclaimed the dictatorship of the proletariat. Hence the experiment with People's Democracy, a period during which the party could prepare the ground for becoming the repository of sole political power. After all, the presence of the Red Army ensured that even if this strategy had failed an alternative, albeit much more costly and inefficient, one remained open. This line is clearly reflected by Rákosi, speaking at the HCP's Third Congress, in September 1946, when he said that:

we have learnt the more elements of socialism we manage to introduce already at the People's Democracy stage, the easier and faster the transition to socialism will become, the less sacrifice and blood it will demand, and we can save much of the suffering through which the Soviet people had to go when they took the road to socialism.⁽¹⁸⁾

and

only People's Democracy will make it possible for our country, on the road to social development, to progress to socialism without civil war.⁽¹⁹⁾

This line of thinking is also borne out by a speech, delivered by Révai, a leading party theorist, to the leadership, when he was re-defining the character of People's Democracy. He then asserted that:

In the first phase of our People's Democracy when the struggle was not directed straight forwardly against capitalism ... we said that the People's Democracy was a plebeian, militant, consistent and popular kind of bourgeois democracy. In 1945, when the right-wing SHP wanted to provoke us into fighting the election campaign around the question 'socialism or bourgeois private property?' we were not mistaken in evading the provocation ... It was correct at that time to stress that the issue was not a choice between socialism or bourgeois private property but rather the following: should we compromise with the forces of the old system or should we liquidate them? It was correct that, in the fight against big capital, we did not stress that this was a transition into the struggle for socialism but that the measures initiated against big capital meant at the same time the protection of small private properties. It was correct not to show our cards but often even we forgot that People's Democracy at this time was more than just a plebeian variety of bourgeois democracy and that it was a step toward the socialistic transition, which contained, even then, the elements of development into the dictatorship of the proletariat.⁽²⁰⁾

Between 1945 and the spring of 1948 the HCP had essentially two very closely inter-related aspirations, towards which its purposeful efforts were directed:

1. to execute the democratic transformation of the country and,
2. to create, as rapidly as circumstances permitted, the necessary pre-conditions for the dictatorship of the proletariat.

From the very beginning it was recognised by the HCP that important external and, mainly, internal constraints existed which had to be removed before they could make a successful, not too disruptive, bid for total political power. One of the most important external pre-conditions was fulfilled by the presence of the Red Army. But there was another constraint. The Anti-Fascist coalition still

existed, though at times cooperation between the wartime Allied powers was strained. Even before Yalta, however, discontent was frequently expressed by the Western Powers, and the Romanian and Bulgarian Governments had been accused of violating the spirit of the 'Declaration' by setting up governments which were not 'representative enough'.⁽²¹⁾ The result of this was American and British reluctance to proceed with the negotiations to lead to the signing of Peace Treaties. The Soviet Union, responsible for Hungary, wanted diplomatic recognition for Hungary and a Peace Treaty signed without delay. It did not wish to antagonise and endanger its relations with the Western allies prematurely especially, as long as British and American armies were still strongly represented in Europe.

Several internal constraints existed also. Firstly the party was extremely weak in the country and it required time and peace to overcome this position. The party, initially with a few hundred followers, had leadership only, without trained cadres and mass membership. Indeed, it had two groups of leaders, the Muscovites, led by Rákosi, and the indigenous 'home' communists, led by Rajk, although the locus of power was with the Muscovites. Secondly, Hungary was lagging behind its neighbours⁽²²⁾, where only left-bloc parties participated in the coalition; the presence of a bourgeois party in the Hungarian coalition complicated the political process. Thirdly, the battle to gain control of the economy, largely in private hands, without disruption still had to be won. The operative words here are 'without disruption'; there was a great need for the quick resumption of economic activities. This was in the interest of the USSR, which could not help the HCP economically to enable it to consolidate power. Indeed, the Soviet Union herself, exhausted by the war, needed all the reparation payments, in kind. Fourthly, control over industrial workers was divided between the HCP and SDP.⁽²³⁾ The frequent clashes of interests and rivalry between these two parties to gain control over the labour movement, achieved ultimately

by the forceful merger of the two parties, presented serious obstacles to the extension of the 'democratic revolution'. Influence over the peasantry was even more fragmented, with the HCP's share fairly negligible. Although there were a number of 'fellow travellers' planted in the leadership of both NPP and the SHP, the NPP, activated largely by communist support, needed time to try to counteract the rural support of the SHP effectively. Fifthly, although HCP control over the police, including the secret police, was total, especially after the appointment of Rajk as Minister of the Interior in early 1946, the struggle for control over the Armed Forces still had to be won. Finally, the HCP was fully aware of the fact that the re-construction of the war-damaged country would require much greater energies than the party could provide on its own.⁽²⁴⁾

From the foregoing, the conclusion regarding the real intentions of the Soviet Union, and subsequently the strategy of the HCP, is evident. First, determination to secure Hungary in the Soviet sphere of influence: this is further confirmed by Ambassador Pushkin's revelation to Antal Bán of the SDP, that 'we have shed our blood for Hungary and we do not want to loosen our grip on her'.⁽²⁵⁾ Secondly, the fact that the final goal was to become the ruling party can be further confirmed by the statements of leading party officials. Thus Zoltán Vas, a senior party member belonging to Rákosi's Muscovite entourage, in his memoirs, discussing his attitude at that time, stated that:

we were aware that the forthcoming tasks of communists should be determined along the following line - even if formally we were not the ruling party, in practice it would need a few years at the most, not even that perhaps, and we would be. Until then, until this came about, we communists were already and would continue to be the motive force in the National Independence Front.⁽²⁶⁾

Furthermore, in a recent interview, Ernő Gerő, one of the most senior of the famous 'foursome', and second to Rákosi, is rumoured to have said that when he

and Rákosi returned to Hungary from the Soviet Union, in February 1945, it was with the :

intention of transforming Hungary into a communist state, on the Soviet model with which we became familiar in Moscow.⁽²⁷⁾

So, that there was a plan is evident. But what is, perhaps, imponderable is the question of how long a transitional period did the party anticipate. One piece of evidence on this question, as noted earlier, was provided by Zoltán Vas, who anticipated that the transition would take 'a few years at the most, not even that, perhaps'. In reality it took the HCP about a year and a half to complete the process. It is probable that a longer period of transition than that was envisaged. Some evidence tends to indicate that perhaps even the Soviet Union, Stalin himself, did not foresee precisely the rate of 'developments' during this period. It is possible that the exclusion of communists, on the one hand, from West European governments and/or of the ineffective British and American representation on the Allied Control Commission in Romania and Bulgaria, on the other hand, were influential and encouraging factors. Stalin, and consequently the Muscovite HCP leadership, expected greater opposition from the Western Allied Powers regarding the sovietisation of Hungary and expected the 'coalition-period' to be longer. Also, the unexpectedly smooth and very favourable progress the party had achieved, within a very limited time, in itself accelerated the process and shortened this transitional period. It seems that Churchill's 'Iron Curtain' speech at Fulton on 5th March 1946 impelled Stalin to accelerate the consolidation of his western neighbours. The HCP was most probably instructed to intensify its bid for total power. This is confirmed by Rákosi's reminder at the CC meeting of the HCP, on 17th May 1946, that:

first it was necessary to restrain hotheads who advocated instant socialism and a Soviet Republic, but the time had come to remind our party and the working class that we are also socialists.(28)

It would seem that international dimensions were no longer regarded as a main constraint. The fact, however, that Gottwald in Czechoslovakia, even in the summer of 1947, seemed to believe that they could participate in the 'Marshall Plan' tends to suggest that discussions were still not finalised. It would seem almost certain that a crucial decision to speed up political and economic transformation was taken at the founding meeting of the Cominform at Szklarska Poreba in Poland, in September 1947.

From all the foregoing, it would seem clear enough that the whole issue of ideology was barely more than a tactical smoke screen to put the opposition parties, and the peasants, at ease. Strategy prevailed over doctrinaire considerations, which were relegated, for a while, to the background. The decision to by-pass the question of collectivisation was not related to any ideological dilemma. The main reason why the party did not go ahead with it then and opted for reform was because it considered, quite correctly, that, firstly, the inevitable dislocation would have impeded the country's economic recovery which was important for all parties, but particularly vital for the popularity of the HCP, in charge of economic recovery. The alternative would have jeopardised the party's political consolidation. Secondly, by being willing to postpone collectivisation the communists also avoided the bloody violence which would have undoubtedly followed such a measure. Such an occurrence, in view of the Peace Treaty negotiations still in progress would have led to premature open Russian intervention in Hungary thereby creating perhaps more than just an embarrassing international situation. It was also clear to the HCP that it was not possible to secure the required control over the peasants and enable the communist leadership to subject them to its grandiose industrialisation plan

through direct confrontation immediately after the war, but only through a process of slow suffocation. These were, it would appear, some of the considerations why Rákosi's 'moderate' and 'gradual' policy, initiated by the Russians, was given a short, but vital, run. In the field of agriculture its main purpose was to re-assure the sceptical peasants, rightly considered by the communists as the most problematic section of society, that private farming, within the conceptual framework of 'People's Democracy' was a genuinely acceptable alternative to the HCP.

6.2 The Liquidation of Peasant Political Opposition

After the war and the land reform, important changes had come about in the social make-up and party politics in Hungary. The large landowning class disappeared completely and many of the industrialists left the country, some never to return. Those who decided to remain soon became the target, to varying degrees, of the post-war political parties, especially the HCP which aimed to limit their power through governmental control and gradual nationalisation. The former 'middle-class' strata, many of whom were closely associated with the previous administration, the military and the police services, lost their influence. The civil service remained functional but were allowed to operate only under new conditions of service and with their suitability for office closely vetted. The artisans and retail trade strata were also adversely affected, partly owing to the toll taken by Jewish regulations and, of course, Hitler's Germany and the war itself. In the early period, some of the small entrepreneurs did financially quite well as a result of limitations placed on the big industrialists by the government. The intellectual strata, disillusioned both with fascism and the war, having lost historical perspective, became more like passive observers of events; many of them, unemployed and completely withdrawn from public life, took the posture of 'wait and see'. After the completion of the land reform, the landownership structure radically changed the social profile of agriculture. The place of the large land-owning class was taken by the numerous land-owning peasantry, especially in the 5-10 cad. yokes category, which increased significantly while the agrarian proletariat was reduced by 300,000. Whatever was claimed for the 'leading role of the industrial working class', measured by its size alone it was certainly less influential a political force than the peasantry. The number in manufacturing industry was 289,000 in 1938, reaching a peak of 329,000 in 1943, after which it declined and even in the summer of 1946 it was lower than in 1938, at 225,000⁽²⁹⁾ Thus, a rapid increase in the size of industrial

labour force, to 'lead the working class', became an important political as well as economic objective of the workers' parties. But the problem was which of the two main workers' parties, the SDP or the HCP, was to 'speak for the workers'. Historically, both parties believed that they were pre-ordained for this role. Thus, the ensuing period brought about a battle, both from 'above' and 'below', to gain control over the workers. The peasantry represented the largest section of society, but they were stratified. Most had no skill and experience in political affairs. Educationally and culturally below the national average, the influence of the church, especially the Catholic Church, remained strong not only among the peasants but more generally in rural areas. Consequently, the stratified peasantry sought political representation for its interests, more or less, in all political parties, to different degrees, forming the 'Independence Front'. Therefore, the question 'who speaks for the peasantry' ultimately, who gains their allegiance as a whole became, perhaps, of even greater political importance than the battle for the workers.

Before looking very briefly - without any claim to completeness - at the features of the political parties participating and moulding post-1945 political developments, some general observations are in order. First the Allied Control Commission permitted the operation of democratic parties only and it strongly considered the communists as one. Second, although most of the main participants in the post-1945 political scene were opposition parties from the pre-war era, their structure and political alignment had changed, in some cases significantly. Thirdly, originally the 'Hungarian National Independence Front' was composed of 5 parties, the HCP, SDP, SHP, NPP and 'Bourgeois Democratic Party (PDP); the PDP, perhaps the most right wing party, was soon 'squeezed' out of the 'Independence Front'.

The narrow political base and low membership of the HCP was noted earlier. It was the first party to begin organisational activities and by

indiscriminate recruiting it rapidly built up membership from some 30,000 in February 1945 to 150,000 by May and 500,000 by October.⁽³⁰⁾ It was helped greatly by the fact that it was the only political party, at the opening stages, which knew what it wanted, had a programme, an ideology and an effective model of organisation and operation which proved to be a great asset. The party could claim some nominal and uneven influence among the peasants, especially concentrated in the Trans-Tisza region, where it was strongly challenged by the NPP. The Party counted on winning a mass following among the peasantry by taking credit for the radical land reform, discussed earlier. Only after the land reform was well on its way was the communist Minister of Agriculture, Imre Nagy, replaced and given the Ministry of Interior portfolio in September 1945. Its main influence was, however, among the workers, but even here its influence was unbalanced, stronger in some sectors, e.g., miners, and weak in others, e.g., iron and manufacturing sectors, and important in the building and chemical sectors. Generally, it enjoyed little support from the population, which after it had recovered from the shock of the war and memories had receded, re-asserted its anti-communist predisposition in the new political structure. The HCP was committed to industrial and agrarian socialisation, to the 'leading role of the proletariat' but, as noted earlier, these strategic goals were subordinated, at this stage, to economic reconstruction by a 'national unity' government. But, clearly, the party represented itself as the party of radical social and economic change.

The SDP in a sense was caught after the war somewhat unprepared and was given some 'help' by the HCP to organise itself. By the end of 1945 the party had some 400,000 card-carrying members.⁽³¹⁾ The party's influence, historically, was particularly strong among the iron and steel and manufacturing industrial workers. It could also claim some influence among artisans and small retail traders. Its influence was the weakest among the peasants. The SDP was debilitated by constant debates regarding its relations with the HCP and other

parties. An important agreement was, however, concluded with the HCP to establish a 'Joint Liaison Committee' to 'coordinate' the political activities of the two parties. Many party members, however, could not overcome their deep suspicion of communist designs regarding the future of their party, and this created permanent tension and dissent within the party. The nominal alliance with the more popular SDP was a tactical move designed ultimately to liquidate the HCP's main rival for the role of official representative of the industrial working class.⁽³²⁾ The 'works committees' set up by the HCP were regarded by the SDP as direct challenge to obtain control over the industrial workers. The HCP was hoping to consolidate its hold over the workers through the Trade Union movement and the shop steward system. When the Trade Unions were revived in February 1945, the Russians ensured a 2 to 1 HCP majority on the Council's Secretariat and Department staff, but union members still rallied to the SDP. A bitter struggle ensued between the SDP and HCP over the control of workers.⁽³³⁾

The weaker political influence of both the SDP and the HCP among the peasants was, to some degree, counter-balanced by the NPP. The first local organisation of the party was formed on 1st December 1944, in Szeged.⁽³⁴⁾ The HCP regarded the NPP as its ally in the countryside and took extreme care to nurture and deepen relations between the two parties. As shown earlier, it was also to act as the advocate of the land reform. The party was activated by communist support in the hope of drawing some rural support away from the SHP.⁽³⁵⁾ In the Szeged region 40-50 village organisations began their operations and gradually a network was built up, first in the Trans-Tisza region, then in Budapest and the North, and finally in the region between the Danube and the Tisza, by the spring of 1945. In August 1945 some 1400 cells were operating with 170,00 members.⁽³⁶⁾ The party's main political base was among the poor and new landowners in impoverished regions, particularly in the Trans-Tisza. In spite of all its efforts the party never really developed into a mass peasant party.⁽³⁷⁾

By many, somewhat incorrectly - but not toally without reason - the party was regarded as a branch, a rural extension, of the HCP. Incorrectly, because against all odds the party showed, at times, a degree of independence and internal dissent and power struggle between the 'left' and 'right' wings of the party, the latter striving for independence from the communists. Its mainly populist oriented leadership was divided between those, e.g., Ferenc Erdei, József Darvas, who were covert communists and Imre Kovács and István Bibó, who leaned towards a western style democracy, subsuming a vague agrarian socialism. The majority of peasants, however, could not be significantly influenced by left-wing parties. To this extent, it was always a strong possibility that the peasantry, the largest 'class' in society, would not be oriented towards the left in politics but to the other two functioning parties of the 'Independence Front', namely either the SDP or SHP, but especially the SHP.

This party, after a slow initial organisational start - due mainly to the prevailing uncertainty and suspicions about its own political future, augmented by Soviet and communist obstructions - emerged by the autumn of 1945 as a formidable political force, with a membership over 900,000 strong and a regional network covering the entire country.⁽³⁸⁾ Its political representation had, however, significantly changed from being the spokesman for the landed peasantry in the pre-war period to one in which all the post-war strata found political refuge. The party evolved into the principal rallying point of all the anti-communist, middle and upper classes and the peasantry, with the last remaining the mass base of the party; not only the rich and middle peasants, but in many areas even the poor peasants joined the SHP. The HCP's leadership was, justifiably, apprehensive at the rapid expansion of the SHP from the spring of 1945, and promptly accused the party of abandoning its 'class-party role' and becoming a 'catch-all' party for the reactionary elements, who in alliance with the 'kuláks', might obtain control over the leftist minority of the party.⁽³⁹⁾

Looking at the political groupings within the SHP, three principal political groups can be clearly identified:⁽⁴⁰⁾ 1) the left, which accepted the political programme of the 'Independence Front', represented by Zoltán Tildy, István Dobi, Gyula Ortutay, some left-wing intellectuals and the poor peasants. The HCP exploited this leftist orientation within the SHP politically; 2) the centre represented by Ferenc Nagy, Béla Kovács and Béla Varga. They envisaged the establishment of a form of peasant-bourgeois democracy, led by the wealthier peasantry. The centre, too, accepted the programme of the 'Independence Front', but it was to be carried out, exclusively, within the bourgeois democratic order. Many believed its cooperation in the 'Independence Front' would be limited to the period until the Peace Treaty was signed. The leftist parties and factions often referred to this group as the 'right' of the SHP; 3) the right-wing of the party, not effectively organised and generally successfully restrained by the party itself, but also by the external political environment. It should be stressed, however, that the 'right-wing' of the SHP was not right-wing by pre-1945 Hungarian standards.

During the entire 1945-1947 period the party was unable to turn its popularity and its electoral strength, to be shown in detail in a moment, to its advantage because of a number of factors. The dictat of the occupying Russian Army enabled the HCP, with Soviet approval and support, gradually to obtain dominance over the law enforcement agencies, local government administration etc., rendering the SHP virtually impotent. The social heterogeneity of its membership, from poor peasants to financiers, worked against a coherent political strategy. Also, by exploiting the sympathies of its left-inclined leaders, the HCP managed to introduce some disagreements and cracks in the unity of the party. On the whole, the party's leadership saw the purpose of the reconstruction policy in reviving the private sector, obtaining western credits, returning confiscated property and a significant reduction in the maintenance of the costly occupying power.

Looking at these parties in terms of models of development, the SHP was bourgeois-democratic, the NPP populist-agrarian, the HCP communist-industrial.⁽⁴¹⁾ Both the SDP and the SHP favoured evolutionary change through pluralistic democracy.

The politics of the 'Independence Front' that prevailed in the 'transition' years of 1945 and 1948 had taken a well defined form: the relationship of political forces was steadily modified in favour of the HCP, which was engaged in a constant fight against its reluctant democratic partners, against the troublesome elements of what it called 'reaction' in the other parties in the coalition. The 'Front' played a central political role: it constituted the framework for political reconstruction, allowed the HCP to exclude not only rightist elements but also the liberal anti-communists and assured the HCP itself of a position of strength. There were no revolutionary, radical, revisions in the ideological posture of the party; it tried to project its image as more democratic than the SDP, more public spirited than either the SHP or NPP. Its declared respect for private property was not changed and, up to 1947, even private trade and small-scale industries received positive encouragement. The HCP was active in destroying any formal opposition, organising labour unions under its domination - its influence over them was shared, nominally, up to 1948 with the SDP - pushing through its nationalisation programme in the industrial and financial sectors and drawing up its proposed 3 year plan, to be employed to centralise industrial economic activities. The party had little time to spare for engaging in the discussion of ideological issues. Apart from occasional remarks, mostly without overt ideological connotations, regarding their undesirable influence and speculative behaviour, no direct political attack was made on the wealthier peasants up to 1947. The few collective farms that were formed amid great initial publicity almost entirely by former landless agrarian workers soon after the land reform was launched, received some occasional encouragement and

publicity in the communist press, but no conspicuous importance appeared to have been attached to their existence. No one was allowed to speak about collectivisation.

It is of interest to look more closely at inter-party relations and the initial attitude of parties towards the peasants in the period immediately after the war, and before the November 1945 General Election, when the political balance of power became clearer.

The alliance of the NPP with the HCP was noted earlier. This undisturbed political partnership, in which the NPP acknowledged the leading role of the HCP lasted only until about May 1945, when the land reform in which complete identity of interest existed between the two parties - was well under way, and much of it completed. Already, however, after the spring of 1945, although cooperation between the two parties remained, on the whole, unaffected, differences emerged within the NPP's leadership - until now united - regarding the desirability of the continuance of such a close alliance policy with the HCP.⁽⁴²⁾ The dissenting 'rightist' group, whose main spokesman was Imre Kovács, maintained that close alliance was acceptable as a temporary political exigency, since the party was, initially, too weak on its own to put into effect a progressive land reform. As the party, however, became stronger and organisationally more effective, this reliance on the HCP not only lost its significance but became politically damaging. The time had arrived, he said, and the party could then afford to pursue a more independent political line and be free to respond to other, possibly more advantageous, political offers of cooperation. Thus, the 'right' of the party demanded the loosening of relations with the HCP and exploration of the possibility of establishing closer cooperation with the SHP. The 'left' of the party, the more influential, represented by Ferenc Erdei, József Darvas and supported by the left-of-centre Péter Veres, believed in the further continuation of the policy of alliance with the HCP. After

a protracted debate at a combined meeting of the party's Steering and Supervisory Committees, held on 5th June 1945, the left won out in the name of party unity, the challenge was contained. Nevertheless, early disagreement within the NPP over its relation to the HCP was now in the open. It was an issue which was to emerge again and again during the period under consideration.

The sharp political differences that emerged within the NPP's leadership inevitably disturbed the party's relations with the HCP as well as with the other parties of the coalition. In respect of the overall political effectiveness of the 'left' within the coalition the SDP view of the NPP's close alliance policy with the communists was also important. The SDP expected very early that the NPP would ally with the HCP in the coalition.⁽⁵³⁾ To this extent, the SDP viewed the NPP not as an extension of the people's democratic forces of the left, but as an ally of their chief rival the HCP. Because of this, from the beginning, there was tension and friction, which marred the relations between the SDP and the NPP. But, of course, antagonism between the parties was not entirely new. It had its roots, and found expression, in the pre-war populist ruralists, versus urbanists debate, discussed earlier. The tension in relations between the two parties was reinforced by other factors: firstly, the young NPP attracted many of those agricultural workers who, before the war, were traditionally absorbed in agrarian movements led by the SDP. Thus, the rural expansion of the NPP undermined the SDP's chances among the peasants; secondly, immediately after the war, and even more so later, the artisans, retailers and salaried employees who joined the SDP in rural areas, because of their social standing and political orientation, favoured an alliance between the SDP and SHP, rather than with either the HCP or the NPP.⁽⁴⁴⁾ Thus, in spite of numerous attempts to improve relations between the two parties, differences were so deep-seated that success eluded them.

From the communist viewpoint, however, it was vital to keep a firm grip on the NPP, to keep it within the worker-peasant alliance, together with the SDP, and use it to attract the peasants and to prevent them from falling into the lap of the opposition. The communists were very much aware of the growing strength of the SHP and sought to counteract it by establishing the 'unity of the left'. This was, for the moment however, frustrated by the rift within the NPP concerning its attitude towards the HCP and by its strained relations with the SDP.

The SHP, meanwhile, did not remain inactive. From the very beginning of 1945 it initiated policies aimed at restricting the political aspirations and possible advance of the HCP. In addition, the party also strove to widen its net in the countryside to achieve control over a united peasantry. The main thrust of its policy was to emphasise the party's desire to maintain, and if possible, expand, its friendly relations with both the SDP and NPP. To achieve this, it began negotiations with the SDP with a view to reviving the spirit of cooperation that developed between the two parties during the war. The basis for that wartime cooperation was the concept that the exercise of power in post-war Hungary would be based on the framework of bourgeois democracy, in which both parties would actively participate. ⁽⁴⁵⁾ The SHP leadership, however, recognised that after the war, the unity of workers and the leading role assumed by the HCP in that unity might not favour the realisation of this concept. The party, however, did not completely abandon the idea and spared no efforts to bring it about. The SHP, therefore, strove to make itself a party which embraced all strata of the bourgeoisie and the peasantry, to organise the widest possible 'alliance camp' around itself. The revival of the wartime cooperation with the SDP served that purpose, in addition to counter-balancing the close alliance that had developed between the HCP and NPP. To this extent, the party happily accepted the role of representing all bourgeois interests. It absorbed most of the

other bourgeois groups and, in effect, prevented the formation of any other major party by the bourgeoisie to represent their interests.⁽⁴⁶⁾

To extend its rural influence, more precisely its base in the peasantry, the SHP began preparations as early as the beginning of April 1945 to revive and reorganise the 'Peasant Alliance' (Parasztszövetség).⁽⁴⁷⁾ The party was fully aware, of course, that the peasant vote would be decisive in the forthcoming elections. In view of this, the reorganisation was accomplished with great zeal and within a few weeks the 'Alliance', under the direct control of the SHP, began operation. In addition to extending its direct influence among the peasants the SHP leadership decided, to the intense chagrin of the communists, to establish a closer cooperation with the NPP, a party which, too, enjoyed respect among a certain section of the peasantry. Had the party been more powerful, perhaps, it would have attempted to prevent the re-establishment of the NPP and its acceptance as a fully-fledged member of the coalition in order to secure its own sole representation of a unified peasantry. This was, of course, one reason why the HCP had given its full support and help to reactivate the NPP. The theme 'unified peasantry', as shown earlier, was not new. It was an important aspect of SHP policy before the war. Now the concept assumed even greater significance and for this reason it was promptly attacked by the HCP and its leftist allies.

For the SHP to establish closer relations with the NPP implied, of course, that the NPP first had somehow to be separated from the direct influence of the HCP. The most effective way to achieve this, it appeared to the SHP leadership, was to involve the party in the activities of the 'Peasant Alliance', which could smooth the road, on the one hand, to closer relations between the two parties and, on the other hand, could also achieve the other objective of rural isolation of the HCP. It was with this in mind that the SHP took the initiative, as early as April 1945, and Ferenc Nagy, also President of the 'Peasant Alliance', (Parasztszövetség), contacted the NPP's leaders and invited

them to participate, first, in the re-organisational work and then to work in the 'Peasant Alliance' to safeguard the interests of the peasants. Although the offer was attractive, i.e., irrespective of relative party strength equal allocation of national and local posts in its leadership, the NPP, still at the early stages of re-activation, rejected the offer because first, it feared it would have to abandon its radical policies, especially vis-à-vis land reform and withdrawal from the worker-peasant alliance and, second, because it saw it as a threat to its own independent existence.

Since the SHP assigned an important role to the 'Peasant Alliance', to bring about, and to represent the interests of, a unified peasantry, it required the participation of the NPP in it. Reorganisation was still possible, even without the support of the NPP, but it would be considerably more difficult because the existence of an agrarian party outside the 'Alliance' excluded the possibility of a unified peasant representation. On 7th May 1945 the SHP leadership renewed its invitation to the NPP to join.⁽⁴⁸⁾ This time a protracted debate ensued in the party's Steering Committee, which met on 8th May 1945, to consider the offer. It split the NPP's leadership: Imre Kovács, and a group around him, urged the party to accept. He argued that the NPP needed the 'Alliance', and the SHP, since the SDP was 'tied' in effect to the HCP by a wartime agreement. He maintained that a wider 'Alliance' and closer relations with the SHP, not as close though as those between the SDP and the HCP, would strengthen the NPP. The 'left', Ferenc Erdei and József Darvas, supported by Péter Veres, opposed the move on the grounds that it would make the NPP's rural position more rather than less uncertain, both politically and organisationally. The NPP would not be able to shift the 'Alliance' to the 'left', it was argued, but rather the opposite would tend to happen, the SHP, acting through the 'Alliance', would push the NPP to the 'right', an undesirable and unacceptable outcome. But for tactical reasons, to play for time, rather than rejecting it outright, a compromise was reached not to

join but to leave the question open and pursue further discussions later. Such a tactical move was still possible under the prevailing political arrangements in the spring of 1945 because more significant realignment of political forces only began, shortly after this meeting, in the early summer and was completed in the autumn of 1945. In view of that development, when the question was reconsidered by the National Conference of the NPP held on 4th June 1945, the resolution was passed that it was not in the interest of the party to seek closer relations with the SHP, and that the activities of the 'Peasant Alliance' should be hindered where possible.⁽⁴⁹⁾

By late summer of 1945 a significant shift in favour of the SHP occurred in the political life of the country. The political strength of the SHP had increased largely because of its growing image as a 'catch-all' coalition, favoured by bourgeois democratic, peasant and anti-communist voters. This, in view of the forthcoming elections, prompted the party to increase pressure on the left. Although at its Plenum meeting held on 19th and 20th August, due to pressure exerted by its left and centre, the party accepted the moderating proposal to enter the election campaign on the basis of maintaining the internal peace and unity of the 'Independent Front' - adopting its programme and acknowledging the necessity of cooperation with the other parties - some of the 'ultimatum like' resolutions adopted by the party, e.g., to give the peasantry the right to strike and the status of Trade Union to the 'Peasant Alliance', unmistakably indicated by its uncompromising, fighting mood towards the 'left'.⁽⁵⁰⁾ These resolutions infuriated the HCP, which sharply attacked the SHP while the other two leftist parties, the SDP and the NPP, remained silent. Meanwhile, the SHP still maintained high hopes that ultimately, some way, it would manage to conclude an alliance with the NPP. Immediately after the Plenum meeting was over Béla Kovács, general, secretary of the party, on behalf of the whole party, once more - the third time since the spring - repeated the party's invitation to the NPP to

join the 'Alliance'. But again, largely due to pressure by the HCP and the party's own crypto-communist left, the offer was rejected outright by the party's Management Committee.⁽⁵¹⁾

This was, roughly, the situation in the late summer of 1945. During the next few months but before the General Election, largely as the result of the highly competitive election campaign style, there were signs of a worsening political climate. Relations deteriorated not only between the parties generally, due to increasing tension, but even between parties on the left. They became more and more isolated from one another, especially, due to heated grass roots campaigns, at the middle and lower levels. But, important differences openly manifested themselves on most domestic and foreign policy issues.

The first opportunity for the parties to demonstrate their relative political strength and popular support was provided by the General Election, scheduled for 4th November 1945. Preparations for the election began as early as the summer of 1945. The 'May Day' rally, organised in Budapest and elsewhere, and other demonstrations around the country, the successes achieved in the economic reconstruction, the leftward shift in government in June, all seemed to indicate increasing communist influence. It was enough to persuade the HCP leadership that the party enjoyed excellent electoral chances. Its leadership, in fact, predicted a 'colossal' communist-social democrat victory. The two parties earlier agreed to present a single-list electoral alliance for the Municipal election in Budapest on 7th October held first in the hope that it too would favourably influence the results of the General Election.⁽⁵²⁾ Indeed, it was partly because the HCP calculated its electoral chances as good that it agreed to free elections, but stipulated that they be held in the autumn when the food situation was still favourable, so as to give another boost to their chances. The Soviet Union, too, pressed Hungary to hold an election in order to comply with the western declaration of non-recognition unless an election was held. The

Hungarian communists assured the Russians that there was nothing to fear. After the disastrous, and unexpected, defeat for the HCP-SDP alliance at the Budapest elections, which resulted in a clear majority for the SHP, which carried 50.54 per cent of the votes, on 16th October 1945, Marshall Voroshilov called in all party leaders and, to ensure this time disproportionate communist influence after the general election, attempted to 'recommend' a single list electoral alliance and to predetermine the respective shares of parties in the National Assembly. The SHP flatly rejected the 40 per cent initial offer and a subsequent higher one of 47.5 per cent.⁽⁵³⁾ The defeat at the Budapest municipal elections was particularly painful for the HCP-SDP alliance, since that an agrarian party had proved stronger and more popular even in the stronghold of industrial workers. After this disastrous defeat the HCP concluded that an even more aggressive stance must be taken towards the SHP and agitation and propaganda significantly increased.

The general electoral programmes of all parties were, of course, committed to reconstruction and social and economic reforms. In respect of agriculture the focal points of the programmes were largely related to the ongoing land reform.⁽⁵⁴⁾ The HCP's original programme, passed by the party's 'Whitsun Conference' in May, was retained: its resolution entitled 'For agricultural recovery', demanded the speedy completion of the land reform and title registration of new landowners to provide 'security of property necessary for undisturbed production'. But what was most disturbing to many peasants was that the document raised - openly for the first time, but, as was later acknowledged, 'prematurely' - the concept of collectives.⁽⁵⁵⁾ It proposed that in the interest of improving the nation's food supply and of better more national utilisation of the machines and equipments of the liquidated large estates, the new landowners should be combined into collective farms in order to transform food production on to a modern basis. It declared its support for the

establishment of a wide network of purchasing and marketing cooperatives. This was an interesting contradiction in HCP policy towards agriculture, confirming the party's hidden desire to collectivise at the earliest opportunity, and its unhappy attitude towards recent agrarian development. On the one hand, it promoted property stabilisation; on the other, reorganisation on collective principles. The proposals regarding collectives were received with alarm and resentment by the new landowners and proved to be electorally totally counter-productive. Despite Rákosi's prompt denial, immediately prior to the General Election, of communist intentions to collectivise. Thus,

the new farmers are frightened with rumours that the communists will establish kolkhozes ... we do not want kolkhozes, but strong and prosperous small farms.⁽⁵⁶⁾

For some time to come, after this initial blunder, the issue was not openly raised again by the HCP. Indeed during the months to follow the HCP took every opportunity to alleviate the fears of the peasants that collectivisation for Hungary was a historic necessity. Thus, Ernő Gerő, in early 1947, very specifically stated that:

it does not follow from the fact that the Soviet peasant needs the kolkhoz that it is also needed by the Hungarian peasant. The history, customs and traditions of the Hungarian peasantry differ from the history, customs and traditions of the Russian peasant we would be silly and insane if we did not take into account that our peasantry wants to prosper by way of consolidating private property and individual farming.⁽⁵⁷⁾

Moreover, to counteract SHP endeavours to unify their representation of the peasant interest, the HCP also proposed the reorganisation of agricultural production within the framework of people's democracy. This was to be based on uniting the 'Production Committees' and the notorious 'Land-Claimant-

Committees', to form an 'Agricultural Committee' which was to serve the interest of the HCP.

The SDP, blaming its defeat on the 'united front' with the HCP decided to run separately in the General Elections. The party, however, did not prepare a specific election programme but used and tried to popularise its resolution on the 'Action Programme' passed by its XXXIV Congress which had met on 18th-20th August 1945. ⁽⁵⁸⁾ The Congress declared its acceptance of the party's, in certain areas outdated, 1903 programme in full. In it the party had taken a positive stand on the question of resettlement following the land reform, but failed to refer to the urgency of title registration for distributed land, a vital concern of all new landowners. Undoubtedly, the weakest section of the party's entire 'Action Programme' was that dealing with the peasantry. In similar, but more restrained, vein than the HCP, the SDP, too, emphasised the idea of intensive farming within the framework of large-scale farms. This, again, was received with concern by the peasantry, especially those who had received their land only a few months before.

Under these circumstances the peasantry, especially the lower strata, awaited with particular interest the election programme of the NPP. When published on 1st September 1945 the NPP's 'Kiskátéja' (Short-Cathecism) had, however, little comforting to say to the peasantry as a whole. ⁽⁵⁹⁾ The NPP regarded the land reform as the first step in efforts to improve conditions for the peasantry. Its policy was aimed largely at the poor and dwarf peasants and had very little comforting to say to the middle peasants. It urged the easier availability of credits and quality seeds etc., for the peasants, but regarding the organisation of agriculture, it, too, extolled the advantages of large-scale farms and promoted the establishment of 'genuine' cooperative farms and consumer cooperatives. The party was ambivalent on agriculture declaring at the same time its support for intensive agriculture, based on individual smallholdings and private ownerships.

The central theme of the SHP's election programme regarding agriculture was two-fold: first, its general slogan of the 'sanctity of private property' was adapted to include all landed property. It declared that:

the SHP stands firmly on the principle of private property ... and it wishes that land should remain the private property of peasants it will defend the property of new landowners with just the same determination and integrity as it defended the private property of previous landowners.⁽⁶⁰⁾

and in a speech delivered by Zoltán Tildy, it stated that:

In defence of private property the party is just as much opposed to any political designs to establish collective farms, as to the restoration of the feudal large estate system.⁽⁶¹⁾

Second, its general theme of 'national unity' was extended to include, more specifically, 'peasant unity', including the rural bourgeoisie as well. The SHP was confident of the support of middle and better-off peasants, but its influence among the new landowners, agricultural workers and poor peasants was more uncertain. It was for this reason that this section of the peasantry received greater attention in its election programme. To promote better understanding among the peasantry, the party mounted a press campaign aimed at confirming its balanced approach to the problems of agriculture and to reduce the differences between the wealthier and poorer peasants.⁽⁶²⁾ Lastly, the Catholic Church hierarchy, which opposed the communists, also put their support behind the SHP

To this extent, apart from the SHP, all the other coalition parties, including the vacillating NPP, supported a policy of consolidating the small-scale peasant farms into large-scale units; some without defining exactly the nature of 'large-scale' farms and cooperation, some, e.g., the HCP, clearly displaying a preference for collective farms. This, at a time when the land reform was just

about completed. It was not lost on the peasant voters. Even cooperation was a dirty word to the peasant.

The General Election resulted in a convincing victory for the SHP which won an absolute majority, with more than 57 per cent of the votes.⁽⁶³⁾ It was the biggest election victory in the party's entire existence. For the socialists it was now 'two elections', two defeats'. Closer examination of the statistics shows that the SHP did outstandingly well in poorer rural areas and obtained a majority in more developed, better-off regions. Since other parties did not run it meant, of course, that the SHP had obtained some votes which would have gone to those other parties. It is interesting to note, in this context, that in 1947 the HCP's tactics were to admit these other parties to the election, precisely in order to divide the enormous bloc vote of the SHP. The HCP's influence, looking at the results, was not negligible but extremely restricted. The election in 1945 probably reflected the real relation of political forces in the country, with the left-wing parties altogether receiving 43 per cent of the votes, with a share for the NPP of a mere 6.87 per cent. The left, however, was somewhat stronger than the votes would suggest, partly thanks to the backing of the Soviet Union and partly because of the existence of a vocal 'left' oriented group within the SHP, which was subsequently exploited by the communists.

The failure at the election radicalised the HCP and led to a harder political line. The idea of obtaining a democratic majority was abandoned. The goal was to be reached by other means. It infuriated the Russians, and spurred the HCP to the famous, and well known, 'salami-tactics', the progressive slicing up and debilitation of an organised majority. The election ended a period of preliminaries and initiated the serious struggle between the HCP and SHP for political control, in terms of agriculture for the allegiance of the peasantry.

The tremendous popular support enjoyed by the SHP would only have meaning if it could be utilised politically. The SHP soon found out that their

electoral success could not easily be translated into political power. Thus, the party had to agree to the HCP's demands, initiated no doubt by the Russians, that the smallholders would not be allowed to form an exclusively SHP government. The reason for this was that under the prevailing international situation it would not be recognised by the Allied Powers, in effect by the Russians.⁽⁶⁴⁾ It was allowed to have the premiership, which went to Zoltán Tildy, who because of his left inclination was much more acceptable to the HCP and the other leftist parties, and about half the cabinet posts. Subsequently, Tildy, in the name of 'coalition unity', announced a programme which in terms of the major social and economic objectives hardly differed from the electoral platform of the HCP. During the period that followed, although the SHP had a majority in the legislature, the HCP - confident of Russian support - behaved politically within the coalition, and in the various executive organs etc., as if it rather than the SHP won the general election.

The convincing victory at the elections, nevertheless, gave the SHP increased confidence. In the ensuing period helped by an upsurge in anti-communist sentiments in the country, the SHP began its arduous, and hopeless, task of securing the political upper-hand in the executive. The party was, of course, fully aware of the fact that any significant improvement in its political prospects was a function of the international political scene, especially of Soviet-Western relations. By the end of 1945, nominal improvements were recorded in some spheres.⁽⁶⁵⁾ Since the SHP perceived that its political prospects were to a significant degree regulated by the Peace Treaty negotiations, the good results achieved at the Foreign Ministers Conference spurred the party into political action after two months of pause. Its prime objective was to make a reality, in all walks of social, political and economic life, of its 57 per cent parliamentary majority. In view of this, its first demand was the 'proportional reappointment' of all posts, to be extended to all state and

local public service administration⁽⁶⁶⁾, with 50 per cent 'proportionality' in the police and security forces, then under the total control of the communists, throughout the country.⁽⁶⁷⁾ These demands were bitterly resisted by all the other parties, especially the communists. A bitter fight ensued for these positions of power, vital for the SHP if it were to become an effective political force. Attempts were also made at this time, as noted earlier, to correct the alleged 'irregularities' in the execution of the land reform.

January and February 1946 were probably the most critical months in the early post-war life of the country. Inflation was at its peak, the tempo of reconstruction declined, the shortage of coal led to restrictions, and food supply difficulties appeared, endangering the livelihood of many. Under these conditions it was not surprising that public discontent increased, leading to strikes in a number of places and increased social and political tensions between the parties themselves. Helped by the successful campaign against the left, launched earlier, the first months of 1946 saw the strengthening of the SHP. A detailed programme and a comprehensive ideology were to be worked out by party experts, so the SHP concentrated its attention on the daily political issues as they had arisen. In the sphere of agriculture its primary concern was to develop and strengthen its organisational network, and to win the allegiance of all the peasants - creating complete peasant unity and allowing the SHP to speak with one voice for their interests. Meanwhile, the HCP following the tactics of the Bolsheviks in Russia, pursued a vigorous policy of restricting capital, and introduced measures designed to detach the small and medium peasants from the influence of the SHP, to separate them from the wealthy peasants and the urban and rural bourgeoisie. The communists were very much aware that a full frontal attack on the SHP could achieve the opposite result. This was to come later. They also perceived that they could not expect the differentiated structure of the SHP to disintegrate automatically. What they needed to do to achieve that

end was to induce a process of internal disintegration in the SHP faster than the domestic political polarisation. The most important thing for them was to strengthen the 'left' in the SHP and to mobilise it against the 'right', while maintaining increasing pressure on the party from the outside, from both 'above' and 'below', by mass movements.

The strength of the SHP, and its pressure on the 'left', also prompted the communists and their allies to renew their attempts to form a 'united front'. On the initiative of the HCP, with the participation of the SDP, NPP and TUC, after brief preparations a 'Left-Wing Bloc' was established on 5th March, 1946⁽⁶⁸⁾ to counterbalance the influence of the SHP majority. The next day the Bloc proclaimed that it was not willing to cooperate with the 'reactionary right' of the SHP, blaming the latter for the state of the nation and demanding its expulsion from the party as an indispensable condition for the urgently needed financial reforms and reconstruction of the country's economy. The Bloc announced its willingness to maintain cooperation with the left-wing of the SHP. With the help of its disciplined and highly efficient organising ability, the HCP succeeded in mobilising many people, especially in Budapest, in a number of demonstrations against 'speculators' and 'stockjobbers', demonstrations against 'reaction', under the aegis of the 'Left-Wing-Bloc'.

The SHP leadership was powerless to resist the onslaught of the left and, in a compromise, agreed to expell a number of its representatives in the Assembly and, also, due to a mounting campaign against him, to force the resignation of Béla Kovács, the party's general secretary. On 23rd February 1946, he was replaced as Minister of Agriculture by the crypto-communist István Dobi, a left-winger in the SHP.⁽⁶⁹⁾ Unquestionably, the degree of freedom of the SHP to react differently was extremely limited: in a sense, it was forced to maintain the coalition; it could not leave it and it could not take power on its own. The mounting economic problems in the country could not be solved by any

single party on its own; the mass demonstrations and strikes likely to be organised by the HCP and SDP, had the SHP decided to take power, would have paralysed all its efforts. To this extent, the SHP had no other choice but to accommodate the demands of the 'Bloc' and try to dilute them as much as possible. Nevertheless, a 'slice' was cut off the party.

After 12th March 1946 conflicts developed within the leftist parties and by May the 'Left-Wing-Bloc' temporarily lost its political influence. The SDP, refusing the HCP's request for a merger of the two parties, was mainly responsible for this cooling off. The SDP began to distance itself from the communists.⁽⁷⁰⁾ Also, the NPP and the SDP became less interested in further mass demonstrations and actions. The villages were preoccupied with the mounting spring agricultural works and the peasants were also preoccupied with defending their rights to their new lands. The SHP saw an opportunity to take the political initiative again during April and May and to come out with demands against the left, to try to isolate them within the coalition. It is neither possible nor desirable here to survey how the HCP's and SHP's tactics were applied in all the domains of national life. Nor is this the place to give an account of the parallel movement which consisted in weakening not only the 'right' outside the 'Independence Front', but also the HCP's partners within the government coalition. The main thrust of what is to follow, in the critical months ahead, is with regard to agriculture; to survey the rural battle that lay ahead for the allegiance of the peasantry.

The battle for their political allegiance was not easily resolved. And this rural battle had many aspects. The first move by the SHP was an attempt to put the cooperative movement in order. This essentially involved the problem of assets distribution between two potentially rival cooperative organisations, 'Fogyasztási Szövetkezetek Országos Központja' (FSzOK) National Association of Consumer Cooperative Centre - set up a few months before by the workers'

parties in an attempt to extend their rural influence and 'Magyar Országos Szövetkezeti Központ (MSzOK) - Hungarian National Cooperative Centre - which was approximately two-thirds controlled by the SHP and NPP. Of this the principal and oldest component - established in 1898 on the initiative of Count Sándor Károlyi - was the 'Hangya' (Ant), with approximately 400,000 members; it was however under the SDP control.⁽⁷¹⁾ The SHP aimed to develop the MSzOK into a strong organisation and in January 1946 started negotiations with the SDP regarding the future of 'Hangya', but the SDP skillfully managed to postpone them. The SHP's demands that the leftist parties should accept its view regarding the future structure and asset distribution of Hangya were submitted on 21st May 1946 in the form of a memorandum and, at the same time, the party made preparations for political action. The SHP was determined that few if any of Hangya's assets should be given to the rival FSzOK. At this time, many independent societies existed, mainly consumers, purchasing and credit cooperatives, without any firm centralised national coordination. They were the source of constant discussions and grass roots clashes between the main parties concerning their future development. In essence, the two main contesting policies were: whether they were to be organised on lines embracing a small section of the population and interlaced with private capital or whether, as the HCP wanted, they were to be a wide 'democratic' mass movement which would take up the fight against private capital.

The HCP's initial attempt to set up a new rival organisation was met with energetic resistance on the part of the SHP and, after protracted parliamentary debate, temporarily failed. Subsequently, the SHP, with gradually declining influence, resisted all communist attempts to gain control of the cooperative movement, knowing only too well that expansion and control in this sphere would provide the HCP with an excellent base from which to gain control over the entire peasantry; subsequent collectivisation of agriculture could then be more easily precipitated.

By April 1947, however, due to the advances made by the HCP in the internal political arena and with the SHP largely incapacitated, it became possible for the HCP to force through a 'United Cooperative Law'⁽⁷²⁾, which had previously been successfully blocked by the SHP, enabling the HCP to take 56 per cent of all administrative positions in the rural cooperative network.⁽⁷³⁾ This new law regarded the cooperatives not only as commercial associations but also as units of a social and economic movement. Its principle feature was that the state did not consider itself neutral in the struggle between the cooperatives and private capital, but supported the former. The law also regulated the establishment and operation of cooperatives and it dealt, albeit still somewhat vaguely and briefly, with the concept of producer's cooperatives, i.e., collective farms. The reorganisation of the MSzOK shortly after the law was enacted into a single cooperative framework that served the HCP's interests, signified an important step towards systematic coordination and increased influence of the cooperative movement. Individual farmers, at this stage, were given the option whether or not to join the movement. This mounting communist offensive in the countryside was promptly attacked by the SHP, declaring that it was nothing less than the gradual introduction of the dreaded collectivisation through the back-door. While this was vehemently denied by the HCP the proof of the correctness of the accusation came some time later, when, with the help of the 'National Cooperative Centre', and its network of village cooperatives - which by then became totally dominated by the HCP - collectivisation was in fact launched.

Another aspect of the rural battle concerned the complex struggle for the representation of the peasant interest. The SHP, on ideological premises, renewed its theme of 'peasant unity'. The basis of this revival was provided by Ferenc Nagy's speech at Pécs, on 30th March 1946. The 'left' immediately voiced its opposition to the whole concept of peasant unity and a wide debate ensued in the national press.⁽⁷⁴⁾ In the summer of 1946 the offensive by the SHP

and the role and importance of the 'Peasant Alliance' had significantly increased. Although from after the election to the spring of 1946 the 'Alliance' was politically rather quiet, it utilised this period to develop an extensive organisational network and it had achieved important influence, especially strong in the Trans-Danubian region, among all strata of peasants. In fact, it was more homogeneous than the SHP itself. After April-May 1946 it was further developed and established its own journal, Magyar Parasztélet (Hungarian Peasant Life). In April 1946 a new invitation was delivered to the NPP, in which the SHP urged it to join the 'Alliance', to make it a common representative of the interests of the peasant members of both parties. After long silence, indicating some disagreement within the NPP, it officially informed Ferenc Nagy that the party rejected the invitation and severed its relations with the SHP - to the delight of the communists, thereby further straining the relations between the two parties. In rural areas, at lower party levels, contrary to the wishes of the 'left' dominated central leadership, the 'right wing' of the NPP wanted to gain independence from the HCP by moving closer towards establishing more positive relations with the 'Alliance' and the SHP. Many rural local party organisations did in fact join the 'Alliance' inspite of the repeated rejections by the central leadership. No details are available on how extensive this was, but Magyar Parasztélet on 26th May 1946 stated that it was important. Some local NPP organisations which joined could not be removed even forcibly by the left until after February 1947, when the 'right wing' of the party was defeated and Imre Kovács was finally, on 24th February 1947, 'pushed' into resigning from the party.⁽⁷⁵⁾ Some organisations indeed continued to participate as late as the spring of 1947. The increasing conflict between the 'left' and the 'right' of the NPP came to a head when, in August 1946, Imre Kovács and Gyula Illyés sent a memorandum to the party's President, Péter Veres, as an ultimatum, demanding in effect an internal party purge, the removal of all communist sympathisers and

the 'loosening' of relations between the HCP and NPP.⁽⁷⁶⁾ The fact that the pro-communist left of the NPP managed to block this initiative shows the extent and continued grip of the party's left and the communists on the party leadership. The 'right' of the party was afraid that sooner or later the HCP would turn to 'dictatorship of the proletariat' and they wished to change the political orientation of their party. In October 1946 a related attempt was made to bring about a merger between the NPP and the SHP. This, again, could not be carried through because of communist pressure at the NPP's 'National Conference', held on 2nd-3rd November 1946 to decide if the party should split and what its future relations with the SHP should be. The leftist Erdei-Darvas-Veres group managed once again to get their way. Although this crisis was resolved, difficulties remained. József Révai, the chief ideologist of the HCP, denounced this merger attempt on 28th November 1946 as a 'reactionary plot' to break up the 'Left-Wing-Bloc' and bring the poor peasants under 'kulak' dominance.⁽⁷⁷⁾

The reason for the alarm of the 'right' in the NPP was the disquieting attempt by the HCP to 'further develop' the concept of 'People's Democracy'. This created tensions among the coalition members, between the 'left' and the 'right' and brought about conflict not only inside the NPP leadership, but also within the SDP. In mid 1946, Anna Kéthly and Ferenc Szeder, in similar vein, began to agitate in favour of abandoning their alliance with the HCP and exploring the alternative of cooperation with the SHP.⁽⁷⁸⁾ The smallholders also tried to pressurise the HCP by declaring that unless concessions were forthcoming they would reconsider their willingness to maintain the coalition. The SHP was looking for concessions which would ensure that the people's democracy would develop not in the direction of socialism but towards the consolidation of a 'bourgeois democratic' order, i.e., no further change was to be effected which would overturn the free enterprise system.

The ultimate communist objective was to secure the support of the whole working peasantry. Since there was not much hope for the party to achieve that it, therefore, directed its attention to the agricultural workers and to the poor and new landowners. Here, the fight centred around the question of establishing an organised representation of peasant interests. The SHP, as shown earlier, proposed the 'Peasant Alliance' to fulfil that role. It presented its case to the National Assembly that the 'Alliance' should be acknowledged as having the status of a 'trade union' for the entire peasantry and its undisturbed operation guaranteed.⁽⁷⁹⁾ By this the SHP not only hoped to preserve its influence among the peasants but to make the 'Alliance' a total and exclusive representation agency. From the point of view of the HCP, a communist-controlled peasant-oriented organisation - Földmunkások és Kisbirtokosok Országos Szövetsége (FÉKOSz), 'National Federation of Agricultural Workers and Smallholders - already existed and operated under the umbrella of the TUC. It was its largest constituent, with 160,000 members in late 1945. One of its functions was to operate as a labour exchange agency: the other was to compete with the 'Peasant Alliance'. Apart from the Trans-Tisza region, where it registered some influence, its operation was not successful.⁽⁸⁰⁾ The main problem of the organisation was that its overwhelmingly labour image repelled most of the previous small and new landowners. The SHP's attempted expansion to bring about 'peasant unity' under its leadership elicited renewed efforts during August-September 1946 from the HCP to develop further the national network of the organisation called, Újgazdák és Földhözjuttatottak Országos Szövetsége (UFOSz) - National Federation of New Farmers and Land Recipients - established, under communist control, on 31st March 1946.⁽⁸¹⁾ UFOSz was designed to supplement FÉKOSz and also to compete with the 'Peasant Alliance'.

To win over the working peasant masses and to popularise UFOSz, the HCP, in the summer, of 1946 initiated the Falujárási Mozgalom - Village Visitors

Movement.⁽⁸²⁾ Volunteer urban industrial workers, from all walks of life and trades, interlaced with 'good' political agitators, fanned out into the countryside to bring practical help and, mostly, political enlightenment and propaganda to the villagers, to reinforce rural party organisations and, at the same time, to establish personal contacts with working peasants and to woo them towards the HCP. To impress the faithful and to persuade others of its significance, UFOSz organised its First Congress on 15th September 1946. The group around Imre Kovács, in the NPP, tried desperately to steer the party towards affiliation with the 'Peasant Alliance', but the left within the party, Erdei-Darvas and including Veres at this time, opted for UFOSz.⁽⁸³⁾ In spite of all the efforts, UFOSz was not as successful as the HCP expected, as József Révai revealed when he reported:

the bulk of the peasantry stands behind the SHP and we have not been successful in setting the poorer peasants against the kulaks.⁽⁸⁴⁾

The HCP's attempt to develop the UFOSz into a politically active mass organisation floundered.

The approaching Third Congress of the HCP aroused fears in the SHP of a left-wing coup. To counteract this possibility and to show the left and the workers that the peasant masses, irrespective of their party affiliation, were behind the SHP, that they too could come out in demonstrations on the streets in force, like the workers, the SHP, in the name of 'peasant unity', organised what were called 'National Peasant Days' in Budapest from 7th to 9th September 1946. Considered to be politically sensitive they were officially organised by the 'Peasant Alliance' instead of the SHP. At the main rally in 'Heroes Square', Ferenc Nagy defined his party's demands regarding the establishment of an organisation in defence of universal agricultural interests and condemned those

who were determined to forment conflicts between the peasants and the workers. This concept was, of course, not new. Already in November 1945 the issue of representation of various interests was discussed. The SHP, recognising three major social components forming the nation, i.e., peasants, workers, and employees or 'bourgeoisie', demanded that these different social groups be allowed to organise freely in defence of their interests.

The 'Peasant Days', from the point of SHP, were organisationally, at least, convincingly successful and passed without any major provocation. Of the 200-300,000 people expected to participate in the demonstrations some 150.000-200,000 travelled up to Budapest from the provinces⁽⁸⁶⁾ inspite of HCP and SDP efforts, in a joint declaration, to dissaude peasants from coming up to the capital.⁽⁸⁷⁾

Parallel with the 'Peasant Days' the SHP submitted to parliament on 23rd August 1946 a modified version of a draft bill, originally prepared by the party on 5th April 1946, regarding the establishment - to which Ferenc Nagy already referred at the 'Peasant Days' meeting - of 'Országos Mezőgazdasági Szövetség' (OMSz) - National Agricultural Association. It was prepared under the aegis of the Ministry of Agriculture, under the control of the SHP, and the function of the organisation was to be to represent the universal interests of the nation's agriculture and its agricultural population, the various peasant groups, vis-à-vis the government, i.e., an organisation representing the combined interests of workers and employers. Its legal powers were to include the power of intervention in labour disputes - up to now the sole prerogative of FÉKOSz. The left-wing parties, led by the HCP, opposed the creation of such a body, since they viewed it an SHP attempt to strengthen its hold over the rural population. In the end, the draft bill was not even debated in parliament because the Russian chairman of the 'Allied Control Commission' declared the 'Association' as 'corporatist' in character and as such it contravened the armistice terms.⁽⁸⁸⁾

By the autumn of 1946 the HCP clearly saw the hopelessness of its efforts to win over the landed peasantry. The economic problems of the country weakened its case even more. The financial stabilisation programme, associated with the HCP had worsened the 'agrarian scissors' problem, making the landed peasantry even more disgruntled.⁽⁸⁹⁾ The communists, therefore, in future concentrated on the rural proletariat and new landowners. They began to wonder if a frontal attack on the majority party was not an easier task than the seduction of its constituents.

The Third Congress of the HCP, its first since 1930, was held between 29th September and 1st October 1946.⁽⁹⁰⁾ It was also the first important gathering of the party since the end of the war and, with no effort spared, the party prepared for it with zeal all summer. Contrary to some sceptical views as to its outcome in the light of the formation of the 'Left-Wing-Bloc' earlier and recent tensions between the parties regarding the nature of 'People's Democracy', and some predictions of a radical turn of events⁽⁹¹⁾, the Congress proceeded without any notable deviation from the previous party policies. Révai's article 'Fordulópont' (Turningpoint)⁽⁹²⁾ a few days before the Congress stating that 'everyone is conscious that we are at a cross-roads' was largely responsible for the degree of nervous expectation among the parties and public alike. Many believed that, one way or another, the financial stabilisation earlier and the forthcoming Peace Treaty would usher in a new stage of political development. This, as yet, was not to be.

The Congress clearly stated that the long-term aim was the 'construction of socialism', the 'dictatorship of the proletariat', but that progress towards it had to be slow to avoid civil disorder. Therefore, it tactically accepted the peaceful transitional programme towards socialism.⁽⁹³⁾ While the slow pace suited the SHP, nevertheless, the fact that 'construction of socialism' as an aim was on the agenda at all created much uncertainty among the peasant members

of parliament and the centre and alarmed the right-wing democratic parties in the coalition. In the light of the Congressional resolutions and the continued commitments by the HCP to work towards radical social transformation of the country, at the end of October Ferenc Nagy declared that the continued leftward shift would eventually lead to bolshevisation of the country.⁽⁹⁴⁾ The way 'People's Democracy' linked up with the 'construction of socialism' was elaborated by Révai:

People's Democracy is a type of bourgeois democracy which curtails profit-oriented exploitation by big capital and places under the working people's supervision the democratic state, with workers and peasants exercising the decisive influence. In a people's democracy the peasantry is the equal ally of the working class against the economic exploitation and political reaction of big capital, whereas in an ordinary bourgeois democracy the peasantry is the defrauded and subservient tool of big capital against the working class.⁽⁹⁵⁾

The Congressional slogan 'out with the peoples' enemies from the coalition', therefore, reflected the political direction the HCP was to take: to deprive the 'bourgeoisie' of a share in power. Its concept of the 'bourgeoisie' was wider than just the right wing of the SHP; the 'Independence Front' could only be maintained if it 'purged' the bourgeoisie from its ranks, reducing the SHP to no more than a purely peasant party.

In harmony with these political programmes the resolutions of the Congress elaborated the next stage of liquidation of capitalism: inter alia, state control of production and finance, banks and foreign trade, the nationalisation of flour mills and factories - where owners 'obstructed economic growth' - and the drawing up of a three-year plan. It explained that the struggle within the coalition was essentially concerned with the question 'with whom will the majority of peasants ally themselves', with the workers to go 'forward on the road of democratic development' or with big capital 'backward, where the

reactionaries want to take the country'.⁽⁹⁶⁾ The Congress, accordingly, stressed the critical role of the peasantry.

The key speaker on agriculture after Rákosi's speech on general domestic and foreign affairs - was Imre Nagy. He touched on topics such as the need to increase agricultural production and mechanisation, promised protection to peasants against exploitation by cartels and banks and easier availability to credits. He also noted the need to develop the cooperative system, both in the urban and rural areas. The resolutions adopted by the Congress at its closing session on the whole vindicated the party's earlier policies in agriculture. It proclaimed its support for the small individual farming system, acknowledging, at the same time, the indispensability of small industries and small retail trade outlets, because 'by supplying the population they play an important role in the national interest'.⁽⁹⁷⁾ As a special item on the agenda the Congress discussed the general development of agriculture and the question of improving the conditions of the peasantry. It stated that:

after the completion of the land reform the new tasks to be faced are the economic consolidation of the small-scale farming system, the intensification and diversification of agricultural production and increasing its profitability.⁽⁹⁸⁾

The Congress adopted a draft programme for the improvement of the conditions of the peasantry - the whole peasantry - including the middle peasants, in order to win their support. This, it admitted, was to be a long and arduous task and, therefore, it anticipated the fight for the support of the working peasant would be neither short nor without difficulties.⁽⁹⁹⁾ Formulated in rather cautious verbiage, the Congress advanced the thesis that the 'desirable' reform in agricultural production was 'beyond the strength and scope of the single individual farmer', and asserted that the solution lay in cooperation.⁽¹⁰⁰⁾ The Congress, however, concluded that while this was an ultimate aim, for the

present the development of marketing and purchasing cooperatives must be given priority because 'these are the cooperative forms which could most easily permit the incorporation of the majority of peasant holdings'. The party studiously avoided the question of collectivisation.⁽¹⁰¹⁾

After the Congress of the HCP it became more urgent than ever before for the SHP to renew its endeavours to check the political advance of the HCP and seriously to begin preparations for the political struggle expected to ensue after the Peace Treaty process was completed. In reply to the HCP's Congress resolutions, Ferenc Nagy, in a speech at Kecskemét on 7th October 1946 strongly denied the accusations that his party was protecting the interests of big capital.⁽¹⁰²⁾ Soon after, in another speech, celebrating the party's 16th birthday on 22nd October at Békés and announcing its counter-programme, he declared in reply to the HCP's redefined 'People's Democracy' that the SHP considered the state form as 'Republic', regarded this as permanent and warned that his party would not agree to any further attempts at nationalisation, unless it was considered to be in the interest of the Hungarian people. Moreover, at an inter-party conference on 30th October 1946 the SHP had intimated to the HCP that the party would resist all further shift to the left, nor would it agree to 'socialism', and the left could not expect any more political concessions.⁽¹⁰³⁾ In spite of communist victories in Bulgaria and Romania, the SHP refused to accept the inevitability of left-wing rule. This, in effect, sealed the immediate future of the SHP, especially that of Ferenc Nagy, and with preparations already in progress for a frontal attack by the HCP, it certainly brought the eventual liquidation of the party that much nearer.

For the present, however, the SHP maintained its resolve to try and break the unity of the left. At a confidential SHP-NPP inter-party conference on 26th November 1946 the SHP, in the spirit of peasant unity renewed its invitation to the NPP to merge and form a new political organisation, under the

name 'Independent Peasant Party'.⁽¹⁰⁴⁾ It was planned that Imre Kovács, with the group around him, would join the SHP leaving the 'left' to their fate in the NPP ⁽¹⁰⁵⁾ if the merger of the two parties failed. Under great pressure in parliament, and outside, in connection with the slogan 'out with the people's enemies from the coalition', at the inter-party conference, the SHP offered the NPP compliance with the HCP Congressional resolution to shift the party to the left by expelling the 'reaction' and accepting the sacrifice of purging the party of its 60-70 'reactionary elements' in the Assembly, if in return the SHP's attempts to establish 'peasant unity' by merging what was left of the SHP with the NPP into a new party were not obstructed and it were allowed to bring about a realignment in peasant politics. In December at another inter-party conference the SHP returned to this theme and reaffirmed its willingness to 'regroup' so that there would then be no further need for the 'Bloc', if its proposals to merge were accepted. The negotiations, however, were very closely watched by both the HCP and SDP, and both Rákosi and Szakasits strongly opposed and, in a terse communique, rejected the plan and the conditions. The HCP declared that the merger would assist the 'reaction' since this peasant-wing of the coalition, the wealthy peasants, would take the lead. While the 'Bloc' would be dissolved a dangerous new situation would arise in which a unified peasantry would face unified workers.⁽¹⁰⁶⁾ In a strongly worded article, Révai had also expressed similar sentiments and ideological opposition to the planned merger.⁽¹⁰⁷⁾ Apart from the NPP's own left, opposition was also expressed by Péter Veres and the centre of the party. Veres declared that if the planned merger were accepted the NPP would have to renounce its 'peasant radicalism'. He agreed, however, that some form of closer cooperation between the two parties, in the fields of popular culture, defence of peasant interests, cooperative policy and even participation in the 'Peasant Alliance' was acceptable to the NPP, provided in return the SHP purged its 'right' from the Assembly and confirmed its willingness

to cooperate with the left. This diluted form of peasant unity, however, failed to satisfy the SHP's central leadership and was rejected. The failure to reach any form of agreement resulted in the NPP, too, finally declining the offer and the whole issue was removed from the party's agenda. So, efforts to loosen or break the cohesion of the 'Bloc', to isolate the HCP, by merging or splitting the NPP ended not only in defeat for the SHP but also in a defeat for NPP's 'right'. Intraparty tensions, however, remained within the NPP and for months to come the party struggled with the tasks of trying to repair the damage caused by the split. Almost as a reply to the NPP's ultimate rejection of its proposals, the SHP, without any prior consultations with the other partners in the coalition, introduced personnel changes in the composition of the government, to shift its political profile more to the right. The leftist István Dobi, favoured by the poor peasant wing of the party and the NPP and HCP, was suddenly replaced as Minister of Agriculture by the rightist Károly Bárányos.⁽¹⁰⁸⁾ This arbitrary move angered the leftist parties which condemned the SHP in a terse joint communication. Following this, the SHP pursued a policy of 'marking time' its primary concern being to maintain its parliamentary majority intact until the Peace Treaty was ratified. In this it was helped by the growing deterioration of relations between the SDP and HCP.

It was not only the NPP's 'right' that was active in trying to loosen the party's relations with the HCP. A parallel process was also initiated in the SDP. In early December 1946, the 'right', under the leadership of Károly Peyer, produced a memorandum sharply attacking the party's central leadership for the pro-communist policies they had pursued ever since the party's XXXIV Congress. The memorandum branded the party's alliance with the HCP as detrimental to the influence and political initiative of the party. A change in 'political direction' was demanded which, if adopted, could have resulted in breaking off SDP-HCP relations and the possibility of the establishment of a coalition which

excluded the HCP. It infuriated the communists, and the central leadership, led by Árpád Szakasits, was quick to repudiate the whole concept of the Peyer proposal without, however, taking any disciplinary action. The question of disciplinary action was referred to the forthcoming XXXV Congress of the party for discussion and decision.⁽¹⁰⁹⁾

Thus the principal characteristics of the internal political situation at the end of 1946 and the beginning of 1947 were, first, the increasingly frequent and progressively deepening crises among the coalition partners and, second, the great expectations attending the signing of the Peace Treaty on 10th February 1947. The SHP which believed that the Soviet Union would withdraw from Hungary after the signing of the Peace Treaty had already adjusted its policy for political survival. But, perhaps without the SHP even suspecting it, it was a double-edged weapon, since the conclusion of the Peace Treaty also freed the hands of the HCP. In view of this political situation the HCP began its drive against its coalition partners at the end of 1946. The replacement of the moderate Imre Nagy, earlier on, with the fanatic László Rajk, as Minister of the Interior, to spearhead the offensive for dismantling the coalition regime, can be considered an important state in the evolution of HCP policy.

The transition from a coalition regime to, first, a subserviant 'unified-bloc' and then to HCP single-party state was not a smooth one. The left, in a minority in the Assembly, could not assume the role of government unless it secured the collaboration of the 'democratic' wing of the SHP. This required that the 'left' of the SHP and, more significantly, its influential centre, should be made to take the steps to the left. This, however, required a showdown with the 'reactionaries', a radical purge of the SHP's 'right' to squeeze them out of the coalition and to 'persuade' the remaining centre to renounce its aspirations to political power.

In this political situation came suddenly the 'discovery' of the alleged anti-Russian and anti-democratic state 'conspiracy' in mid-December 1946, but only revealed in January 1947. This was the method used by the HCP to liquidate the opposition. Between the end of 1946 and May 1947, in a protracted tug-of-war, prominent SHP leaders, one cabinet minister and a number of members of parliament, whose immunities were removed, were arrested on fabricated charges of conspiring against the occupying forces and the democratic state.⁽¹¹⁰⁾ Moreover, scores of SHP activists were deported to the Soviet Union. The turning point was the arrest of the SHP's General Secretary, Béla Kovács, a most outspoken communist critic, on 24th February 1947. He was deported to Russia, only to return in 1956. Later, in May 1947, Ferenc Nagy, the SHP Prime Minister, who was also implicated in the 'conspiracy', seeing his fate sealed, resigned while on holiday in Switzerland. He was soon followed by Béla Varga, SHP leader of the Assembly and many other prominent anti-communists. With this, the road was open for the HCP to shift power decisively to the left without altering, for the moment, the formal framework of the coalition. Soon, after a protracted parliamentary debate, the left-wing forces managed to push through the Assembly a bill for the three year plan which introduced the next stage to destroy capitalism, providing not only for the nationalisation of banks but also for the establishment of a Planning Council and a National Planning Office to aid further economic socialisation.⁽¹¹¹⁾

The 'conspiracy affair', as was calculated by the HCP, had brought about wide ranging political consequences, affecting all the coalition parties. Insofar as the SHP was concerned, in addition to creating disunity within the party and, with Nagy's departure, marking the beginning of the dissolution of the party, it also undermined its influence within the mass peasant movement and created crises in the 'Peasant Alliance'.⁽¹¹²⁾ The subsequent election of István Dobi, much more amenable to HCP requests, to replace Ferenc Nagy, made the party

very sensitive, almost subservient, to communist interests. Almost all further resistance in the SHP came to a standstill and only persons fully susceptible to communist pressure were allowed to occupy important executive posts. Communist infiltration into all other parties was accomplished to eliminate resisting elements.

At the same time, the 'affair' compromised the 'right' of both the SDP, where Peyer - especially after the party's XXXV. Congress - was totally isolated and those opposing the 'Bloc' were forced into the background⁽¹¹³⁾, and the NPP, where it made their presence in the party impossible. In the NPP, the 'left' regained its freedom for action and, from February 1947, the party increased its activities in the mass peasant organisations of the left, which were previously neglected because of the pressure exerted by the 'right'. The party called on local organisations to participate in the activities of UFOSz and FÉKOSz⁽¹¹⁴⁾. One day before the party's Political Committee met, on 25th February 1947, Imre Kovács, in a pre-emptive move, resigned from the party. The Committee, after long debate, however, managed to establish a fragile peace within the party and no other members of Kovács's group decided to follow him. Those who remained maintained that this resignation, for tactical reasons, was ill-timed and believed that by remaining they could 'save' as much as possible from the party if and when, as was planned, Kovács should succeed in forming a new agrarian party.⁽¹¹⁵⁾ With the election of Ferenc Erdei as the new General Secretary, the 'left' from then on dominated the party. The expected mass purge in the party was, however, postponed in order not to scare off the peasants who began, slowly, to leave the SHP and the 'Peasant Alliance' and move towards the NPP.⁽¹¹⁶⁾ An ill-timed purge, it was believed, would have adversely affected the party's recruitment campaigns demanded by the forthcoming General Elections.

In view of the General Elections from March-April 1947, a recruitment rivalry developed between the left-wing parties, to win over the peasantry. The increasing political pressure on the SHP resulted in the withdrawal of peasants from the party and the 'Peasant Alliance'. This development not only paralysed but, in a number of places, dissolved the local SHP organisations. But very few peasants moved over to the HCP, to its great disappointment, although the party tried very hard to recruit them into its ranks. Its Third Congress, in September 1946, had already made recruitment considerably easier by dispensing with the requirement that prospective candidates needed the nominations of two full members. All workers, peasants and intellectuals who subscribed to the HCP's objectives were welcomed into the party. At the time of its Third Congress, membership was 653,000 which represented 6.7 per cent of the population. By occupational profile it was, roughly, 45 per cent workers, 39 per cent peasants, 5 per cent intellectuals and 13 per cent others, e.g., artisans and shopkeepers etc.⁽¹¹⁷⁾ The party's influence among the peasants in the spring of 1947 was on the increase and, although most peasants did not actually join the party ranks, but rather the communist-controlled mass organisations e.g., UFOSz and FÉKOSz and the Farmer's Cooperatives (Földművesszövetkezetek), with memberships of 300,000, 400,000 and 600,000 respectively, the party obtained important influence among the poor and new landowners.⁽¹¹⁸⁾ The new recruitment campaign launched by the party was designed to boost membership among these groups.

Meanwhile, the SDP did not remain inactive. From the time of the party's XXXV Congress on 1st-3rd February 1947, more than any time since the end of the war, it turned with enthusiastic interest towards the peasants. Its Congress adopted a new 'Agricultural Action Programme' ⁽¹¹⁹⁾, the first independent programme of the party since 1945. It was an updated version of the party's 1930 programme, to take into account the changed conditions

resulting from the war and post-war political developments. The programme again stressed, inter alia, the importance of the economic, political and cultural development of the agricultural population and, through voluntary means, the establishment of cooperatives.⁽¹²⁰⁾ Further evidence of the party's increased in agriculture was provided by the three day 'Peasant Congress' it organised at the end of March 1947.⁽¹²¹⁾ Its aim was to draw attention to the SDP's claim to be the party of the peasants too and to assist its rural recruitment campaign. The congress helped to move the party organisationally closer to rural life, but its success in terms of recruitment was limited. The SDP found it very difficult to break into areas where it had no previous roots, and numerically was most successful in Budapest. But, although the number of peasants joining the party had improved it did not, significantly, change the social composition of the party. Its efforts in the field of recruitment, however, brought the party into direct conflict with both the HCP and NPP, by adversely affecting their rural interests. It created much friction between the parties, especially at grass-roots level.⁽¹²²⁾

Following the defeat of the 'right' in the NPP, intra-party tensions remained even after the resignation of Imre Kovács and, for a while, as noted earlier, the party's new leadership spent most of its energy on trying to resolve its intraparty problems. It had no time to address itself to action-programmes or recruitment campaigns. The agrarian programme promised by the party's Political Committee, which met on 25th February 1947, was delayed until May and unlike the SDP and HCP the party did not start its recruitment campaign in March 1947.⁽¹²³⁾ In spite of this, the disillusioned peasants leaving the SHP found the NPP the most acceptable alternative⁽¹²⁴⁾ and therefore, from the end of February, the party's influence among the peasantry began, slowly, to increase, and in most regions the party became organisationally stronger. This created confusion and embarrassment in the ranks of the SHP. After the NPP

began recruitment in June as part of its electoral campaign, it surpassed both the HCP and SDP. This did not, however, mean that the party managed to win the support of the previous small- and medium peasants. The party's success was, largely, among the poor and new landowners, through its activities in UFOSz and FÉKOSz. Regionally, the party was strongest in Eastern Hungary and the weakest in Trans-Sanubia and the North.⁽¹²⁵⁾ The rivalries among the parties seeking to recruit members created serious conflicts between the NPP and the other two left-wing parties, the HCP and SDP. Even the mass organisations, UFOSz and FÉKOSz, were transformed into a theatre of open war.

The long-awaited 'Agrarian Programme' of the NPP was made public on 'Dózsa Day' at a meeting in Mezötúr, on 11th May 1947.⁽¹²⁶⁾ The need for a comprehensive programme had existed ever since 1945 when the NPP had published its short and rather general 'Kiskáté', the best it could do because of the 'left' and 'right' split in the party. The defeat of the 'right' made it possible for the 'left' to draft a programme. While the proposal put the party, more than ever before, firmly on the 'left' it did not renounce its determination to compete for the support of the peasants. The main thrust of the proposal was to gain the support of poor - middle peasants, hence, the party remained within the framework of the worker-peasant alliance. It proposed that power be given to the people in a system of 'peasant democracy', since the peasants formed the majority in the country.⁽¹²⁷⁾ The proposal promised 'economic democracy' and simultaneously with its support for private ownership stressed that the most effective tool in the hands of the working peasants against any form of capitalist and commercial exploitation was cooperation:

individual small producers with collective production
purchasing and marketing, collective procurement of
machines and other equipment, which otherwise would be out

of their reach, could make their farms stronger, more profitable and viable.⁽¹²⁸⁾

The programme, on the whole, was designed to demonstrate the unity of the party for recruitment purposes and, by making it acceptable to a large number of peasants, to hasten the dissolution of the SHP before the General Election.

The HCP decided that despite successes in eliminating opposition it needed to consolidate its increasing influence through a general election for a new government. The whole issue of a new general election was raised by the 'Left-Wing-Bloc', because of the frequent crises in the coalition, as early as the autumn of 1946 and it was hoped that it would be held before the mandate of the Assembly ran out sometime during the summer of 1947. Insofar as the HCP was concerned the time was now right: the 'right' was relatively dispersed, the food supply in the summer was always favourable, with Truman's speech in March and the Marshall Plan in June the international situation was becoming more acute and the Peace Treaty was to become effective in September. By that time the party wanted to clarify the relative political balance of forces and to modify the unfavourable parliamentary situation.⁽¹²⁹⁾ The HCP was not merely thinking in terms of increasing its share of the votes but of winning control of the legislature in order to put into full effect the resolutions of the party's Third Congress, namely, to develop further the concept of 'People's Democracy'. The election, initiated by the HCP, was strongly supported by the NPP, which saw the possibility to increase its parliamentary strength. The SDP was not over-enthusiastic but on the whole hoped to clarify the relative strength of the workers parties in its favour and left of the SHP, under the transparent communist guidance of Dobi since June 1947, hoped to decide the intraparty power balance finally in favour of the left. Otherwise, the SHP as a whole not unnaturally feared the election, knowing only too well that the 1945 result would not be repeated.⁽¹³⁰⁾ Apart from the party's general weakness, another reason

for this was the new electoral law, passed by the Assembly on 23rd June 1947, permitting other parties to run in the election. ⁽¹³¹⁾ Together with the fraudulent action of the Registering Committees, under the control of the HCP, in preparing the electoral lists so as to disenfranchise as many of the opposition as possible, the new electoral law aimed at eliminating any potential support for the SHP. Prior to the election the left-wing parties agreed to form an electoral alliance and, since there was then no further need for the 'Left-Wing-Bloc', to dissolve it. But, in the final analysis, the HCP opposed the scheme and the 'Bloc' was never formally dissolved. ⁽¹³²⁾

Most of the parties did not prepare a separate electoral programme but adapted and popularised their latest Congressional programmes. Insofar as agriculture was concerned, the electoral platform of the HCP published on 3rd August 1947, was a model of moderation. ⁽¹³³⁾ Its focus was on the three-year plan just adopted a couple of days before and it emphasised the immediate benefits to workers and peasants. It firmly demanded the completion of legal confirmation of land titles for new landowners by 1st October 1947 and promised the newly landed peasantry material aid to lessen their burden. In an attempt to disperse fears among the peasants regarding collectivisation, fears encouraged by the non-communist parties, it stressed the option of independent farming:

the future prosperity of Hungarian agriculture lies in the strengthening of peasant ownership and private cultivation and in the energetic development of agricultural cooperative movement. ⁽¹³⁴⁾

The electoral platform said nothing about 'socialism' or the future development of society. It certainly put the peasant's mind at rest by declaring that the property of the 'little people' was 'sacrosanct and untouchable'. ⁽¹³⁵⁾

In an attempt to reassure the peasants that the land they owned remained their property, József Révai in an impressive article in Szabad Nép declared:

it is rumoured by others that if the communists win the election the peasants will be driven into one big herd ... The kolkhoz is a Russian word, meaning communal farming. It does not, however, follow that if the Russian peasant wanted the kolkhoz system, the Hungarian peasant wants it too. We communists know and appreciate this. We would be mad and stupid if we failed to take into our calculations that our peasants wish to prosper through the consolidation of individual private farming. We acknowledge private peasant property has to be consolidated. Those who agitate against the communists with the invented story of kolkhozes are agents of reaction, wolf in sheep's clothing.⁽¹³⁶⁾

While writing these words Révai, of course, must have known that even the Russian peasant did not want kolkhozes, that millions of them were killed by Stalin because they have resisted. He must have also known that the 'kolkhozes' was not a story invented by 'reaction' since the HCP was already working on its preparations.

The SDP leadership often ideologically confused and invariably divided on tactics, was momentarily united in a final effort to rally the industrial working class and middle class to social democracy. But during the election campaign recurring internal disagreements, and communist assaults, left the party organisationally weak and with a confused membership to prove, yet again, its chronic inability to mobilise its otherwise not inconsiderable power, in defence of social democracy.⁽¹³⁷⁾ Its electoral platform, published on 18th July 1947,⁽¹³⁸⁾ like that of the HCP's, made the three-year plan the centre of interest. The otherwise long, and in places radical sounding, platform had very little to say to an undifferentiated peasantry. For the landed peasants it demanded the cheap supply of machinery and equipment and the establishment of 'Machine Tractor Stations' in all parts of the country. It also demanded the material and moral support for the development of further cooperative activities.⁽¹³⁹⁾ On the whole it was not well received by its peasant membership.

The NPP, in its electoral platform, adapting and popularising its 11th May Mezötúr 'Agricultural Programme' unlike the other two workers' parties, directed its attention to the peasantry and intellectuals hoping to win their support, and had nothing to say to other strata of society.⁽¹⁴⁰⁾ For tactical reasons a shade of nationalism and even 'rightist' tendencies could be observed in the party's electoral campaign, to allure the undecided peasants.⁽¹⁴¹⁾ The party did not retreat from its Mezötúr programme but shifted its emphasis away from cooperatives to support for the for independent smallholders.

The SHP, constantly under political pressure by the left, and preoccupied with its internal problems, did not draft a separate electoral programme. The party, of course, was fully aware that its future was to be decided by the size of the peasant vote it could muster.⁽¹⁴²⁾ In spite of this, perhaps not unexpectedly under the leftist István Dobi's leadership, the party failed to provide a concrete 'message' regarding future developments, required by the peasants. The party's electoral platform was far too general and without any obvious and direct appeal to the peasants. Dobi's proclamation, in claiming to speak for the SHP, that:

our enemies during the election should not be sought among the left-wing parties, but rather among the newly formed bourgeois parties.⁽¹⁴²⁾

must have alienated a sizeable share of the voters, perhaps even driven them to the very parties to which he referred. Indeed, later it became clear that many small and medium peasants who, in many places, left the SHP were not attracted to the leftist parties, including the NPP, but voted in favour of the other new opposition parties.⁽¹⁴⁴⁾

The actual conduct of the electoral campaign between the SHP and the other members of the coalition partners and, perhaps more interestingly, between the left-wing parties forming the electoral alliance, could provide little

comfort as regards the performance of either the HCP or its left-wing allies. All the left-wing parties were determined to weaken the electoral chances of the SHP and each reckoned on winning a share of its voters.

In rural areas the SHP, during much of the campaign, ran into serious conflict with the NPP. The NPP, to the irritation and embarrassment of the SHP, published in its daily newspaper the numbers and names of peasants who left the SHP and joined the NPP.⁽¹⁴⁵⁾ NPP speakers at election meetings and the party's daily often attacked and publicly condemned the SHP for its 'rightist' politics but the party, interestingly, refrained from criticising personally István Dobi and the new leadership. Towards the end of the campaign relations between the two parties had improved, since it was recognised that continued rivalry between them brought no real benefit to either party. Indeed, with the increasingly aggressive electioneering of the opposition parties amongst the peasants, too hostile a relationship reduced the electoral chances of both the SHP and NPP.⁽¹⁴⁶⁾ The SHP's policy towards the SDP was never really consistent. Initially, in some areas the two parties even formed a 'common front' against the communists and frequently the SHP defended the SDP against communist attacks. But this attitude was not uniform or widespread throughout the country. In most places the two parties behaved as rivals. The SDP wanted to replace the SHP, in both urban and rural areas. Numerous conflicts developed between the parties, as the campaign progressed, and finally they turned completely against one another. There was little doubt that the SHP considered the NPP as the only possible ally.⁽¹⁴⁷⁾ During the election campaign the SHP not only became isolated from the SDP and NPP but its relations with the HCP too, perhaps predictably, progressively deteriorated. The HCP delivered almost continuous attacks on the SHP for its 'rightist' propaganda campaign and strongly criticised its leadership for its over-compliant attitude towards the party's 'right'.

Regarding relations between the parties forming the electoral alliance, here too, in spite of earlier promises and agreements, notable dis-unity, conflicts of interest and, often, serious confrontations marked the election campaign. The most serious friction, perhaps, that developed was between the NPP and SDP. During much of the time in its desperate fight for the peasant vote, the SDP, hoping to lure the peasants away from the NPP, referred to the NPP as the 'sister-branch' of the HCP. The SDP often criticised the NPP's nationalist posters and slogans. Relations further deteriorated to the point where the SDP renounced any further cooperation and abrogated the electoral alliance with the NPP.⁽¹⁴⁸⁾

Relations between the SDP and HCP too left much to be desired. The SDP, of course, desperately wanted to become the most influential party of the left and to increase its weight in the coalition. Thus it went into the election with great energy, sending thousands of activists to rural areas.⁽¹⁴⁹⁾ While the central leadership, on the whole, respected the agreements between the two workers' parties they were frequently violated at the grass-roots level. In a number of villages, local SDP organisations, in their propaganda campaign, accused the HCP of drawing up plans for the establishment of 'kolkhozes' and generally displayed strong anti-communist sentiments.⁽¹⁵⁰⁾ The HCP many times had warned the party to restrain itself. What, more than anything else, poisoned relations between the two parties was when Mátyás Rákosi, at an election meeting in Csepel at the beginning of August, raised the question of the possible merger of the two parties. This infuriated the SDP and, on behalf of the entire party, Árpád Szakasits promptly refuted the whole idea and declared that 'the road is wide enough for both of us' and 'cooperation for ever, fusion never'.⁽¹⁵¹⁾ The SDP, encouraged by the frequently visiting British Labour Party officials, believed that the time had come when it could become the leading party in the country.⁽¹⁵²⁾ The NPP, on the whole, worked fairly closely with the

HCP without much disturbance and relations between the two parties remained quite reasonable.

The communists attempted to humanise their party through clever propaganda, e.g., the promise of return of prisoners from the Soviet Union; children thanking the party for sending them on holidays etc. Rákosi, on the other hand, promised to obtain Soviet economic concessions and, on the other, warned the population that should the party fail to get mass support the Soviet Union would intervene.⁽¹⁵³⁾ Interparty bickerings of the left, of course, tended to help the other parties. These non-communist parties focused their attention on fermenting fear of collectivisation among the peasants and pointed out that communism was alien to the country's history and culture.

'With everyone fighting everyone else' the day of the General Election came on 31st August 1947. The actual election and the results have often been described in detail elsewhere. Suffice it to say, firstly, that it was fraudulently managed. The HCP, not satisfied with the results of its earlier disenfranchisement drive through the Registering Committees, and its vastly superior campaign resources, had resorted to exploiting the notorious 'blue-slip' registration cards, issued by the communist controlled Ministry of the Interior under László Rajk to voters who were absent, prisoners of war etc. Many 'extra' blue-slips were printed and offered to left-wing parties. The SDP, confident of its electoral chances, declined to use them, but both the NPP and HCP made extensive use of this 'double-voting' system.⁽¹⁵⁴⁾

According to official statistics, announced on 5th September 1947, the biggest change, predictably, was the dramatic decline in the SHP's support, from its 1945 57 per cent election majority down to 15.4 per cent. Also, by increasing its share to 22.3 per cent the HCP became the largest single party, both in the country and in the coalition. The share of the SDP declined to 14.9 per cent and that of the NPP increased to 8.3 per cent. The coalition parties received 60 per

cent of the votes, while the more marxist parties, forming the electoral alliance, obtained 45.5 per cent of the votes. But the opposition bourgeois right-wing parties, added together, with 40 per cent of the votes, still represented an important force in the country.⁽¹⁵⁵⁾ Although the HCP could claim the overall plurality only 40 per cent of new landowners voted for the party.⁽¹⁵⁶⁾ Thus, in respect of winning the support of the masses, especially the working peasants, the HCP was disappointed by its relative lack of success. Even the new landowners' 'proletarian consciousness' was obliterated by the fact of becoming owners of land.

While the HCP clearly achieved its objective of becoming the strongest single party in the country, its victory at the election, even if the results are accepted at face value and the various frauds overlooked, could hardly be considered to have represented a major shift in support among the electorate. Moreover, while the election greatly weakened the anti-communist forces in the coalition, reduced the strength of the SDP, and divided the opposition, these could not be construed as having given the HCP a mandate to begin the radical transformation of the political and economic systems of the country. But, of course, such legalistic niceties did not trouble the HCP. In September, with the 'Peace Treaty' becoming finally effective and Stalin's establishment of the 'Cominform' in the same month, giving the signal openly to step up the pace of the seizure of power, a new phase of the country's political system, a new era for the people's democratic revolution began.

6.3 Collectivisation on the Agenda

Sometime between the late autumn and early winter of 1947 communist attitudes towards political and economic policies in general, and specifically towards agriculture, began to show the first signs of real hardening. There is no doubt that the most significant event that radically changed communist attitudes was the hastily convoked Conference at Szklerska Poreba, near Wroclaw, Poland between 22nd and 27th September 1947, which ended in the foundation of the Cominform.⁽¹⁵⁷⁾ In view of the rapidly changing and worsening East-West relations, the Russians brought to this Conference a new set of guidelines and then manipulated the ensuing discussions so as to produce, at the end, a united front against the growing western 'imperialistic' threat. In his opening address, Zhdanov evaluated the political significance and implications of the 'Truman-doctrine', the 'Marshall-Plan' and the pro-Western disposition of the French and Italian Communist Parties (in attendance), using these as evidence of American war-mongering and imperialist designs with the result of dividing the World into two antagonistic camps. This demanded joint formulation of policy and action by East European countries, which had broken away from the imperialist system and created a new type of state form, the 'People's Democracy', where 'power belonged to the people and the lion's share of the economy belonged to the state and the leading force was the working class'.⁽¹⁵⁸⁾ He was followed by Malenkov who delivered a 'glowing' report on the Soviet party's achievements, clearly designed to press East European countries to adopt the Soviet model and draw upon the vast experience of the Soviet Union, gained during its march to socialism.

The HCP's delegates were József Révai and Mihály Farkas. Révai's turn, amongst the delegates - each reporting on the position of their respective parties - came on 24th September⁽¹⁵⁹⁾ and he, first, appraised the recent General Elections and observed that:

we have taken a step forward but our plan was not as successful as we had expected ... our influence within the working class is not yet overwhelming. In certain enterprises and mines the socialists are stronger than us.⁽¹⁶⁰⁾

After this Révai, to reassure the conference, raised the prospects of merger between the HCP and SDP, a move which he considered could shift workers support at once to the communists, thereby significantly weakening the SDP's claims to share power. He noted that the HCP was, on the whole, well entrenched in the government. The NPP's secretary, he revealed, was a communist and many of that party's members of parliament were also communists, or communist sympathisers. Control over many leading positions in the country was also, already in their hands.⁽¹⁶¹⁾

From available information, it can be safely assumed that the question of collectivisation was also among the topics discussed.⁽¹⁶²⁾ While the Russians, at the meeting, did not press for an immediate change in agricultural policies, did not demand yet an all out drive for collectivisation, it seems, nevertheless, highly likely that instructions were given to commence serious preparations for the socialist transformation of agriculture parallel to that of industry. Time was still needed, in Hungary, for the full acquisition of political power. Collectivisation was still considered in-opportune, as transpired later, effectively opposed not only by the peasants, but also by some influential circles within the party. A full-scale collectivisation was, therefore, perceived as a much more difficult task than any the party had previously undertaken. Representations to this effect must have been made to the Russians. As a result of the attempt to reconcile increasing Soviet pressure for collectivisation, to which Mátyás Rákosi, on the whole, readily subscribed, with domestic realities, the period after the Conference up to the spring of 1948 was characterised by an attitude of tactical ambivalence on the part of the HCP regarding the future development of agriculture and the issues concerning private versus 'cooperative'

and collective farming. Nevertheless, collectivisation was already firmly on the agenda and it must have remained a permanent topic of discussion within the party. Indeed, preparations for it had already begun. Insofar as Hungary was concerned, the outcome of the conference was to take on board immediately Stalinist orthodoxy which, inter alia, had meant: the establishment of a single party dictatorship, the rejection of a democratic road to socialism, the political destruction of the social democrats - who were far too sensitive to 'imperialist' influence - and the transformation of the economic system on the Stalinist model.

On their return, Révai and Farkas submitted their report to the Politbureau and noted with some satisfaction that the Conference had included Hungary, without further qualification, in the list of 'People's Democracies' in spite of her relative lag in social and political changes vis-à-vis her neighbours.⁽¹⁶³⁾ The report observed that the resolution of the Conference did not require a major shift in HCP policy but required the party's leadership: (i) to replace 'pragmatic tactics' with more elaborate planning, (ii) to consider their former ally the Social Democrats and especially the 'right-wing' of the Social Democrats, as dangerous enemies because they supported American imperialism which had now replaced German fascism, (iii) in their pursuit of monopoly power parliamentary tools had to be supplemented by other methods to acquire power. The report concluded that the immediate tasks of the party were: to accelerate the creation of a new coalition, to review economic policy, with the aim of gradual exclusion of the bourgeoisie and to institute measures to facilitate the rapid acquisition of monopoly power.⁽¹⁶⁴⁾

At its session on 9th October 1947 the Politbureau approved the report by Révai and Farkas and appointed three Commissions to review: general policy, economic policy and party and mass organisational work. The detailed drafting of the 'Guidelines for Economic Policy' began immediately after this meeting.

Although completed by December the document was not published in the contemporary press. Indeed, it was not fully known until the Politbureau, after protracted preparatory debates, ratified the guidelines and published them on 12th February 1948. ⁽¹⁶⁵⁾ In his address to the Political Academy on 19th December 1947, Ernő Gerő, however, made its existence known and reported on its most essential aspects. ⁽¹⁶⁵⁾ The main reason for the delayed ratification was that in early December the draft guidelines proposals of Ernő Gerő provoked an intra-party debate on ideology. The guidelines, inter alia, stressed that, due to the established centralised agencies the character of state power in Hungary could no longer be described as 'capitalist' in economic structure. But Imre Nagy opposed this view and maintained that although the nationalisation implemented by state, led by the working classes made it democratic, it did not alter the 'capitalist' nature of production. Furthermore, since 'people's democracy' was a variant of 'bourgeois democracy' it was compatible with residual capitalism. Imre Nagy's concept was rejected as obsolete and Ernő Gerő in his speech to the Political Academy on 19th December proclaimed that 'today we can decisively say that Hungary is no longer advancing on the road of capitalism but has crossed the rubicon between bourgeois and people's democracies', ⁽¹⁶⁷⁾ and that the nationalised industries had essentially formed the basis of the socialist economic system.

The drafting state of the guidelines not only brought the problems of assessment and perspectives of economic development into focus, but it also brought about the appraisal of the position and role of agricultural collectives. On this issue, too, the views of Imre Nagy differed fundamentally from those of Ernő Gerő and Mátyás Rákosi. There was agreement regarding the role collectives played against capitalist exploitation, but Imre Nagy emphasised increased agricultural output as of paramount importance, and because of this, while supporting the development of collectives, envisaged an important place

for private peasant holdings, working side-by-side with collectives.⁽¹⁶⁸⁾ Ernő Gerő on the other hand, was more concerned with the sharp differentiation among the peasantry and the increasing influence of the richer peasants, and perceived the collectives as both a defensive and offensive instrument against the growing influence of the richer peasants. At this stage, however, Ernő Gerő's view did not carry any operational significance. But, unmistakably, it already carried the germs of the party's future agricultural policies. The disagreement between Imre Nagy and Mátyás Rákosi over agricultural policies dates approximately from this period and will re-appear even more sharply later.

The debate on the guidelines continued. At the 3rd National Activists Conference of the HCP, on 10th January 1948, Imre Nagy, speaking from the floor, explained his views to the delegates. Nevertheless, a shift in emphasis to the 'socialist' content of 'People's Democracy' was evident at the conference when it accepted the slogan 'The country is yours, you are building it for yourself'.⁽¹⁶⁹⁾ Explaining the significance of this changed content, János Kádár, in his opening speech, stated:

significant change has occurred in the internal political and economic conditions of our country, our people. We have reached a higher level of development, we have closed ranks with our progressive, democratic neighbours: we have decisively advanced on the road of democracy, the road of building socialism.⁽¹⁷⁰⁾

Following János Kádár, Ernő Gerő was hard pressed to 'produce' a theory which differentiated 'People's Democracy' from 'proletarian dictatorship'. He argued that in both cases the government was made up of workers and peasants, but while the former was a 'worker-peasant state', the latter was a 'workers state'. It was the victory of the Soviet Union which made it possible for Hungary to proceed to 'socialism without its own proletarian dictatorship'.⁽¹⁷¹⁾

After a third debate, in early February, the document 'Guidelines for the Economy' was finally approved and published. In conjunction with the changed 'socialist content' of people's democracy the document was, perhaps, the clearest indication to date of the party's intentions with regard to the future of agriculture and the peasants. The major general goals outlined in the document included the liquidation of private capital and the extension of the state sector. The document identified four types of production sectors in the national economy, within which, it said, changing but continuous rivalry takes place:⁽¹⁷²⁾

1. Simple commodity production: excluding 'kulak' holdings, all peasant farms, and small-scale industrial production units, not based on exploitation;
2. Private capitalist production: all the 'kulak' holdings and all industrial production units operating on capitalist principles;
3. State capitalist production: all private capitalist firms under the direct and continuous supervision and control of the state;
4. Socialist production: all nationalised, communal industries and enterprises and cooperatives, provided they operated on 'genuine' cooperative principles, and not as capitalist businesses managed in a cooperative form.

The document emphasised that while the socialist sector was predominant in the economy, and the country was progressing towards socialism, further restrictions were required to fight against the still important capitalist sector. After the nationalisation of banks and financial institutions in October and November, 1947⁽¹⁷³⁾, converting them on the Soviet model - a measure which brought some major firms wholly or partly owned by the banks under state control - the document called for further nationalisation of major industries, state control of internal trade, state monopoly of foreign trade, and more effective state planning to complete the three-year plan.

If this was insufficient to induce the sceptics to ponder about the future, the spirit of things to come was clearly reflected by the following points in the guidelines, dealing with agriculture. Firstly, they observed that, resulting from the series of severe droughts, the new landowners and poor peasants were coming increasingly under the influence and control of private trade and the 'kulaks'. In order to protect them from this undesirable trend towards rural differentiation, augmented by the increasing rural unemployment problem, new regulations had to be introduced, since the poorly developed producer's cooperative system was unable to arrest and counterbalance this development. Although in 1945, according to some writers and writings, there was almost a 'cooperative fever' in the country,⁽¹⁷⁴⁾ with many claims that the 'Hungarian solution was in cooperation', that it was needed as an 'objective condition', nevertheless, according to Ferenc Erdei, no more than 4-5 'genuine' producer's cooperatives (i.e., collective farms) had been established by the middle of 1948.⁽¹⁷⁵⁾ The reasons for their neglect were prejudice, opposition by the new landowners and the defensive attitude of the HCP, which allowed no material support to encourage their development. The party, it seemed, had by now become worried about the further development prospects. The richer peasants, it claimed were getting richer, many of the more efficient old and new landowners had become economically stronger during the preceding 2-3 years; while the less efficient new landowners - the greatest potential supporters of the HCP - were getting poorer and poorer.⁽¹⁷⁶⁾ The guidelines, however, clearly stated that, at this particular stage, 'general administrative measures against the kulaks' were premature and tactically erroneous, because such measures would adversely affect agricultural output and would also alienate the middle peasants. It was, however, seen as important to curtail the growing influence of the 'kulaks': this was the reason for a series of anti-'kulak' measures, e.g., progressively heavier taxation, higher interest rates on credits, restriction of sales of new machinery

and tractors to state, communal and cooperative establishments only, denying them to 'kulaks', tightening the law on the buying and selling of land to such an extent as to make it impossible for the 'kulaks' to obtain title ownership to land. Attacks on the more prosperous peasants, referred to as 'rural capitalists', became somewhat sharper and more frequent during the subsequent period. But the measures recommended, aiming to restrain their influence, still fell far short of the physical intimidation to be introduced later. Secondly, parallel with these negative measures the document urged an increase in support for the poor and new landowners, by giving them tax and credit concessions and by providing security for the middle peasants to encourage them to change to intensive cultivation. The document also urged the extension of state ownership in agriculture by the development of state and model farms, to assist the peasants in agricultural techniques. And perhaps the most important open step towards collectivisation was indicated by the recommendation to begin seriously the organisation and expansion of a network of state-owned 'Machine Tractor Stations' established, as shown in November 1947 by the Three Year Plan.⁽¹⁷⁷⁾ Finally, the producer's cooperative system (i.e., collectives) was seen by the guidelines as an important 'weapon of the working class' that would remove bourgeois influences and encourage the modernisation of agriculture. The smallholding system, based on individual peasant farming, it was claimed, was not only incapable of consolidating and increasing its strength, but could not in the long run even sustain itself. Therefore, gradual extension of the cooperative movement was recommended, especially in the sphere of agricultural production..⁽¹⁷⁸⁾

In the meantime, the NPP did not remain inactive. The problems of the cooperative movement, particularly of 'Farmer's Cooperatives', (Földművesszövetkezet) had, as shown earlier, been on the party's agenda, in some form or other, ever since 1945. It was also noted that, as well as taking its

cue from the HCP on the question of land reform, the NPP had generally adopted a common platform on the issues of cooperatives with the HCP.⁽¹⁷⁹⁾ Following this traditional pattern, the HCP, no doubt for tactical reasons, again pushed the NPP - by now under the full control of the pro-communist leadership - to act as its 'front' and take the lead in preparing the ground on the uncomfortable question of collectivisation. Shortly after the General Election, the whole issue of the cooperative movement was suddenly revived, with great zeal, and became the centre of NPP activities. As in the land reform period the NPP was, until the early spring of 1948, always a step ahead of the HCP, with radical plans regarding further development of the cooperative movement. In March-April of 1948, however, prompted by international developments, the two parties, predictably, without any 'soul-searching', again quickly adopted a common ideological platform on the question of collectivisation.

The conceptual framework of the party's cooperative programme was drawn up by its 'Cooperative Committee', which met on 17th September 1947.⁽¹⁸⁰⁾ First, it decided to establish, at national level, a 'Cooperative Department' with the task of promoting the development of cooperatives, within its party organisations, and to explain and popularise the concept among the peasants. Second, the approved policy dealt with all aspects of cooperation but singled out agrarian cooperatives as potentially by far the most important for future development. The policy favoured the development of 'General Cooperatives (Általános Szövetkezetek) in rural and 'Artisan Cooperatives' (Szakszövetkezetek) in urban areas. It based the entire rural cooperative movement on the existing network of 'Farmer's Cooperatives', a proposal which, predictably, pleased the communists, who also wished to utilise these cooperatives; they did in fact subsequently form the basis for collectivisation. By October 1947, about 2415 of these 'Farmer's Cooperatives' (Földművesszövetkezetek) were operating, with approximately 200,000 members,

mostly on the principle of general cooperatives and, predominantly, under communist leadership. According to party affiliation their leadership composition in 1948 was 57 per cent HCP, 15 per cent NPP, 12 per cent SHP and 16 per cent non-party members.⁽¹⁸¹⁾ Their political usefulness to the HCP, to rally the rural masses, was enhanced by the fact that their membership was largely made up of poor and small peasant farmers, who were perhaps the most dependent on assistance and the most susceptible to new ways in farming. The social composition of the leadership was 91 per cent working peasants, 3 per cent artisans, 3 per cent private and public employees and others; and about 80 per cent of the working peasants were either landless or with less than 10 cad. yokes land,⁽¹⁸²⁾ so the Farmer's Cooperatives (Földművesszövetkezetek) acquired a proletarian image. Thus, the NPP and the communists hoped, by strengthening them and extending their activities much more in the direction of production to develop them into fully-fledged collectives. For this purpose the NPP called upon its members, especially the new landowners, to join these cooperatives and initiated various training programmes for technical staff, cadres etc. The party had taken such a serious interest in the promotion of the cooperative movement, expecting to achieve good results from their development, that it repeatedly emphasised that '1948 will be the year of cooperatives'.⁽¹⁸³⁾

The political and ideological statement by the HCP regarding the future development of the economic structure and 'people's democracy' was also, interestingly, preceded by a statement of 'clarification' regarding the attitude of the NPP on the question of 'people's democracy'. At its National Committee Conference on 1-2 November 1947, Ferenc Erdei posed two theoretical options between which the NPP had to choose: either, to side with those who wished to see development towards 'bourgeois democracy' or to work for 'people's democracy'. In line with his recommendation, predictably, the conference firmly rejected the first and endorsed the second alternative. It also demanded

increased state intervention in the economy, i.e., further nationalisation, and greater support for cooperatives. Underlining the HCP resolution, the NPP also expressed the desire to see closer relations with the Soviet Union and the neighbouring 'people's democracies'.⁽¹⁸⁴⁾

In line with the conference resolutions, to prove its commitment on the questions of further development of 'people's democracy' and the cooperative movement; the NPP leadership set up by a working party in early December 1947 under the chairmanship of Ferenc Erdei, to elaborate on the theoretical and practical problems of the Hungarian socialist cooperative movement.^{'185)} Already, at this early stage, there were signs that the development of cooperatives was regarded not only, or chiefly, as sound economics and in the interests of the peasants but as a social and political measure that would play a decisive role in the liquidation of the individual small-holding and its replacement by a socialist system. At an 'Agricultural Cooperative' conference in Szabolcs county one of the local party officials stated categorically that a major function of cooperatives was to destroy rural capitalism and that members should get ready for an economic transformation. Thus,

today, we see the cooperative question in a different light from a year ago. Today, we have the courage to say that cooperatives can be regarded as a strong weapon in the struggle against capitalism and, at the same time, we want them to be developed to be almost the only organisational form of people's democracy.⁽¹⁸⁶⁾

To assist in the preparation and policy formulation several important measures were adopted by the NPP. First, between December 1947 and February 1948, an extensive national survey was conducted by the party's Cooperative Department, embracing the entire cooperative movement, but with special emphasis on 'Farmer's Cooperatives' (Földműveszövetkezetek), to establish their strength, economic policy, leadership and membership distribution according to party

affiliation and, most importantly, the attitude of peasants towards Farmer's and General Cooperatives. (187) Second, to provide information regarding developments in the cooperative movement in neighbouring people's democracies, the 'Middle East European Cooperative Press Review' was compiled by Ferenc Erdei, with the recommendation that it should, in future, be published regularly, under joint editorship with the HCP. (188) Third, further preparatory activities could be detected in the fact that in December 1947 and January 1948 an official delegation, composed of leading NPP and HCP members, visited Bulgaria and Yugoslavia to carry out an on-the-spot study of the progress, extent and problems of collective systems established in these countries. (189)

On 11th February 1948 a conference was organised by the NPP in the 'Fórum Klub', characteristically, one day before the HCP's own 'Guide for the Economy', to report publicly on the results of the two months study of the theoretical and practical questions regarding the future of the cooperative movement. (190) The report, delivered by Ferenc Erdei following Leninist principles, paid due regard to 'voluntarism' and 'gradualism', but without doubt represented new thinking and was yet another turning point regarding future agricultural development. The gigantic task of 'socialist transformation' of agriculture had been brought significantly nearer. Erdei explained the rationale behind the need for change. Compared with the fundamental political and economic changes achieved in the country, he said, agriculture and the development of the cooperative system had lagged considerably behind. In his report he outlined the need and method for further development of small-scale agriculture towards what he called a 'people's cooperative' system. After indicating five possible degrees of cooperation, he suggested that only two merited further attention: (i) the basic type e.g., the 'Farmer's Cooperative' (Földművesszövetkezet) and (ii) the more progressive type Producer's Cooperative (Termelőszövetkezet). In this latter, with the exclusion of

'household plots', members pooled not only their land, while retaining ownership rights, but also their equipment and labour.⁽¹⁹¹⁾ Undoubtedly, for tactical reasons, he tried very hard to differentiate between his 'people's cooperative system' and the Soviet 'kolkhoz system'.⁽¹⁹²⁾ Nevertheless, it is instructive that the system he so carefully outlined had been introduced, in all its essential aspects, within a year. Only the name of the cooperatives was different and the model statutes which regulated their operation were more detailed. This important conference was also attended by Imre Nagy, from the HCP, and János Gyöngyösi, General Secretary and former Foreign Minister of the SHP, but neither voiced any objection to any aspect of the report.⁽¹⁹³⁾ It was obviously a plan which, at that stage, eminently suited the HCP too as a programme.

As regards the SHP itself, as political power both in the country and within the party moved rapidly to the left it became a shadow of its former self, under the fairly transparent guidance of the HCP. Initially, after the election, the SHP still maintained some hope of being able to postpone a 'socialist' turning. But by 12th November 1947, under the leftist, pro-communist influence of István Dobi et al., the party was 'persuaded' to announce its opposition to 'bourgeois democracy' and declare its support for 'people's democracy', although it still drew a line between the latter and 'socialism'.⁽¹⁹⁴⁾ But on 6th-7th March 1948, at the party's First Balatonkenese Conference, it approved the new political direction of 'people's democracy' with its increased 'socialist content', and all the plans for further nationalisation. Indeed, József Bognár, a member of the party's Politbureau (and elected Executive Vice-Chairman a month later) went as far as declaring people's democracy a form of socialism. The party conference endorsed the development of a state-assisted cooperative system, on a voluntary basis, as the most appropriate way to solve Hungary's agrarian development problem.⁽¹⁹⁵⁾ Finally, after its Plenum meeting on 17th-19th April 1948 - when, reflecting the spirit of the Balatonkenese Conference, a new leftist leadership

was elected - an extensive reorganisation of local party organisations, depriving them of their autonomy, and a full purge of membership were ordered. The new leadership structure that emerged from this purge was largely made up of poor peasants. The influence of the better-off peasants was eliminated and small and poor peasants moved into prominence in party politics.⁽¹⁹⁶⁾

International developments, however, outstripped the gradual pace of nationalism and collectivisation envisaged by the HCP in its guidelines and by the NPP in its 'people's cooperative' programme. The combined effect of the consolidation of non-communist forces in Western Europe, the political and economic advance achieved in the neighbouring countries, especially the communist coup in Czechoslovakia, and the Soviet response to all these developments demanded that the pace of socialisation in Hungary be accelerated. Interesting, and important, evidence has recently emerged confirming this. In March 1948 Stalin and Molotov sent a letter to the Hungarian party leaders urging them to 'build socialism in the villages', i.e., to speed up collectivisation.⁽¹⁹⁷⁾ At the meeting of the Politbureau on 3rd March 1948, Ernő Gerő justified the proposed 'accelerated' policy in the industrial sphere:

the domestic and international political situation has made possible a new and important forward step in the nationalisation of industry, and, in part, commerce although this departs from our original conception ... we did not take into account the rapid development of the international political situation ... the Czechoslovakian and other events. In my view it would be a mistake to adhere to the original schedule and not exploit the favourable circumstances.⁽¹⁹⁸⁾

On 25th March 1948 with the slogan 'The factory is yours, you work for yourselves' all enterprises employing more than 100 workers were nationalised. With this deepening structural change, affecting some 594 enterprises, employing some 160,000 workers, 83.5 per cent of industrial workers were in the state sector.⁽¹⁹⁹⁾ The dissolution of the 'National Association of Industrialists'

(Gyáríparosok Országos Szövetsége) symbolised the historical change - the final liquidation of the free enterprise system in industry. In May 1948, some 20 industrial directorates, under the various branch ministries, were established to administer these nationalised industries. By December 1948, further sweeping nationalisation decrees brought every firm with more than 10 workers under state control.

Turning to the more complex question of agriculture, the impact of Soviet demands to speed up the collectivisation process was not immediately visible. Several factors, to be discussed below, would account for the seemingly delayed response. The next few months, from March to the end of June 1948 - perhaps the most ambiguous and least documented in this entire period - were characterised by frantic behind-the-scenes intra-party debate, well concealed from the public which, together with other considerations, delayed the process of accommodation of the Soviet request. Until these difficulties were resolved, old policies continued to be applied.

That is clearly demonstrated by the fact that, after months of preparations, the first comprehensive agricultural policy statement by the HCP, the 'Guidelines for Cooperatives' was largely out of date when it was considered by the Politbureau on 22nd April 1948, since it failed to reflect the changed international situation and the March note to the HCP leadership from the Soviet Union. This may be one of the main reasons why it was not made public at the time.⁽²⁰⁰⁾ Until the beginning of 1948 HCP policy on the cooperatives was only known in outline. To some extent it had been set out in the party's general policy statement, the 'Guidelines for the Economy' and also partly in the NPP's policy statement in the 'Fórum-Klub', which had been endorsed by the HCP. Both parties, then, based the development of a collectivised agriculture on the 'Farmer's Cooperatives' (Földművesszövetkezetek) and planned to extend their existing general activities in the direction of production. This line was

intensively promoted by both parties during March-May 1948, with numerous cooperative conferences throughout the country, many organised jointly by the NPP and the HCP.⁽²⁰¹⁾ There the parties took a stand on the development of the cooperative system, demanded greater assistance and tried hard to dispel their 'mess-tin' image. Another feature of their work was the number of 'competitions' organised between existing Farmer's Cooperatives (Földművesszövetkezetek), to show their performance and achievements, thereby making them attractive to the peasants.⁽²⁰²⁾ These were the forerunners of the 'socialist competitions' so extensively employed later. The preparatory stages envisaged that these 'Farmer's Cooperatives' (Földművesszövetkezetek) would be strengthened politically, under communist control, and developed in the direction of production to form the basis of the collectives. In the spring of 1948 both the NPP and HCP were in open harmony regarding the further development of the cooperative movement and the political development of the country. In his Presidential address at the Full Plenum, on 4th-5th April 1948, Peter Veres declared the development of the cooperative movement the party's most important task. After three years of vacillation, misunderstanding and uncertainty, he said the party was finally on the correct road, the road of people's democracy. Striking the same note, Ferenc Erdei went even further when he declared that the 'further development of people's democracy' was the party's most important task.⁽²⁰³⁾ The resolution adopted endorsed this political direction. The same trend was reflected in the 'Guidelines for Cooperatives'. They stressed that the future development of agriculture was through 'socialist transformation', i.e., collectivisation, but in the case of Hungary the conditions under which collectives could extensively replace private farming did not yet exist. That would come gradually, through the promotion of lower forms of collectives to begin with, and will full regard to the voluntary principle:

in people's democratic Hungary the development of socialist agriculture was through producer's cooperatives (i.e., collectives). Today, however, the pre-conditions in our country to replace private farming extensively do not yet exist ... the transition from private to collective farming is a slow process which requires the voluntary decision and patient re-education of the peasant.⁽²⁰⁴⁾

Despite the continued 'gradualist' approach, the guidelines also contained a number of negative aspects which indicated a certain degree of impatience regarding the unsatisfactory pace of cooperative development and political readiness to deal with the richer peasants. First, the guidelines 'expected' that increased cooperative activities would lead to sharpening 'class-struggle' and urged the cooperatives to provide help to the middle-peasants in order to free themselves from 'kulak' influence and move onto the side of the working class.⁽²⁰⁵⁾ Second, in similar vein to the NPP, the guidelines also emphasised the disappointing fact that the development of rural cooperatives was lagging behind that of the economy as a whole and pointed to the fact that existing members of 'Farmers' Cooperatives' hardly participated in the political life of the cooperative movement and that many peasants were not even members. It complained that Hungary had fallen behind the cooperative development achieved by neighbouring countries. It quoted Bulgaria and Yugoslavia, where already 80 per cent of the working population were members of cooperatives. In Hungary, in contrast, the Farmer's Cooperatives (Földművesszövetkezetek) were merely an empty framework.⁽²⁰⁶⁾ The guidelines listed the reasons for this lag and explained the ways in which it could be remedied.

To this extent, while the guidelines undoubtedly represented a further step towards the inevitable collectivisation, they still perceived this as a longer term objective, but with some indication already that the unsatisfactory pace of progress should be reviewed in the near future. They did not, however, reflect the urgency of the Soviet message a few weeks earlier to accelerate the

agricultural transformation process, nor did they openly indicate that the party wished to embark on forced collectivisation against the will of the peasants. This seemingly unchanged attitude on the question of collectivisation could no doubt be imputed to the existence of various factors, ideological, political and economic, which appear to have been instrumental in delaying the Rákosi leadership's adoption of a firmer, more urgent and decisive attitude towards agriculture. Yet this time must have appeared to many communists as the first real opportunity to proceed after the party had basically secured its primacy in both political and economic spheres - except in relation to the SDP and, of course, in agriculture. There is reason to believe that Mátyás Rákosi and, especially, Ernő Gerő, devoted to the Soviet cause and by conviction eager to 'get on with the job', were obliged to slow down the commencement of collectivisation in the face of countervailing forces. This was in spite of the fact that in February 1948, when the Soviet Union began its campaign for collectivisation of agriculture in Latvia, Lithuania and Estonia, there was a general Soviet call for increased collectivisation in all East European countries. On 9th February, 1948, in a broadcast to Soviet farmers the Moscow commentator, Konstantinovsky, spoke of the peasants in the new democracies:

after the first World War the landowners and the bourgeoisie failed to satisfy the peasants' just claim for land. Today the governments of the new democracies know that the present small peasant holdings are not a paying proposition and that the peasants' road to wealth lies in cooperation and the uniting of small holdings into large collective estates. The example of the USSR, where collective farming has resulted in a great increase in yield and in peasant welfare, is having a tremendous influence and the movement for setting up cooperative agriculture is growing apace. For the present these cooperatives unite only the most progressive peasant elements, but it may be confidently expected that they will help in future to rebuild agriculture on a socialist basis. The future of the new democracies lies in socialism...(207)

This was followed a month later by the special Stalin-Molotov note to the HCP leadership. It was a note which must have caught the party leadership by surprise and unprepared. The party was, of course, well aware - ever since the First Cominform Conference - of its commitment to collectivise at the earliest practicable moment. But it failed to anticipate correctly the volatility of international politics and may have been out of touch with Soviet thinking and reactions to the changed political situation.

One of the main obstacles to compliance with Soviet demands was Imre Nagy, who, when informed of the requests to speed up collectivisation, was appalled. Hardly three years had passed since the Hungarian peasant was given land and now it was to be taken away again. As the party's policies moved more and more to the left and began more seriously to anticipate collectivisation, what in a communist parlance was called a 'right' opposition came into being within the party at the end of 1947, under the leadership of Imre Nagy. At this time he was the head of the party's Committee on Agricultural Policy and its secretariat's 'Department of Rural Affairs' (Falusi osztály). Within his capacity, he cautiously attempted to promote within the party a 'Hungarian Path' a people's democratic road to socialism and disagreed with the rigid ideological arguments which, following the Soviet model, called for collectivisation.⁽²⁰⁸⁾ Imre Nagy believed, without any reservation, in the superiority and desirability of a rural economy based on large-scale collectives. But he also believed that this could only be painlessly achieved gradually over a long period, perhaps even 20-40 years.⁽²⁰⁹⁾ During that time both private and collective sectors should be encouraged and developed side by side.⁽²¹⁰⁾ Imre Nagy was against an ill-timed, hastily conceived and conducted collectivisation without any real economic foundation, inspired purely by political and ideological motives. As a former kolkhoz manager in Siberia during the early 1930's, Imre Nagy was able to observe the catastrophic results of the Russian collectivisation process and

wished to save Hungary - a country which, by its size, could even less afford it - from such an experiment.⁽²¹¹⁾ He argued against hasty collectivisation on three main grounds. First, he maintained that, in view of the extremely individualistic nature of the Hungarian peasant, his conversion to communism and collective farming could only be achieved gradually. He constantly called for extreme moderation for a slower tempo to be adopted for the 'socialist transformation' of the countryside in Hungary. Second, he maintained that one of the main obstacles to a successful collectivisation programme was the extremely low-level of mechanisation in agriculture. The 'Machine Tractor Stations', considered one of the most vital elements of collectivisation, were still in their infancy, without any proper foundation. He argued that it was important first to expand the network of MTS before collectivisation, or indeed even an intensified policy of restriction of the 'kulaks', could be tackled.⁽²¹²⁾ A related although unmentioned economic consideration was the fact that from early spring to late autumn is the busiest time for agriculture, the most crucial for agricultural output. An announcement of collectivisation in the spring would have caused great disruption in agriculture. Third, Imre Nagy argued that under the conditions prevailing in Hungary, namely, the 'transitional' period, reflecting the progress from 'bourgeois' democratic to 'socialist' society, instead of the policies adopted in the Soviet Union in the early 1930s, the principles of Lenin's NEP were more applicable. Thus,

the NEP is the specific means and form for building socialism and is absolutely necessary in every country where there is a significantly large number of small peasants. Consequently, during the transitional period the NEP is the basis for our entire economic policy. This means that the elements of the NEP are not operative to the same extent throughout the entire transitional period but it withers away to the extent that the building of socialism proceeds and to the extent that the socialist sectors of the economy develop.⁽²¹³⁾

On the basis of Lenin's NEP, Imre Nagy argued in favour of maintaining the private market for agricultural produce, inter-alia, because:

the guiding policy of NEP is to ensure victory over the capitalist elements the proletariat in power and the building of socialism through economic solidarity based on exchange of goods between the working class and the small peasant. In the interests of the latter, the economy uses even the capitalist elements so that they will be overcome and a socialist economy be built through the market and by the use of the market rather than through direct exchange (barter) of goods, or without a market, simply to avoid the market.⁽²¹⁴⁾

Imre Nagy, to be sure, opposed the basic structure of what Mátyás Rákosi, and his group, stood for and, until 30th June 1948, the party leadership seems to have been deadlocked by the different positions held by Rákosi and Nagy.

Another major obstacle to an early response to Soviet demands was the fact that the HCP at this time was completely preoccupied with the destruction of the last remnants of unified political opposition in Hungary through the merging of the two workers parties, namely the SDP and HCP, to seize monopoly power. Hungary was about to follow the example of Romania, where the two parties were fused on 21-23rd February, 1948. Between 13th and 23rd February 1948, an official delegation led by Rákosi and including the pro-communist István Dobi, of the SHP, the leftist Péter Veres, from the NPP and Károly Szakasits of the SDP, visited Moscow to discuss, inter alia, the merger. Although Szakasits returned dissatisfied and protested that there should not be a forced merger, under left-socialist orchestrated pressure within the party led by György Marosán, the HCP's tool and servant of the merger, he soon had to accept the inevitable.⁽²¹⁵⁾ The party's XXXVI Congress, held on 6th-8th March 1948, confirmed that this communist led coup had succeeded. The Joint Liaison Committee of the Politbureau, established on 10th March, decided that the two parties would be merged by 1st July 1948. By 21st April the Joint Politbureau

decided that the name of the merged party would be 'Magyar Dolgozók Pártja' (MDP), i.e., Hungarian Workers Party (HWP).

Thus, when the Soviet note was sent in March the HCP leadership was clearly working hard on the problems of unification so that the party could conclude the last stages of seizure of total power, by bringing about the unity of the Marxist-Left so as to clear the road for the full 'socialist transformation'. Subsequently, the party was preoccupied with the preparation for the forthcoming First Congress of the unified parties and found no time to spare for the thorny problems of agriculture.

The resolutions of the Congress, which met on 12th-14th June 1948,⁽²¹⁶⁾ bringing to an end the Hungarian 'Kerensky era', was itself largely concerned with the problems of unification and said very little on agriculture. The congress approved the new basic rules for the merged party and proclaimed that it was guided by Marxist-Leninist ideology, which had victoriously completed the struggle against 'reformism' and 'opportunism'. After assessing the social, economic and political changes in the country since 'liberation', the Congress enumerated the most important tasks facing the country: the purging of the remnants of 'reactionary' elements from the state administration, passing a new law for the Constitution, reorganising the 'Independent Front' to suit communist interests, consolidation of the system of planning and drafting of a five-year plan, nationalisation of the Church Schools and the introduction of reforms in education.

The Congress said very little new and original on agriculture. What little it did say was mainly adopted directly from the party's earlier 'Guidelines for the Cooperatives'. Some increased impatience and urgency may be detected in the greater emphasis on the urgent development of producer's cooperatives and Machine Tractor Stations and in the demand for greater protection for the 'defenceless' poor peasants against the 'village capitalists' who exploited them.

The resolution declared that the 'decisive task is to provide the opportunity for small-scale peasant farming and the application of technology and science' called for further restraining measures on the influence of the richer peasants, by increasing further the burden of taxation. While the Congress still paid lip service to the defence of private property, it declared its opposition to further distribution of smallholdings and demanded the pre-emptive right of transfer of land to the state and the compulsory surrender of large land leases, acquired by the wealthy peasants, in order to establish land-leased cooperatives for the benefit of landless agrarian workers and smallholder peasants.⁽²¹⁷⁾

During the summer of 1948, however, events began to move fast. The policy of gradual transition was completely abandoned, the theory of people's democracies was redefined and policies were replaced by total mechanical application of Soviet economic practices, accompanied by the unconditional 'sharpening of the class-struggle'. The peasants, indeed the entire population - after the political and economic developments that had taken place - expected the First Congress of the merged parties to announce the process of collectivisation. Although no policy decision was made a feeling of uncertainty swept through the country. The peasants began to make painful mental preparations for any possible confrontation and the ensuing bitter struggle. They still hoped, however, that they might be reprieved, at least for some time to come. This, however, was not to be.

Chapter 6

1. While the dissolution of collectives in Poland, in 1956, was accepted only as a transitional solution, the various debates suggest that the party leadership still firmly believes in the ultimate socialist transformation of agriculture. See discussions by M. Mieszczankowski The system of gradual socialisation, *Zycie Gospodarcze*, No. 15, 1967.

To achieve an ultimate socialised agriculture there exist four schools:

- (i) who advocate the use of 'agricultural circles' as a vehicle
- (ii) who favour the expansion of contractual deliveries as means of gradual socialisation
- (iii) who consider the above two groups as unrealistic and believe that collectivisation is the only way
- (iv) advocates of the so-called 'etatisation'. They urge the state to acquire land owned by old or inefficient peasants in turn of an annuity. This land would be used to expand or create State Farms.

All agree, however, that application of force for the purpose of socialisation is unacceptable. See: ed. Jerzy F. Karcz Soviet and East European Agriculture, University of California Press, Berkeley and Los Angeles, 1967.

2. David Mitrany, in his fundamental work, Marx against the Peasant, Weidenfeld & Nicolson, London, 1951, on the other hand, showed that marxism and peasant populism are irreconcilable concepts, excluding one another. See also, marxist arguments in: K. Marx & F. Engels: The Communist Manifesto; F. Engels, The German Peasant War; Marx-Engels Selected Works Vol. 1; F. Engels The Peasant Problem in France and West Germany; Marx-Engels Selected Works Vol. 2.
3. J. Stalin, Voprosi Leniniizma, Gosudarstvennoe Izdatelstvo Politicheskoy Literaturi, 1945, p.150.
4. Szabad Nép, 2nd July 1950, p.7.
5. Felszabadulás 1944 szeptember 26 - 1945 április. Dokumentumok hazánk felszabadulásának és a magyar demokrácia megszületésének történetéből, Bp. Szikra, 1955, pp. 17-18.
6. Views of historians differ on this question. The official Hungarian view, accepted by some western historians, is that no such 'blue print' existed. That the HCP, in 1945, itself in the unknown was ready to play the game of democratic fronts. For an interesting western view see: M. Molnár, A short history of the Hungarian Communist Party, Westview Press, Colorado, 1978, pp. 113-116.
7. Rákosi's speech and the resolutions of the 'Whitsun Conference' in S. Balogh - L. Izsák, Pártok és Pártprogramok Magyarországon (1944-1948), Tankönyvkiadó, Bp. 1977, p.188.
8. György Kiss, Jegyzetek az első évekről 1944-1948, Gondolat, Bp. 1976, pp. 184-185.

9. Mátyás Rákosi, A népi demokrácia útján, Válogatott beszédek és cikkek, (Selected speeches and articles), Bp. Szikra, 1955, p.67.
10. P. Kecskeméti, The Unexpected Revolution, Stanford University Press, 1961, p.23.
11. The Yugoslavs moved to establish a single party-state by introducing the single-list, in November 1945, too quickly for Stalin's purposes.
12. E. Strassenreiter - P. Sipos, Rajk László, Akadémiai Kiadó, Bp. 1978, p.163.
13. György Kiss, Jegyzetek az első évekről ... op.cit., p.89.
14. Bálint Szabó, Népi demokrácia és forradalomelmélet. A marxista forradalomelmélet fejlődésének néhány kérdése Magyarországon 1935-1949, Bp. Kosuth, 1970, pp.153-158.
15. This was the most commonly used term. But 'People's Democratic Transformation' was also used and as time went more and more frequently the name 'People's Democratic Revolution' was used.
16. Compared to western 'Front Populaire', the main difference is that in the west the communist party never managed to take the defence and political portfolios etc. Also, in People's Democracy, the composition of coalition was permanent and unchangable. It provided a 'tenure' to the communists in positions they pre-empted. Coalition 'blue print' was so contrived that only communists could gain power within it. It was an excellent device by which to prepare the ground for a delayed seizure of exclusive power.
17. Other East European countries had no 1919 to recall. The communists could play upon the expectations of the disgruntled. In Hungary, on the other hand, Béla Kún's regime was there to live down - a memory hated by the peasants, disliked immensely by the middle classes, not entirely happy for the industrial workers.
18. Mátyás Rákosi, A népi demokrácia útján ... op.cit., p.120.
19. Ibid., p.121
In view of the presence of the Soviet Army the case would appear to be somewhat overstated.
20. József Révai 'A népi demokrácia jellegéről', Társadalmi Szemle, No. 3-4, 1949, p.164.
21. In this respect see 'Note' to Bulgaria on 18th August, 1945, and proceedings of Foreign Ministers Conference, London 11th September, 1945.
22. The reason for this was that in Hungary the roots of prewar political system was stronger. Also, the country was not 'liberated' by the masses of People, hence they did not identify so much with the new system.

23. There was, however, strong communist influence among the leaders of the most important trade unions, e.g., mining, building, construction etc.
24. Zoltán Vas, Hazatérés, 1944, Bp. Szépirodalmi, 1970, p.172.
25. Antal Bán, Hungary, in Denis Healey: The Curtain Falls. The Story of the Socialists in Eastern Europe, London, Lincoln, Praeger, 1951, p.67.
26. Zoltán Vas, Hazatérés ... op.cit., p.169.
27. George Schöpflin, Hungary in M. McCauley (ed.), Communist Power in Europe 1944-1949, University of London, 1977, p.103. Ernő Gerő, who died recently, was kept in fairly hermetic isolation and only the Party's Historical Institute had access to him. The rumour referred to comes from very reliable sources in Hungary.
28. Bálint Szabó, Népi demokrácia és forradalomelmélet ... op.cit., pp. 183-185.
29. A magyar népi demokrácia története 1944-1962, Bp. Kossuth, 1978, p.43.
30. Ibid., p.44.
31. Ibid., p.45.
32. Sándor Nógrádi, Történelmi Lecke, Bp. Kossuth, 1970, p.398.
33. György Marosán, Tüzes kemence, Bp. Magvető, 1968, pp. 779-792.
34. A magyar népi demokrácia... op.cit., p.45.
35. Sándor Balogh, Parlamenti és Pártharcok Magyarországon 1945-1947, Bp. Kossuth, pp. 40-41.
36. A magyar népi demokrácia... op.cit., p.45.
37. István Tóth, A Nemzeti Parasztpárt története 1944-1948, Bp. Kossuth, 1972, pp. 7-91.
38. A magyar népi demokrácia... op.cit., p.46.
39. Bálint Szabó, Népi demokrácia és forradalomelmélet ... op.cit., pp. 138-139.
40. A magyar népi demokrácia... op.cit., pp. 46-47.
41. Charles Gati, The Politics of Modernisation in Eastern Europe, New York, Praeger, 1974, pp. 78-83.
42. István Tóth, A Nemzeti Parasztpárt ... op.cit., pp. 73-77.
43. Ibid., p.78.
44. Ibid., p.80.

45. Zoltán Tildy, 'Irány és teendők', Uj Látóhatár, No. 1, 1962, pp. 75-76.
46. Bálint Szabó, Népi demokrácia és forradalomelmélet ... op.cit., pp. 143.
47. István Tóth, A Nemzeti Parasztpárt ... op.cit., p.83.
48. P.I. Archives, 284-13 I.B. jkv. 8th May, 1945
49. P.I Archives, 274/15-9 jkv.
50. István Tóth, 'A koalíciós pártok centrumának jellegéről és szerepéről a népi demokratikus forradalomban', Párttörténeti Közlemények, No. 1, 1970.

Ágnes Ságvári, Tömegmozgalmak és politikai küzdelmek Budapesten 1945-1947, Bp. Kossuth, 1964, pp. 149-155.
51. P.I Archives, 283 - 14, IB.jkv, 24th August 1945.
52. Sándor Nógrádi, Történelmi Lecke ... op.cit., pp. 91-94.
53. Sándor Balogh, Parlamentari és Pártharcok ... op.cit., pp. 91-94.
54. A Magyar Kommunista Párt és a Szociáldemokrata Párt Határozatai 1944-1948, Bp. Kossuth, 1979, 2nd ed., pp. 153-160 (Resolutions of the Hungarian Communist Party and Social Democratic Party). Also, see full text in Szabad Nép, 23rd September 1945, pp. 1-2.
55. A magyar népi demokrácia... op.cit., p. 57.
56. Szabad Nép, 16th October 1945.
57. Szabad Nép, 19th January 1947.
58. A MKP És SZDP Határozatai ... op.cit., pp. 99-118.
59. 'Néppel a népért': A Nemzeti Parasztpárt Kiskatéja, Sarló Kiadás, Bp. n.d., p.45.
60. Igazság, 27th October 1945.
61. Kecskeméti Lapok, 4th October 1945.
62. A series of articles appeared on this theme in its daily, Igazság, between 15th September and 13th October 1945.
63. A magyar népi demokrácia ... op.cit., pp. 60-61.
64. Ferenc Nagy, The Struggle Behind the Iron Curtain, New York, The Macmillan Co., 1948, pp. 159-160.
65. It appeared that important agreements were reached at the Foreign Ministers Conference, in mid-December, on a number of issues, e.g., the framework for the Peace Treaty was worked out and ready for debate; decision to convoke the Peace Treaty negotiations by May 1946 for all

the former axis countries; Soviet agreement to expand the composition of governments in Romania and Bulgaria to include bourgeois, western oriented politicians, pushed out into opposition etc.

66. Kis Újság, 25th December, 1945.
67. Igazság, 8th January, 1946.
68. A magyar népi demokrácia ... op.cit., p.69.
69. P.I. Archives, F.KV. 84.
70. Kis Újság, 28th February, 1946.
71. Sándor Balogh, 'A politikai pártok és szervezetek kezdetei Magyarországon 1945-1946-ban. Párttörténeti Közlemények, 21, No.4, December 1975. pp. 51-82.
72. Magyar Közlöny, April 1947, Law no.XI.1947.
73. E. Helmreich, East-Central Europe under the communists: Hungary, Atlantic Books, London, Praeger, 1957, p.119.
74. Béla Kovács, 'Parasztegység vagy széthullott parasztság?' Kis Újság, 1st April, 1946.

Vince Vörös, 'Parasztegység', Kis Újság, 16th April, 1946.
'Parasztegységért vagy ellene, Magyar Parasztlelet, 26th May, 1946.

Péter Veres, 'Parasztegység-parasztpárt-parasztszövetség', Szabad Szó, 9th June, 1946.
75. István Tóth, A Nemzeti Parasztpárt ... op.cit., p.133.
76. Ibid., pp.198-199.
77. Ágnes Ságvári, Népfront és koalíció Magyarországon. 1936-1948, Bp. Kossuth, 1967, pp. 170-171.
78. János Molnár, 'Irányzatok harca az SzDP-ben 1946-1947', Párttörténeti Közlemények, 23, No.1, March 1977, pp. 12-22.
79. A magyar népi demokrácia ... op.cit., p.85.
80. Dezső Nemes, et al., A magyar forradalmi munkásmozgalom története, Bp. Kossuth, 1970, vol. 3, pp. 114-115.
81. István Tóth, A Nemzeti Parasztpárt ... op.cit. pp. 161-164.
82. A MKP és SzDP Határozatai ... op.cit., pp. 257-259.
83. István Tóth, A Nemezeti Parasztpárt... op.cit., pp. 164-165.
84. Ágnes Ságvári, Népfront és koalíció ... op.cit., p.144n.

85. István Vida, A független kisgazdapárt ... op.cit., p.215.
86. Ibid., p.216. The contemporary communist press put the attendance to no more than 50-60,000, Szabad Nép, 11th September, 1946.
87. A MKP és SzDPD Határozatai ... op.cit., p.256; Szabad Nép, 6th September, 1946, p.2.
88. Sándor Balogh, Parlamentari és Pártharcok ... op.cit., pp.310-323.
89. A magyar népi demokrácia ... op.cit., p.87.
90. For the full text see, A Magyar Kommunista Párt III. Kongresszusának jegyzőkönyve, Bp. Szikra, 1946.
91. Ferenc Nagy, The Struggle Behind ... op.cit., p.278.
92. Szabad Nép, 22nd September, 1946.
93. György Kiss, Jegyzetek az első évekről ... op.cit., pp.278-280.
94. P.I. Archives, 274,f.7/154.
95. Szabad Nép, 22nd September, 1946.
96. Sándor Balogh - Lajos Izsák, Pártok és Pártprogramok ... op.cit., pp.79-80.
97. A Magyar Kommunista Párt III. Kongresszusának Jegyzőkönyve ... op.cit., p.120.
98. Ibid., p.121.
99. Sándor Balogh - Lajos Izsák, Pártok és Pártprogramok, op.cit., p.80.
100. A Magyar Kommunista Párt III. Kongresszusának ... op.cit., p.121.
101. Ibid., p.346.
102. Kis Újság, 8th October, 1946.
103. István Vida, A független kisgazdapárt ... op.cit., p.232.
104. Független Magyarország, 16th September, 1956.
105. István Tóth, A Nemzeti Parasztpárt ... op.cit., p.392.
106. Ibid., p.199.
107. Szabad Nép, 1st December, 1946.
108. A magyar népi demokrácia ... op.cit., p.93.
109. Sándor Balogh, Parlamentari és Pártharcok ... op.cit., p.365.

110. György Kiss, Jegyzetek az első éverkről ... op.cit., pp.286-293.
111. Sándor Balogh, Parlamenti és Pártharcok ... op.cit., pp.474-476.
112. István Tóth, A Nemzeti Parasztpárt ... op.cit., p.202.
113. A MKP és SzDP Határozatai ... op.cit., pp.401-402.
114. Ibid., p.203.
115. Ibid., p.207.
116. Ibid., p.208.
117. Éva Szabó, A Magyar Kommunist Part. Legyőzhetelen erő. A magyar kommunista mozgalom szervezeti fejlődésének 50 éve. (The Hungarian Communist Party. Invincible force. Fifty years of evolution of the organisation of the Hungarian Communist Movement), Bp. Kossuth, 2nd ed., 1974, pp.175-176.
118. Sándor Balogh, Parlamenti és Pártharcok ... op.cit., p.428.
119. A MKP és SzDP Határozatai ... op.cit., pp. 450-461.
120. Ibid., p.454.
121. Sándor Balogh, Parlamenti és Pártharcok ... op.cit., p.428.
122. Ibid., pp.429-430.
123. István Tóth, A Nemzeti Parasztpárt ... op.cit., p.224.
124. The following numbers, Szabad Nép. 4th, 5th, 8th, 12th, 17th, 21st, 25th, 28th, 29th, June; 2nd, 3rd, 4th, 5th, 22nd July; 5th, 6th August, all refer to peasants leaving the SHP for the NPP.
125. István Tóth, A Nemzeti Parasztpárt ... op.cit., p.226.
126. Sándor Balogh, Parlamenti és Pártharcok ... op.cit., 435.

György Dózsa was a petty nobleman who in 1514 with a Crusade army, composed of peasant serfs, led an open revolt against the landlords. The revolt was defeated and Dózsa was burnt alive on a 'white-hot' throne as 'kings of the peasants'.
127. A Nemzeti Parasztpárt Programm javaslata, A Nemzeti Parasztpárt kiadása, Bp. 1947, p.2.
128. Ibid., p.7.
129. István Tóth, A Nemzeti Parasztpárt ... op.cit., p.231.
130. Sándor Balogh, Parlamenti és Pártharcok ... op.cit., p.479.
131. A magyar népi demokrácia ... op.cit., p.106.

132. István Tóth, A Nemzeti Parasztpárt ... op.cit., p.231.
133. For full text see, A MKP és SzDP Határozatai ... op.cit., pp. 495-498.
134. Ibid., p.497.
135. Ibid.,
136. Szabad Nép, 10th August, 1947.
137. János Molnár, 'Irányzatok harca a Szociáldemokrata Pártban 1946-1947-ben', Párttörténeti Közlemények, 23, No.1, March 1977, pp. 23-28.
138. A MKP, és SzDP Határozatai ... op.cit., pp. 485-493.
139. Ibid., p.487
140. István Tóth, A Nemzeti Parasztpárt ... op.cit., p.235.
141. Szabad Szó, 3rd August, 1947.
142. Sándor Balogh, Parlamenti és Pártharcok ... op.cit., pp.495-497
143. Hirlap, 12th August, 1947.
144. István Tóth, A Nemzeti Parasztpárt ... op.cit., p.237.
145. Szabad Szó, 22nd July, 5th, 6th August, 1947.
146. Sándor Balogh, Parlamenti és Pártharcok ... op.cit., p.516.
147. Ibid. p.514.
148. Népszava, 30th August, 1947.
149. Népszava, 10th August, 1947.
150. Sándor Balogh, Parlamenti és Pártharcok ... op.cit., p.517.
151. Népszava, 20th August, 1947.
152. György Kiss, Jegyetek az első évekről... op.cit. pp. 298-304.
(Delegates from the British Labour Party were Morgan Philips, Denis Healey).
153. Mátyás Rákosi, A fordulat éve, Bp. Szikra, 1948, p.82.
154. Desiderious Sulyok, Zwei Nächte ohne Tag, Zürich, Thomas, 1948, p.415.
155. Sándor Balogh, Parlamenti és Pártharcok ... op.cit., pp.532, 601-602.
156. Sándor Orbán, Két agrárforradalom Magyarországon, Bp. Akadémiai Kiadó, 1972, p.63n.

157. Eugenio Reale, Avec Jacques Duclos: Au Blanc des Accusés à la Réunion Constitutive du Kominform à Szklarska Poreba (22-27 September, 1947), Paris, Plon, 1958.
158. Bálint Szabó, Népidemokrácia és forradalomelmélet ... op.cit., p.221.
159. Eugenio Reale, Avec Jacques Duclos ... op.cit., pp.118-129.
160. Ibid., p.124.
161. Ibid. The Left-Wing-Bloc, after the Elections, had 271 seats, the opposition 140 seats in the National Assembly. In contrast to the 2 to 1 split in the legislature with the formation of the pro-communist Dinnyés Government on 23rd September 1947, the Left-Wing-Bloc held all the cabinet posts.
162. Z. Brzezinski, The Soviet Bloc: unity and conflict, Harvard University Press, Fourth Printing, 1971, pp.61-62.
163. Bálint Szabó, Népidemokrácia és forradalomelmélet ... op.cit., pp.219-229.
164. Ibid., pp.220-221.
165. A MKP és SzDP Határozatai ... op.cit., pp. 537-547.
166. Ibid., p.547.
167. A magyar népidemokrácia... op.cit., p.128.
168. Imre Nagy, Egy Évtized. Válogatott beszédek és cikkek, Bp. Szikra, 1954, Vol. I, p.438.
169. A magyar népidemokrácia ... op.cit., p.128.
170. Ibid., p.128.
171. Bálint Szabó, Népidemokrácia és forradalomelmélet ... op.cit., p.231-234.
172. A Magyar Kommunista Párt és a Szociáldemokrata Párt Határozatai ... op.cit., pp.537-538.
173. By the end of 1947 with 60 per cent of workers in mining and industry, all the large-scale transport sector and almost all credits, the structure of the economy tilted in favour of state ownership. A magyar népidemokrácia története... op.cit., p.127.
174. Peter Veres, 'Egykéz vagy Szövetkezet?', Közgazdaság, 29th September, 1946.

Imre Kovács, Agrárpolitikai feladatok, Misztófalusi, 1947, p.26.
175. Ferenc Erdei, A Szövetkezeti úton. Válogatott cikkek és beszédek, Bp. Szikra, 1956, pp.145-173.

176. A MKP és a SzDP Határozatai ... op.cit., p.539.
177. Ibid., pp.543-544.
178. Ibid., pp. 544-545.
179. Emil Borsi, 'A szocialista mezőgazdasági szövetkezeti mozgalom kialakulásának előtörténetéhez', Párttörténeti Közlemények, No. 4, 1964.
180. István Tóth, A Nemzeti Parasztpárt ... op.cit., pp. 258-259.
181. Ibid., p.260.
182. Ferenc Erdei, A magyar mezőgazdaság fejlődésének 20 éve. Húsz év. Tanulmányok a szocialista Magyarország történetéből. Bp. Kossuth, 1964, pp. 117-118.
183. István Tóth, a Nemzeti Parasztpárt ... op.cit., p. 261.
184. Sándor Balogh - Lajos Izsák, Pártok és Pártprogramok ... op.cit., p.134.
185. István Tóth, A Nemzeti Parasztpárt ... op.cit., p. 262-264.
186. Péter Veres, 'Még egyszer, de nem utoljára szövetkezetekért', Szabad Szó, 6th November, 1947, 11th December, 1947.
187. Szabad Szó, 8th January, 1948.
188. István Tóth, A Nemzeti Parasztpárt ... op.cit., p. 264.
189. Bálint Szántó, 'Szövetkezeti Tanulmányút', Társadalmi Szemle, No. 2, 1948, p.140 and Szabad Szó, 8th January 1948.
190. Ferenc Erdei, A magyar szövetkezeti mozgalom új útján. Nagy Imre és Gyöngyösi János hozzászólásával, Bp. Sarló, 1948, p. 38.

'A Nemzeti Parasztpárt Szövetkezeti Programja' in S. Balogh - L. Izsák, Pártok és Pártprogramok ... op.cit., pp. 377-388.
191. Ferenc Erdei, A magyar szövetkezeti ... op.cit., pp. 8-10.
192. Sándor Balogh - Lajos Izsák, Pártok és Pártprogramok ... op.cit., pp.134-135.
193. Ferenc Erdei, A magyar szövetkezeti ... op.cit., pp. 19-20.
194. A magyar népidemokrácia ... op.cit., p.173.
195. Ibid., p.124.
196. István Vida, A Független Kisgazdapárt op.cit., p.346.
197. The content of the note has not been revealed. After extensive research the only brief reference to confirm its existence was found in Sándor

- Orbán, Két Agrárforradalom Magyarországon. Demokratikus és szocialista agrárátalakulás 1945-1961. Bp. Akadémiai Kiadó, 1972, p. 71, fn.29.
198. Iván T. Berend, Ujjáépítés és a nagytőke elleni harc Magyarországon 1945-1948, Közgazdasági és Jogkiadó, 1964, p.373.
199. Ibid., pp. 374-376.
200. For the full text see: A MKP és SzDP Határozatai ... op.cit., pp. 564-576.
201. István Tóth, A Nemzeti Parasztpárt ... op.cit., p. 271.
202. Források a Magyar Népidemokrácia Történetéből. Dokumentumok a magyar mezőgazdaság Történetéből (1945-1948). (Sources to the history of People's Democracies. Documents from the history of Hungarian Agriculture. 1945-1948). Bp. Kossuth, 1977, p. 193.
203. A magyar népidemokrácia ... op.cit., p.126.
204. A MKP és SzDP Határozatai ... op.cit., p.564-565.
205. Ibid., p.565.
206. Ibid., pp. 565-566.
207. Eastern Europe, Vol. 4., No. 169. 9th February, 1948, p.4.
208. Imre Nagy, as noted earlier, came into conflict with the party's official agrarian policy, already, at its 2nd Congress in January 1930, held in Vienna. Then he advocated the distribution of land to the peasants, against the official view which favoured collectivisation. He was accused to hold Bukharinist views and was made to retract. Ferenc A. Váli, Rift and Revolt in Hungary, Harvard University Press, 1961, p. 34, and Szabad Nép, 5th May 1952.
209. Miklós Molnár, Budapest 1956, George Allen & Unwin, 1971, p. 26.
210. Imre Nagy, Egy Evtized ... op.cit., vol. 1, pp. 438, 449 and vol. 2, pp. 44, 113-114.
211. Francois Fejtő, Behind the Rape of Hungary, David McKay Company, New York, 1957, p.145.
212. The first MTS were formed at the beginning of 1948 under the 3 Year Plan. By November 1948 there were still as few as 80 of them.
213. Imre Nagy, On Communism, in defence of the new course, Thomas and Hudson, 1957, p. 195.
214. Ibid., pp. 194-195.
215. For an interesting personal account of the process of merger see, György Marosán, Az úton végig kell menni, Bp. Magvető, 1972, pp.386-476.

216. A MKP és SzDP Határozatai, op.cit., pp. 587-605.
217. 'A Magyar Dolgozók Pártja Programnyilatkozata', Társadalmi Szemle,
April-May, 1948, pp. 256-260.
The programme was adopted as resolution by the Congress.

THE EVOLUTION OF AGRICULTURAL POLICIES IN HUNGARY 1919-1956:

A STUDY IN COLLECTIVISATION

by

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**A Thesis Submitted for the Degree of Doctor
of Philosophy in the Faculty of Social
Sciences, University of Glasgow**

Volume Two of Two Volumes

**Institute of Soviet and East
European Studies, University
of Glasgow**

January 1988

PART III: SOCIALISED AGRICULTURE, 1948-1953:

THE PHASE OF COLLECTIVISATION

In the summer of 1948, now that the SDP was incorporated, the opposition effectively silenced, the factories and banks nationalised, the HCP achieved, virtually, sole political power. It could now turn its attention to the communist reorganisation of the nation's economic and political life which, as in other East European countries, essentially meant the subservient copying of Stalinist economic and political policies. After a brief initial state of tentativeness over tactics and the political structure for that power in People's Democracy, all pretence of gradualism and regard for local conditions was abandoned. Hungary was to be transformed from an agricultural to an industrial country. In the interest of rapid, forced, industrialisation - which was a brutal action programme rather than sound economic planning - agriculture was subordinated and economic development was regulated by purely political considerations which served Soviet interests.

Until then, success had followed success and nothing seemed impossible for the HCP. The task the Party now wished to accomplish, however, surpassed everything: within a few years it wanted to liquidate the rural well-to-do peasants and force the entire rural population to join the collectives, for which the Soviet 'kolkhoz' system served as the example. It wished to build 'socialism in the countryside' as soon as possible. Instrumental in the decision was the onset of the 'Cold War' and the Cominform meeting which discussed the controversy that surrounded Tito's defection and the subsequent Soviet-Yugoslav split. Stalin moved quickly to consolidate his empire and created the excuse the Hungarian communists needed for turning Hungary into a miniature carbon-copy of the USSR. One of the accusations against the Yugoslavs was that they had pursued a 'kulak-policy' and denied the necessity of collectivisation. The

exemplary Hungarian communists, with their over-zealous basic attitude, reflecting what Moscow wanted from Hungary, were determined to show how to pursue genuine, socialist, anti-kulak policy in the countryside. Somewhat later than in other East European countries⁽¹⁾, the actual announcement of collectivisation was made at the 'Új Kenyér Ünnepe' (Harvest Festival) meeting in Kecskemét, on 20th August, 1948. The announcement put the finishing touch to the numerous policy pronouncements, lies and deceits, claims and denials and counterchanges that had characterised the HCP's agricultural policy since its foundation in 1918.

The process of collectivisation, during the period between August 1948 and June 1953, and the methods employed, totally alienated the peasantry and, with the ill conceived emphasis on heavy industry, brought an economic disaster for the country which had clearly not been foreseen.

Chapter 7: The Process of Collectivisation; the first stage

7.1 Decision to Collectivise

June 1948 was one of the most eventful and important months in the post-war history of the HCP. Everything seemed to happen at once. The first major event was the merger with, or more accurately absorption of, the SDP. By this 'merger' the HCP eliminated the last challenge to its claims to be the spokesman of the working class. The new Party, named 'Hungarian Workers' Party' (Magyar Dolgozók Pártja)⁽²⁾, essentially the HCP in disguise, became the sole repository of political power. The political structure to exercise that power and the tactics to bring about a faster transition to the dictatorship of the proletariat, the possibility for which was created by the 'merger', were still in a state of flux. The 'Congress of Unity', on 12th-14th June, for reasons discussed earlier, still adopted a relatively gradualist, cautious programme. But in the immediate post-Congress adjustment process, focused on the further tasks of socialist construction, initially in an atmosphere of 'self-glory' and 'self-congratulation', for the victory over the SDP, serious work had already begun, behind the scenes, to evolve and introduce new tactics for the imposition of full socialism. First, however, the Party had not only to resolve the problems arising out of the absorption of the SDP i.e., to begin a purification process of the now somewhat diluted new party, to rid itself of the vestiges of the ideology of 'social democracy', but to overcome this problem at a time when the HWP itself was not totally free from 'sectarianism' and 'revisionism', represented on the one hand, as noted earlier, by the Muscovite, Imre Nagy, and on the other by the group of indigenous 'home' communists loosely centered around László Rajk. It has already been shown that Rákosi and his friends, Gerö, Farkas and Révai while still in Russia, decided that when the time came they would not share the real power with the home communists in the Party.⁽³⁾

Meanwhile, preparations were being made for the second important event of the month, the removal of Zoltán Tildy, the last outpost of SHP power, from the post of President of the Republic, which he occupied since 1946. He was implicated in an internal political scandal which erupted around Victor Csornoky, his son-in-law.⁽⁴⁾ Tildy was forced to resign in July, and with his fall the SHP was completely destroyed as a political factor. Tildy was succeeded by the pro-communist leader of the now defunct and 'submerged' SDP, Árpád Szakasits, as a reward for his services in helping to align his former party with the communists.⁽⁵⁾

It was in this milieu that, in late June, the third important event of the month, the harmful Soviet-Yugoslav controversy, erupted into open confrontation, imposing important modifications on the Party by the new Cominform line. This meeting marked a turning point in the Soviet attitude towards Eastern Europe, and produced far reaching effects in Hungary's economic and social environment.

There is no doubt that the Fourth Cominform meeting, gathered in Bucharest between 19th and 23rd June, and the subsequent split between Cominform and Tito, was, from Communist viewpoint, the most important event in the calendar of 1948. It resulted, inter alia, in a dramatic turning point in the Party's agricultural policy. It was an emotionally charged meeting, not attended by the Yugoslavs, and its resolution⁽⁶⁾, published on 27th June, accused the Yugoslavs of believing in the possibility of eliminating capitalism and the class struggle without resorting to collectivisation. A brief summary of the accusations runs as follows:

- (i) pursuing an incorrect line on the main questions of home and foreign policy
- (ii) falling into the Menshevik 'heresy' of absorbing, instead of liquidating, the capitalists and other counter-revolutionary elements.

- (iii) fostering nationalism and pursuing an unfriendly policy towards the Soviet Union and the CPSU(B)
- (iv) favouring the People's Front instead of the Party
- (v) denying the growth of capitalist elements in their country and consequently, the sharpening of class-struggle in the countryside:
 - (a) they were pursuing an incorrect policy by ignoring the class differentiation and regarding the individual peasantry as a single entity, contrary to Marxist-Leninist doctrine of classes and class-struggle, contrary to the well known Leninist thesis that 'small individual farming gives birth to capitalism and the bourgeoisie continually, daily, hourly, spontaneously on a mass scale'.
 - (b) pursuing a policy under which individual farming predominated, land was not nationalised, there was private property in land and land could be bought and sold, much of the land was concentrated in the hands of the kulaks and hired labour was employed.

The Cominform resolution indicated that the liquidation of the capitalist elements and, hence, the kulaks as a class could not be achieved

as long as individual peasant economy predominates in the country, which inevitably gives birth to capitalism, as long as conditions have not been created for the large-scale collectivisation of agriculture; and as long as the majority of the working peasantry is not convinced of the advantages of collective methods of farming. The experience of the CPSU(B) shows that the elimination of the last and biggest exploiting class - the kulak class - is possible only on the basis of the mass collectivisation of agriculture, and the elimination of the kulak as a class is an organic and integral part of the collectivisation of agriculture.⁽⁷⁾

Not only did the Soviet Union accuse the Yugoslavs of making mistakes, but, by drawing on its own historical experience, the USSR provided 'guidance' as to the correct policy that should be followed.

Behind all these accusations, of course, lie Soviet criticisms of the behaviour and doctrine of the Yugoslav Communist Party itself. Without

supporters among Cominform members, although what was said privately among communists was not known, the meeting unanimously first condemned and then expelled the Yugoslavs from the brotherhood of this recently founded 'League of Communist Nations'.

The Soviet-Yugoslav split, apart from its international dimensions⁽⁸⁾, significantly affected the internal party politics and economic policies of all East European countries, especially with regard to agriculture. The 'right-wing' nationalist deviation had to be crushed throughout Eastern Europe. The communist leaders in these countries were reproached for having failed to acknowledge the validity of Marxist theory of classes and class-struggle; to anticipate the 'reformulated', changing, Stalinist line that class-struggle in agriculture, as taught by Marxism-Leninism, was getting stronger and sharper during the period of transition from capitalism to socialism, and not less intense as stated by Bukharin, and that the use of administrative measures were necessary to eliminate the enemy. The example of Poland - where the Central Committee of the Party passed a resolution censuring the deviation of the Gomulka leadership⁽⁹⁾, together with the Cominform resolution, were to serve as the Stalinist guidelines for all other East European countries.

How did the Hungarian communists react to the Cominform resolution? It is difficult, even now, to get a clear picture on this question. It would appear from available information and public statements that the resolution caught them unaware, creating a certain degree of ideological confusion and perplexity among them. The issue was, apparently, debated for a few weeks in different party circles.⁽¹⁰⁾ It was still possible to conduct theoretical debates, at least in party circles, and there were a number of critics who pointed out the internal contradictions in the Cominform statement and what Yugoslavia's expulsion meant for the communist movement. Despite this it seems unlikely that the Rákosi inner leadership, as distinct from leading Hungarian communists

generally, could have been taken by surprise by the Stalin-Tito split and, in fact, the evidence was clearly there signalling these developments. The 'apparent' confusion and hesitations manifested in the post-Cominform public statements had different origins. First, when after an official visit to Yugoslavia, in late 1947, Rákosi was summoned to Moscow to report, his praise of Tito was received in silence by Stalin.⁽¹¹⁾ Second, the quarrel between Stalin and Tito was carried on from about mid-March to the end of May in the form of several exchanges of letters between the two countries.⁽¹²⁾ For example, a letter, dated 4th May, giving a lesson to the Yugoslavs in doctrine - with special reference to the position of the peasants in a communist state - alleged that Tito rated the peasants above the working class and had also failed to distinguish between kulaks and other peasants as Lenin required. Several other, similar, communications were exchanged between the two countries and the final note was sent on 22nd May. These must have been known generally, if not in full details, and certainly communists were aware that not everything was in order with Yugoslavia. Indeed, everyone was attacking Yugoslavia then and, like its sister parties, the Hungarian Communist Party too quickly imitated the Russians by sending critical letters to Belgrade in the spring of 1948.⁽¹³⁾ Third, according to one account, before the actual Cominform statement there were already rumours and pointed remarks by insiders 'in the know' from which it would have been possible to construe that the situation regarding Yugoslavia was critical.⁽¹⁴⁾ Hungarian communists returning from official visits to Yugoslavia, prior to the Cominform resolution, made the occasional comment on the differences between the People's Democracies of Hungary and Yugoslavia, especially with respect to the relations between the Party and the People's Front. These comments, seemingly, inspired very little interest in Hungary but they did so in Moscow. Understandably, perhaps, as it was not so long since the Cominform founding meeting had endorsed the Yugoslav model and the

Hungarian communists made the Yugoslavs, noted for their revolutionary zeal, an example to follow, at any rate, up to the early spring of 1948. Fourth, according to the same source, Rákosi and Farkas, during an earlier official visit to Moscow, were in fact the first to denounce Tito and his colleagues in front of the Soviet leadership.⁽¹⁵⁾ Fifth, as noted earlier, Stalin and Molotov had already requested in March 1948 that collectivisation of agriculture in Hungary be speeded up. Thus, on balance, there is little doubt that at least the inner circle of the Rákosi leadership was fully aware of these developments, possibly even welcomed them. It is likely, however, that those communists who did not belong to the Muscovite 'inner temple' of Rákosi, and the lower echelons of the Party hierarchy, may not have been fully aware of these developments; to them they may have come as a surprise, a shock, 'lightning out of the, perhaps, not so blue sky'.

The real reason, it is argued for the apparent 'confusion' and 'perplexity' that undoubtedly could be observed in the various public statements that followed the Cominform resolution was quite different. Instead of being manifestations of genuine surprise, as suggested officially and by others, they were, in fact, the direct product of the deliberate policies of the Rákosi leadership, designed:

- (i) to generate a degree of confusion and uncertainty not only amongst the public, and more specifically amongst the peasants, but, perhaps primarily, amongst the various intra-party groups and factions, and
- (ii) to conceal and/or to distort the essence of events, the nature of the measures planned, before they were ready to be put into effect.

Such motives would be consistent with the character and attitude of the HCP, especially the Rákosi leadership, ever since the inter-war period.

From the available information it is clear that after lengthy discussions and several requests made by the Russians in the early part of 1948, the question of collectivisation was irrevocably decided by the Cominform resolution. When the Cominform met in June to approve the resolution denouncing Tito's 'heresy' the Hungarian delegation, Mátyás Rákosi, Ernő Gerö and Mihály Farkas, the senior 'Muscovite' hardliners, naturally voted in favour. The resolution also included sections which dealt with the question of collectivisation. The Hungarian delegates agreed to this too without, it appears, either consulting the full Central Committee or having obtained its prior approval. This was to be done, ex post, later. Indeed, both the specially enlarged Central Committee, which met on 30th June, and the Politbureau, which met on 13th July, were presented with a fait accompli. The decision was 'approved' as expected, though not without opposition. The importance of all this is that the collectivisation decision taken first at the Cominform meeting and subsequently approved was deliberately not followed by a public announcement until almost two months later. The new Hungarian Workers' Party (HWP) did not make its changed attitude public, i.e., that it had moved away from the Spring 'Cooperative' principle. So, officially and in practice for a brief period, the slower, gradual, reorganisation of agriculture, within the framework of the 'General Village Cooperative' concept, was still valid. The significance of the Cominform meeting in deciding to collectivise cannot be overestimated. Hungarian communists never failed, even years later, to emphasise the Cominform resolution in June 1948. This can be seen, for instance, in the informative lecture by András Hegedüs, a spokesman on agricultural matters, addressing the Party College, on 5th October, 1950. He stated that,

in the changed circumstances the development of our party's rural policy was greatly helped by the memorable resolution of the Cominform⁽¹⁶⁾

and that the resolution was

a warning to our party too that the building of socialism in the villages was a historical necessity in all People's Democratic countries, and therefore in our country too.

The consequence of this 'memorable' resolution were not long coming. In its main aspects it meant that:

- (i) there was no 'different Hungarian road', if ever there was one
- (ii) the class struggle had to be waged vigorously, notably in agriculture
- (iii) a political monolith had to be created at the expense of the semi-pluralistic façade envisaged in the new 'Independence Front'.

Following the anti-Yugoslav resolution of the Cominform, the HWP began to reappraise its political direction and, very soon, previous forms and methods, established during the People's Democratic stage, began to be liquidated. The party itself was soon thoroughly reorganised and those opposing, inter alia, the new agricultural policies, e.g., the Debrecen group, László Rajk, the national communists, János Kádár, Gyula Kállay, Géza Losonczy and the 'Muscovite' Imre Nagy, were first neutralised and then, by 1949, either removed from power, imprisoned or executed. The party had to become an effective instrument of the new line.

The full elaboration of the impact of the new dogma emerged only gradually. Initially, from the ambiguous, often contradictory, public statements made in June and July on agrarian and cooperative policies by the HWP, no one could have predicted the imminent commencement of collectivisation. The ambiguity and contradictions can clearly be seen in the long speech delivered by Mátyás Rákosi to the Metropolitan Party Functionaries on 2nd July, the second day of the enlarged Central Committee Plenum.⁽¹⁸⁾ Analysing the impact of the

Cominform resolution, and criticising Yugoslavia's rural policies, Rákosi argued that the Cominform's call for socialist transformation of agriculture did not mean collectivisation. It is worthwhile to quote him in full. Thus,

many comrades have raised the question whether the Cominform resolution does not mean that our party has to put the kolkhoz question, immediately, on the agenda. It is a well justified question since I hear our enemies are spreading this rumour up and down the country and use this for their propaganda purposes ... the communists do not hide their views and aims ... when we drafted our programme, held our Congress and indicated the road to be followed, for a long time ahead, we already knew about the Yugoslav question. In spite of that neither the Congress nor our programme demanded a change in the rural policies of the HWP. Those who now proclaim that the communists, from one day to the next, suddenly raise the question of kolkhozes naturally wish to create confusion and mislead the peasantry. The Cominform resolution, in fact, does not mean that all Communist parties have to put the question of collectivisation on the agenda ... (but the resolution warns) ... that it is not enough to build socialism in the towns and that it is impossible to establish socialism if socialism is not built in the villages ... it is impossible to build socialism in the villages as long as the exploiting elements, the peasant-blood sucking well-to-do farmers, the kulaks, the speculators are growing there freely, until the majority of working peasants ... do not seek the way out of their misery.⁽¹⁹⁾

The whole situation, as a result, was most confusing and the main culprit, of course, was the central leadership. This can be seen from another confusing statement, added by Ernő Gerő, speaking at the First Cooperative Conference, a few days later, taking a different position from Rákosi and blaming the Yugoslav Communist Party for changing direction to 'liquidate the last vestiges of capitalism too quickly'.⁽²⁰⁾ At times, confusion was created by changing the order of conditions, designating the development of advanced socialist cooperatives as the instruments that would liquidate exploitation by well-to-do peasants. Nevertheless, there was one major theme of consistency that can clearly be discerned in all the various concepts: they all pointed towards the sharpening of class-struggle against the wealthy peasants. Indeed these,

seemingly orchestrated, attacks on the wealthy peasants were continued by Mihály Farkas in a statement on 5th July, when he added his voice to the debate on the building of socialism in Hungary, for which, he declared, conditions must be created in the towns and villages. Thus,

the working class will find that by cooperating with, and not opposing the peasantry, complete victory for socialism will be possible.⁽²¹⁾

Furthermore, in his view, it was essential to liquidate the reactionary groups rallying around the kulaks, just as capitalism had been liquidated in the towns. If the peasants had misgivings about the party policy then,

they must come from the ranks of the kulaks, for small farmers, oppressed by the kulaks, can hardly be anxious.⁽²²⁾

The attacks against the 'village capitalists' rapidly became even sharper, as the situation after the Cominform resolution was getting tense, and more and more communist rural experts, e.g., Ferenc Donáth, added their voices to the onslaught. On 12th July, for example, he declared that the kulaks were becoming wealthier at the expense of working peasants and that

these exploiting forces are doing everything to maintain and increase their accumulated wealth and their political power ... The cooperatives are the main front of the class-struggle in the villages and the infiltrating exploiters must be excluded from the leadership.⁽²³⁾

On 10th-11th July 1948 the First Cooperative Conference of the HWP⁽²⁴⁾ met in Budapest. Ernő Gerő, the economic overlord and member of the Politbureau, in his key address to the Conference, generated further confusion by endorsing, in his closing statement, in essence the continuation of the agrarian policy of the

Party as published in the 'Guidelines for Cooperatives' in April 1948. The only outward sign of a changed agrarian policy was that the Conference, more than ever before, was intensively pre-occupied with the question of the Cooperative Movement. Gerö, in defining the tasks ahead, stated that it was time to develop cooperatives not only in marketing but also in agricultural production. He emphasised that this was not because the Party had changed its ideological stance, but because Hungary had seriously 'lagged behind in the field of cooperation' since for other 'temporary and more important reasons' it had neglected this extremely important area. (25)

The immediate reason, paradoxically, for calling a Conference was to provide guidelines to communist activists in the Cooperative Movement and to rural party apparatchiki who, not surprisingly, were getting more and more confused on the cooperative question. The Conference, however, three weeks after the Cominform resolution, still ruled that conditions in Hungary were not yet ripe for mass collectivisation and declared that to 'jump' a stage of development could prove to be a difficult and dangerous task. The Conference, nevertheless, stressed that cooperation should be helped, but only those forms should be encouraged which were voluntarily wanted and favoured by the working peasants themselves. This statement was, of course, still in accordance with the April 'Guidelines for Cooperatives'. The only real sign of impatience was shown by the lengthy discussion on the question of 'sharpening class-struggle' and on this question the Conference warned that the main danger to the cooperative movement had come from 'rural capitalism'. It recommended the transfer of Agricultural to General Village Cooperatives, as the most important immediate task, to create thereby the conditions for setting up Producers' Cooperatives, i.e., kolkhozes, and to reorganise and 'democratise' the Hungarian National Cooperative Centre, 'Magyar Országos Szövetkezeti Központ' (MOSzK). This, it was claimed, would be more easily understood and accepted by the peasants.

Before dispersing, the Conference resolved to hold cooperative conferences, between 15th August and 15th September, in all counties to promote and publicise the cause of cooperative policy.

Immediately after the Cooperative Conference was over the Politbureau met on 13th July to discuss the kulak question. After lengthy discussion, and not without opposition from László Rajk, a member of the Politbureau, the meeting decided that the 'dominant' role of the kulaks in the villages must be undermined. A series of restrictive measures followed, for example, with regard to 'leaseholdings' (haszonbérlet). The meeting issued a directive which stated that the

decisive consideration was the isolation of the kulak, the restriction of his economic and political influence. All other considerations, for example, agricultural production, have to be subordinated to that aim.⁽²⁶⁾

Striking, publicly, the same note with regard to the kulaks the following day, in an article in the party daily, Ferenc Donáth drew a parallel between serfdom and exploitation by the well-to-do peasants and described the class-struggle which flared up and sharpened against them.⁽²⁷⁾

It can thus be seen that as far as the public and, especially, the peasants were concerned, at this late state they still knew very little about the aims of cooperation. They knew that the three year plan, which did not put the establishment of socialism on its agenda, was proceeding satisfactorily; they knew that the 'Programme Declaration' of the Congress of Unity (i) still accepted an agricultural scenario based on small-scale peasant farming and (ii) declared that the cooperative policy of the HWP, in the long term, was to strengthen the 'General Village Cooperatives'; they also knew from the Cooperative Conference in July that the Party ruled that the development of Producers' Cooperatives, i.e., collectives, was premature, although it supported their development as the ultimate aim. Thus, as late as the end of July, i.e.,

barely three weeks before collectivisation was announced, the public and the peasants were still in almost complete darkness, unaware of the real situation, although by this time the changed party stance would be felt by lower party organisations. Due to the numerous, intentionally, confusing and contradictory official statements, however, a degree of uncertainty and anxiety had prevailed in the country as a whole ever since the Cominform resolution. The Hungarian communists, of course, were well aware of the peasant feelings about the collectives. And under these circumstances they were more or less forced to perform several ideological gyrations, often at the expense of consistency and effectiveness, and it was not surprising that everyone, even the party's rural apparatchiki, were becoming confused. Confusion was the order of the day. Even at this late hour, however, no effort was spared by no less official figures than Ferenc Dinnyés and István Dobi, Prime Minister and Minister of Agriculture respectively, to deny repeatedly that the collectivisation of agriculture was impending. These statements were perhaps designed as attempts to relax the near-panic tension that had rapidly built up since the Cominform resolution.⁽²⁸⁾

Rákosi's sharper policy line, in consequence of the Cominform resolution, was accepted by the Central Committee on 2nd July, and the policy officially approved by the Politbureau, on 13th July, was based on the decision to follow the Soviet model and, of course, to reject the Yugoslav 'heretics'.⁽²⁹⁾ Rákosi could now use the Yugoslav 'heresy' as an excuse to silence intra-party opposition, led by the veteran Muscovite Imre Nagy. Having lived in Moscow during the inter-war years, and experienced the purges then, Imre Nagy realised that the moment had come to remain quiet, at least for a while. His temporary silence it now appears, did not however mean the end of all opposition to Rákosi's agricultural policies. According to one account⁽³⁰⁾, which must be considered seriously, a new intra-party conflict had developed, over internal politics, between Muscovites and indigenous or 'home' communist factions of the

Party, involving two of the most forceful and strong-willed individuals, Ernő Gerő and László Rajk respectively. This was the first serious confrontation between Muscovites and 'home' communists. When the Muscovites arrived from Russia, the task to which all home and exiled party leaders alike addressed themselves with equal determination was to create a communist controlled state within three years.⁽³¹⁾ The Muscovite Rákosi leadership seemed to have been reasonably happy with the 'home' communists until early 1948. Differences had developed, after that time, between Rákosi and Rajk, the latter becoming increasingly suspicious of the Muscovites, over party tactics and strategy, possibly even on more fundamental matters. Rajk posed the threat of opposition, possibly even of rivalry to Rákosi's leadership.⁽³²⁾ The nucleus of the present disagreement was over the kulak question. In principle Rajk, of course, accepted the validity of Leninist rural politics but maintained that it should be applied, in practice, in a Marxist way appropriate to Hungarian conditions. Rajk denied the central importance of the kulak question and argued that the wealthy peasants were ready for submission and would not fight. He insisted that they should not be eliminated but, on the contrary, their expert knowledge utilised in the interest of agricultural production. Rajk fully accepted collectivisation as an ultimate aim, but insisted that it was to be done by a gradual transformation, supported by an appropriate propaganda campaign to convince the peasants of the superiority of collectives and that it should not be done by force. He argued that Hungary should not 'ape' Soviet experiences and methods unquestioningly but rather should learn from them.⁽³³⁾ The entire dispute was conducted behind the 'closed doors' of the Politbureau but, inevitably, some details leaked out. Some of the old illegal communists also regarded the rigid application of Stalinist rural politics as extreme and harmful to Hungarian agriculture. It was a small loosely organised group of followers which formed spontaneously around the romantic figure of Rajk, who had fought in the International Brigade of the Spanish Civil

War and in the resistance movement, but never formalised its views into action. Rajk's real centre of power, in addition to being the Minister of Interior, was based on the People's Colleges (NÉKOSz). They were still 'chatting' about the possibility of a 'separate Hungarian road', an illusion which was encouraged, perhaps, by the outwardly passive attitude of the Russians, at least up to April-May 1948, to Hungarian affairs. Stalin proceeded more cautiously regarding Hungary than other East European countries because he was conscious of Hungarian mistrust of communism. In late July, characteristically, the Party gave Rajk the task of investigating and reporting to the Politbureau on the ways in which the reactionary elements could be removed from the villages. His assignment remained uncompleted because ten days later, on 4th August, 1948, the Politbureau was convened for an early morning meeting and there Gerö accused Rajk, openly, not only of holding incorrect views on agriculture but, more fundamentally, of ostensibly preparing a putsch against the leadership.⁽³⁴⁾ On 5th August, 1948, Rajk was replaced as Minister of Interior by János Kádár, but not yet purged. On Moscow's insistence he was put in charge of the considerably less influential Foreign Affairs portfolio. A few months later he was sent to Moscow for a few weeks of 'character observation' where he had, reportedly, continued to hold excessively independent opinions and was talking to his Russian counterparts as equals. This visit may have put the final seal on his ultimate fate. In June 1949, he was arrested and framed as an accomplice of Tito and an imperialist police spy of long standing. He was put on 'show-trial', found guilty and was hanged in October 1949.⁽³⁵⁾ It was a triumph for the Moscovite section of the HWP and put Hungary in the forefront of the campaign against Yugoslavia.

The setting for the final stage, to announce publicly the commencement of collectivisation, was provided by the 'Harvest Festival' (Új Kenyér Ünnepe) celebrations in Kecskemét, on 20th August 1948. With the help of the HWP the

city was bedecked with flags and placards for the occasion, demanding strong measures against the kulaks. The key address of the gathering was delivered by Mátyás Rákosi. In his memorable speech⁽³⁶⁾, coming almost to the day, one year after Révai's election article, after paying tribute to the great achievements of the past three years, he said just the opposite to Révai's empty promises, that with the existing agricultural methods it was impossible to improve further the standard of living of the peasantry. In the last few months, he declared, it was often heard that,

the Hungarian peasantry reached a cross-roads, a change of destination. Now is the time to raise the question, what road of further development should peasant farming take ... Two roads are open to the Hungarian peasantry. The older of exaggerated individual farming is ruled by the principle that 'might is right', with the unavoidable consequence, that big fishes eat small fishes; the large kulak farmers continue to grow strong, increase their wealth, and ruin the poorer working peasantry. There are hundreds of villages which are ruled by 8-10 bullying kulaks ... we desire that the worker in the countryside should also share in all the rewards of cultivation ... that the difference between town and country should disappear ... with present methods of production on 5 to 20 acres it is not possible to attain that material and cultural standard of living ...⁽³⁷⁾

Then Rákosi indicated the other, the only alternative road open to the Hungarian peasants, namely, communal work and collectivisation and he announced a string of measures restricting the wealthy peasant. Thus,

the question, which road the working peasants should take is posed and the answer is clear. The working peasant chooses the road of cooperation, mutual assistance and communal work.⁽³⁸⁾

Fifteen months earlier, the same Rákosi, during an electoral meeting at Pécs on 11th May, 1947, had asserted the need 'to guarantee absolutely the small and medium farmers in their continuing and hereditary right to their property.'

In its earlier position, the Party invariably approached the question of producers' cooperatives, i.e., kolkozy, by linking it, cautiously, to the question of the 'General Village Cooperatives' (Általános Falusi Szövetkezetek). Now Rákosi's line was that 'the working peasants themselves chose the road of collective work', and the state only used the collective form as a device to 'protect' the peasantry from the exploitation of the kulaks, who brought 'poverty' and 'misery' to the working peasants. It is interesting to note that Rákosi announced the collectivisation programme without any reference to the Party's earlier 'Programme Declaration', thereby ignoring completely a Programme which was, after all, adopted by highest organ of the Party, the Congress. Although the announcement was couched in rather moderate terms, initially without even specifying a target completion date, the announcement came as a shock, not only to the peasants, but to the whole nation. The communists who for three years had forbidden everyone within the Party even to mention the dreaded word 'kolkhoz', at last came clean - as many predicted - and embarked on 20th August, 1948, on a collectivisation programme which was to follow the Soviet road.

The decision to collectivise - in response to the Cominform resolution - naturally cannot be assigned one single date. The elucidation of the new policy line took place in mid-1948, the policy measures to permit the development of collectives were announced in the second half of 1948, the general socialist reorganisation of agriculture was proclaimed by Rákosi in his speech on 20th August, 1948. After this date, the question of socialist reorganisation was discussed openly and unequivocally. For this reason, 20th August can be regarded as the date of the decision to commence collectivisation. By this time, the struggle for the tangible economic and political power supremacy was decided and the pre-conditions for the agricultural reorganisation were already there. After this date events began to move very fast, in accordance with the

ideological preconceptions of the communist leadership, which paid no regard to environmental differences. The campaign now launched continued until June 1953. During this period four distinctive stages of collectivisation can be noted. These will be taken up, in turns, below.

7.2 The Preparatory Stage, August 1948-March 1949

Now, after three years of tactical manouvering, it remained for the Government to launch the collectivisation programme officially. Aware of the widespread unpopularity of this prospect, and knowing the difficulties ahead, Rákosi launched the campaign preparations in a low key, observing initially the 'voluntary principle' and focusing attention on the simpler forms of cooperative associations, thought to be more acceptable to the peasants. Accordingly, the system grew rather slowly at the beginning. Still displaying a degree of caution, and guarding against overhaste, Rákosi and others initially refrained from admitting publicly the radical, and fundamental, nature of the change in the Party's attitude to agriculture. This can be seen, for instance, with respect to the question of private peasant property, on which the Party's attitude clearly changed radically from its defence of it barely two months earlier in its 'Programme Declaration' at the Congress of Unity. In a letter to Imre Nagy, a dissenting voice as shown earlier, Rákosi warned him that in his proposed speech to the 'Model Farmers Conference', held on 9th September 1948,

under no circumstances should you tie the Party to any concept of peasant private property whatsoever; better keep silent on this question.⁽³⁹⁾

Although nationalisation of agricultural land was also considered by the party leadership immediately after the June Cominform meeting, to avoid a considerable degree of unrest among the peasants at the crucial initial states of collectivisation, the Party retreated on this issue. While the party continued to denounce Tito it was forced to recognise that his arguments against the principle of nationalisation were valid for Hungarian, as well as Yugoslavia, and that these countries could not, in this respect, follow the Soviet example. In 1918 the Russian peasant accepted nationalisation because the measure was anti-feudal

rather than anti-bourgeoisie and the breaking-up of large estates, in a revolutionary fervour, made the peasants de facto owners of the land they already cultivated. The Hungarian peasants, as shown earlier, wanted not only de facto but de jure ownership of the lands they obtained under the Land Reform of 1945. They would have rejected this reform had it been implemented in the guise of nationalisation, which they would have considered as outright confiscation of their land by the state. For this reason, in urging peasants now to form agricultural cooperatives, or some type of collective farms, the communists carefully avoided any mention of nationalisation.⁽⁴⁰⁾

The new strategy affecting the entire political and economic life of the country, preparing inter alia for the collectivisation of agriculture, began to evolve soon after the Cominform resolution. In the sphere of politics moves began to adjust the political institutions to the new Cominform line and power structure. This essentially meant gradual transformation to the Soviet-type one-party system. To accomplish this, the HWP wished to create a relatively broadly based, People's Front type of movement, to liquidate the bourgeoisie opposition and transform the peasant parties, the NPP and SHP, into mass organisations, depriving them of their political independence and allowing them to operate as one of several 'transmission belts' to be utilised by the HWP in its rural policies. As early as June-July, People's Front meetings were organised by the HWP all over the country in an attempt to popularise and familiarise the rural population and the working peasants with the idea of reorganisation of the 'Independence Front'.⁽⁴¹⁾ At about the same time the HWP resurrected the coalition's inter-party conferences, with the aim of uniting the left-wing forces within the peasant parties and isolating all those, leaders and party members, who openly opposed the idea of eventual establishment of proletarian dictatorship. The achievement of these political aims was greatly helped, on the one hand, by the fact that, by this time, the HWP's control both urban and rural areas had

significantly increased and, on the other hand, by the reduction of the peasant parties to their crypto-communist remnants which, under communist control, were 'seeking' closer cooperation with the HWP. To enable the HWP to transform the 'Independence Front' into a unified, single, mass organisation the process of purging, which had already begun in both parties, had been accelerated from the second half of 1948. Under the pretence of 'right-wingism' many small and medium peasants and intellectuals were removed from party office or expelled altogether from both peasant parties, the NPP and the SHP. In this process of 'transformation' it was the NPP which first accepted the inevitable leading role of the HWP. At its national conference, held on 14th September 1948 the NPP declared its total acceptance, without any reservations, of the political directions charted by the HWP. The party also declared its agreement with the ideology of Marxism-Lennism, endorsed the Cominform resolution and the policy of socialist transformation, i.e., collectivisation, of agriculture. Thus,

the alliance of working peasants with the leading class, the working class, which fights against capitalism, must be strengthened.⁽⁴²⁾

And to demonstrate its sincerity, the party charged some 10,000 of its 18,000 members, i.e., more than 50 per cent, with 'bourgeois influence' and being 'spokesmen of kulaks' and expelled them from its metropolitan organisation.⁽⁴³⁾

The response of the SHP, predictably, was similar. After purging its ranks of 'undesirable elements', mostly kulaks and lower level party activists who expressed disagreement with the idea of closer cooperation with the communists (a process which continued until 1949), at its second 'Balatonkenese' National Conference, held between 28th-29th October, 1948, the SHP endorsed

government policy: (i) on the question of development of heavy industry, (ii) on the need to establish a planned economy and (iii) on the need to collectivise agriculture.⁽⁴⁴⁾ The party rejected the 'false slogan of peasant unity' and the politics of 'a separate peasant road',⁽⁴⁵⁾ and also endorsed the leading role of the working class in the process of building socialism, and the fight against 'clerical reaction', hiding within the Church. Needless to say, 'acceptance of the inevitable', under some pressure, played a much greater role in the SHP decision than conscious and voluntary agreement with the policy of the HWP.

The reorganisation of the 'Independence Front' officially began at the inter-party conference held on 10th September, 1948. The conference appointed a small select committee with the task of drafting a programme for the reorganisation.⁽⁴⁶⁾ The HWP delegates, in view of the Cominform resolution, which criticised the Yugoslav Party for introducing a single-party system there too soon, announced the necessity to review the whole position of the Party regarding the concept of the 'Independence Front'. For a brief period a degree of confusion followed, during which József Révai, the chief ideologist, entrusted with the task of re-examination of the 'Independence Front, showed himself to be out of touch with the new Stalinist dogma. To the HWP's educational conference he presented an obsolescent formulation regarding the nature of state power. He stated that,

the people's democratic state belongs to the same category as the Soviet state, the state of the transition from capitalism to socialism.⁽⁴⁷⁾

In this context, the new 'Independence Front' was essentially,

the unique political structure that linked the leading workers' class with the allied masses of working people, primarily with the peasantry and also with the urban lower-middle class and intelligentsia,⁽⁴⁸⁾

and he warned that,

in our country, People's Democracy, coalition classes and class differences prevailed between workers and peasants. Under these circumstances it would be misleading to liquidate other parties before the disappearance of class distinctions.⁽⁴⁹⁾

Révai also indicated that the collectivisation of agriculture was still in a preliminary stage and that learning from the Soviet Party did not mean servile imitation, that,

Stalin does not do our thinking nor does he act in our stead.⁽⁵⁰⁾

This is an extraordinary, muddled, gradualist statement, at this stage of socialist transformation, which had, of course, no place in the new political thinking. Despite this, in a few weeks time, when the reorganisation of the 'Independence Front' began, a completely different direction was taken as, under Soviet pressure, the dogma of proletarian dictatorship 'gained' a greater number of adherents among the HWP leadership, which by then 'saw clearly' that the fundamental cause of the Yugoslav 'slip' was that class alien elements there had managed to penetrate the People's Front.⁽⁵¹⁾

By the 27th November 1948 Central Committee Plenum, setting out the above principle, Rákosi, however, in his key address, much of which remained unpublished, stressed the importance of 'liquidating old forms and institutions' (meaning the allied parties), the 'Independence Front', 'People's Democracy, the expropriation of kulak lands and the collectivisation of agriculture. He declared that,

those of us who cling to institutions or measures because we ourselves initiated them two or three years ago will, with the best of intentions, cause harm.⁽⁵²⁾

He lashed out against those who still maintained the 'erroneous' view that the building of socialism, during the transitional period, was qualitatively different under conditions of People's Democracy. He said that,

it becomes clearer than ever that all the main features of building socialism in the Soviet Union are applicable everywhere,⁽⁵³⁾

and regarding

the ways and means of building socialism, each people can and will add features of its own, but in the main essential and decisive questions there is no special 'national' road.⁽⁵⁴⁾

The November Plenum, where Rákosi, despite the developing intra-party disagreement - or because of it - claimed complete unity, opened a new chapter in the history of social and economic policies in Hungary, indicating, already, that proletarian dictatorship was just around the corner.

Beirut, in Poland, and Dimitrov, in Bulgaria, at their respective Party Congresses in mid-December 1948, proclaimed the identity of people's democracy and proletarian dictatorship. Ernő Gerő, after his visit to Poland, where he fully digested the significance of Stalin's line, pointed out in a letter to the Party Secretariat on 26th December 1948 that the HWP

must draw lessons from comrade Stalin's latest, theoretically highly significant pronouncement,⁽⁵⁵⁾

that a 'people's democracy fulfils the basic functions of a proletarian dictatorship', which meant that 'a people's democracy is essentially a variant of proletarian dictatorship brought about by special circumstances of historical evolution'.⁽⁵⁶⁾ The practical conclusion was that socialism could not be built without dictatorship. Therefore, Gerő stressed that,

we must strengthen the dictatorial character of people's democracy, we must strengthen the role of the party and working class in the state, the economy and the political and cultural life of the country.⁽⁵⁷⁾

The HWP leadership hurriedly endorsed the new line. Rákosi, in January 1949, declared in some detail that,

people's democracy regarding its function is identical to proletarian dictatorship, without the Soviet form,⁽⁵⁸⁾

meaning that people's democracy is incomplete, as a form, since the working class - because of the existence of multi-party system - can only exercise power in alliance with the other parties. Therefore, it was necessary to move from people's democracy to full proletarian dictatorship, as developed in the Soviet Union. To achieve this it was necessary, he stressed, to step up the class struggle, to exercise the dictatorial power of the state more trenchantly and to liquidate the multi-party system.⁽⁵⁹⁾ The problem of reconciling the nominal sharing of power with the peasantry was further debated at considerable length.⁽⁶⁰⁾

At its Central Committee Plenum on 5th March 1949, coinciding with the 30th Anniversary of the proclamation of the first 'glorious Hungarian dictatorship, the Party further developed and confirmed the new dogma. It made it clear that the sheer existence of the democratic parties acted as a 'reservoir' for the class enemy. Greater emphasis was put by the meeting on the fight against the kulaks, who had to be destroyed to win the middle peasant, and on the necessity to develop the tools of coercion and administrative solutions, by a single party dictatorship.⁽⁶¹⁾ The leadership, however, still cautioned that the shift to dictatorship should not be implemented by excessively coercive measures.

Révai, somewhat belatedly, 'accepted' this new identity, explaining that this was not so at the beginning, but it became so during the struggle for full power. Having won this power, Révai declared, the HWP could not share it with any other group or party, not even with the peasantry. Thus,

the dictatorship of the proletariat, as it was defined by Lenin and Stalin, means that power is undivided, in the hands of the proletariat, and that the working class does not share power with other classes, therefore, it does not share power with the peasantry.⁽⁶²⁾

He then asked why could this power not be exercised along with the peasantry, and answered:

because in that case the the state would cease to be a weapon with which to establish socialism. For the peasantry, even its working section, is half-heartedly for private property, half-heartedly for the collectives - it vacillates. It should be supported and educated so that it accepts the way to collectives. This leadership, education and support must be provided by the state too, and that is why power cannot be shared with the peasantry. Moreover, vacillation in respect of the development of rural socialism means concurrently vacillation between capitalism and socialism, vacillation in the fight against kulaks ... but a state, transforming itself into socialism, a state fighting against the kulaks ... must not vacillate.⁽⁶³⁾

Révai then stated that the consequence of proletarian dictatorship was that,

the power in the possession of the working class must be, and will be, even more firmly and strictly exercised than it has been up to now.⁽⁶⁴⁾

In concluding, Révai declared that although the Hungarian proletarian dictatorship was without the Soviet form it did not, of course, mean that there was nothing to be learned and adopted from the Soviet Union. He pointed out, explicitly, that 'the organisation of our state should become closer to the Soviet

type'.⁽⁶⁵⁾ Révai reiterated Rákosi's earlier statement that the entire transformation of the countryside, indeed of the whole country, was to be carried out on identical lines to that of the Soviet Union, its ultimate model. He dispersed the doubts of those such as Imre Nagy who still entertained the belief that there was a possibility of a moderate transformation policy. Thus, the communists' offer to the peasants, whose alliance they allegedly wished to secure, was war on the kulaks and a subordinate role in a regime directed by the proletariat.

In these developments the role of the 'Independence Front' was not to concentrate allied forces but to be a tool to liquidate the multi-party system, by 'melting' the remnants of all other parties into this organisation, which meant the total surrender of their independence. As a prerequisite for the completion of the take-over and the promulgation of a new constitution on the Soviet model, the 'Hungarian Independent People's Front (Magyar Független Népfront)' was formed in February, 1949, in which neither leaders nor members were given any formal role to play. When Parliament was dissolved in April, the Front published a single programme and list of candidates for the General Elections that was held in May 1949, at which 96.5 per cent of the electorate voted for its candidates. Soon, as the political campaign intensified, Rákosi, paraphrasing the Bible, charged even non-voters with being a priori enemies of the people; 'those who are not with us are against us'.⁽⁶⁶⁾ Following the election, the new National Assembly proclaimed Hungary a State of People's Republic, not a socialist state like the Soviet Union, since Hungary, at this stage - because of agriculture - corresponded approximately to the Soviet Union in about 1926, and proceeded to adopt a constitution, on 20th August, 1949, modelled on that of the Soviet Union, and the coup was complete.⁽⁶⁷⁾

The intensive socialist transformation which began after the Cominform resolution was extended to the implantation of Marxist-Leninist ideology, with

the aim of transforming cultural and religious values as well as the social structure. The HWP, having posited a rather spurious identity between its ideology and the interests of the working classes, proceeded to ensure its unquestioned monopoly of values in all spheres of life. After the absorption of the SDP and the political eclipse of other non-communist parties, the Church remained the only external enemy and the last focal point of ideological resistance, since it retained moral authority and represented an alternative, however remote, to communism. The churches in Hungary, but especially the Catholic Church - led by Cardinal Mindszenty - had traditionally played a leading role in agriculture and in the educational system which inevitably came into conflict with the new political line of collectivisation and indoctrination. During the early post-war period, as discussed earlier, the position of the Church was seriously weakened by the 1945 Land Reform and now, in autumn 1948, with the nationalisation of schools, representing a significant triumph for the regime, its position was further weakened. According to the 1949 Census, the population of Hungary divided in proportions of approximately 67 per cent catholic and 21 per cent Calvinist and 6 per cent Lutheran minorities. Apart from its numerical superiority, the Catholic Church, as the biggest landowner, with over 1 million cadastral yokes, had great influence in the agricultural sector. The Land Reform confiscated, without compensation, approximately 800,000 cadastral yokes to which the Church never really reconciled itself, but even after the reform it remained, with approximately 180,000 cadastral yokes, the largest landowner.⁽⁶⁸⁾ Since, in practice the Land Reform allowed all parish Churches to retain holdings below the size of 100 cadastral yokes, this represented a greatly reduced, but still important, source of income for the Church and enabled it to retain some form of economic independence from the state. The new regulations enacted by Decree 9000/1948, which reduced the upper limits of holdings, and the subsequent drive for collectivisation all but eliminated the

power of the Church in landownership. But, apart from landownership, the Catholic Church had important influence among all strata of the peasantry because it was an essential part of the people's life, particularly of peasant life. One of the aims of the measures against the Church was to liquidate its influence over the peasantry, to try to alienate especially the poor and middle peasants from the Church, and to ally them against the kulaks. The HWP tried, rather ineffectively, to convince the peasants that the Church was their enemy, still aspiring and waiting, for a convenient moment to annul the Land Reform and the small-holding system established by it. This propaganda had little effect on the peasants, who were much more preoccupied and concerned at this time with the prospect of collectivisation. The Catholic Church fought its final battle on the issue of education where, together with the Protestant Churches, it administered approximately two-thirds of primary and secondary schools in the country. The communists, with the help of the left-controlled SHP, had launched their offensive against the Church in May by mobilising the teacher's union and organising petition campaigns, with intimidation, in favour of secularisation of education. The HWP then responded to these 'spontaneous' demands with a draft law that, amid widespread popular protest, on 16th June, 1948, promulgated, under Decree 33/1948, the nationalisation of all denominational schools. Altogether some 4885 schools were taken over by the state, 3148 of which were administered by the Catholic Church.⁽⁶⁹⁾ The Catholic Church was only allowed to retain a few, but even these were within strict conformity to the state-prescribed curriculum. The Catholic Peasant Youth Organisation, KALOT under the pretext of the murder of a Russian soldier, implicated in the incident, was disbanded. After lengthy 'negotiations' between State and Church the Protestant and Jewish Churches, in October 1948, assented. Some members of the Catholic clergy favoured a compromise with the communists, while a large section, led by Cardinal Mindszenty, remained adamant and fought a lengthy and

losing battle to obstruct the implementation of the schools nationalisation decree. In November the HWP began a new intensified petition campaign against the Catholic Church and Cardinal Mindszenty. Eventually the Party resorted to the well proven 'anti-state conspiracy' tactic and, on 16th December 1948, Cardinal Mindszenty was arrested and charged with treason and, after a show trial on 3rd February 1949, was given life imprisonment.⁽⁷⁰⁾ After this, under duress, the Church signed a Concordat with the state to save what remained of the Church. The clergy was required publicly to endorse the government's policies, such as collectivisation, and had to tolerate a 'Clerical Peace Movement', composed of 'Peace Priests' sympathetic to communism, which was created by the regime.

With the destruction of clerical resistance, and nationalisation of schools, the next notable victim of the drive to destroy all remnants of pluralism was the People's College Movement (Népi Kollégium Mozgalom). This was a specifically Hungarian phenomenon, with its roots going back to the 'Village Explorers', the 'March Front' and the 'Györfly College' movements of the 1930s, as discussed earlier,⁽⁷¹⁾ and its nationalistic and peasant orientation could not be reconciled with the HCP's pro-Soviet and urban proletarian line. During the war a new generation of peasant youth attending the Györfly College came under Populist influence, but the illegal Communist Party managed to convert a few of them, notably András Hegedüs, to communism. In early 1946, some of these communist students called for the creation of a network of similar colleges so as to democratise education in general and assist the promotion of young workers and peasant cadres to form the new elite. The idea was endorsed by the HCP, rather enthusiastically, in fact, since it promised to aid the radicalisation of the peasants and to isolate them from smallholder influence. A period of rapid development followed during which many colleges were established all over the country and leaders and members, predominantly radical peasant youth, were recruited under, largely communist, influence. Between 1946 and 1948, without

any doubt, they played leading role in the youth movement of the country, indeed overshadowing even the communist youth movement, and succeeded in attracting the best of peasant youth. By 1947, with active support from the HCP and NPP, the movement had prospered and grown to 10,000 members, in over 100 colleges, under the aegis of the National Federation of People's College, or NÉKOSz, (Népi Kollégiumok Országos Szövetsége).⁽⁷²⁾ From the beginning, however, their relation to the HCP and its ideology was somewhat irregular. This was because of the emphasis of the Colleges on inculcating democratic principles and national cultural values, which was consonant with left-wing Populism. Their educational programmes were oriented towards innovative experiments in communal learning and enthusiastic exploration of peasant life and traditions, instead of pursuing more serious academic work or the teachings of communist ideology. Indeed, László Rajk, who became the college's most influential supporter⁽⁷³⁾, and in turn used them as a mass power base, declared that his party, the HCP, did not insist on the primacy of Marxist-Leninist ideology in the curriculum. In reality, however, the HCP, for the time being, opportunistically adjusted itself to freedom of NÉKOSz from the party control; it defended it against the attacks of the SHP but, at the same time, watched cautiously lest NÉKOSz should become too strong a movement. From about the spring of 1948, however, this guarded tolerance of the HCP all but disappeared, as the party reached for monopoly power. With the change in the educational system it became the universities' task to train the proletarian youth for the transformation of the economy. The People's Colleges, with their relatively anarchic and peasant character, and more importantly, perhaps, because they took the party's slogan 'worker-peasant alliance' too literally, i.e., meaning on the basis of equality, became more of a hindrance than a help, especially since only about 10-12 per cent of their students came from the industrial working class. Already, in May 1948 the party's Educational Committee, under the

direction of József Révai, strongly criticised NÉKOSz because of the preponderance of peasants in its colleges, its anti-Marxist peasant romanticism and because, as he said, instead of studying they began to play politics.⁽⁷⁴⁾ At its September 1948 meeting the Politbureau passed a resolution which condemned NÉKOSz organisers for neglecting the Party, propagating confused anti-Leninist ideology, distorting the worker-peasant alliance, tolerating the cult of the peasantry, distancing themselves from the young workers movement and allowing the colleges to be penetrated by 'kulak-youngsters'. Perhaps the most serious accusation against them, in the dictionary of a communist, was that they were guilty of forming a 'narodnik' faction.⁽⁷⁵⁾ The resolution passed called upon the communist members of NÉKOSz to put themselves under the discipline of the party, which meant the end of its autonomy and, assisted by the decline of Rajk's power, it ceased to exist as a spontaneous movement. In the process of integration which was under way in the educational system the NÉKOSz leadership was replaced and the colleges subordinated to the Ministry of Culture. By the end of 1948 the 160 colleges, with their 10,000 students, were absorbed as ordinary student residences in the integrated and centralised educational system. The independence of NÉKOSz, with its mildly nationalist, independent peasant-populist orientation could not be allowed to obstruct the process of collectivisation and the creation of the new communist intelligentsia.⁽⁷⁶⁾ It is arguable that the liquidation of László Rajk, as the principal communist mentor of the People's College movement, was both cause and effect of the ultimate fall of the People's College movement. It may be pertinent to note that one of the accusations against Rajk at his trial was his long cooperation with the populists.

Turning to the economy, especially the agricultural sector, the new political dogma introduced profound changes here too. A new banking system was created, in which the National Bank, in addition to its functions as a Bank of issue, also monopolised the supply of short-term credits and was given control

over the entire range of monetary transactions by enterprises. It was supplemented by a network of banks with special functions. At the same time, new forms for directing industrial production were established: nationalised industries, formally autonomous units, were brought under the control and supervision of industrial trusts, directorates and ministries, one for each industry. A central plan, adopted by Parliament, governed the economy. In the second half of 1948 the transformation of the Three Year Reconstruction Plan, adopted in 1947, had also begun. But full central planning with the well known obligatory plan indicators, did not begin until January 1950, with the First Five-Year Plan.⁽⁷⁷⁾

In the sphere of agriculture a series of preparatory administrative directives was enacted, either just before or soon after the Cominform meeting. Some of these were designed to aid the transformation of 'Farmer's Cooperatives (Földművesszövetkezetek), discussed earlier, into 'General Village Cooperatives', while other directives enabled the formation of 'Lease-holding' and 'Producing' groups within the overall framework of 'Tenants' and 'Farmers' Cooperatives.⁽⁷⁸⁾ The 'General Village Cooperatives' were eventually wound up between October 1948 and April 1949.

On 13th August 1948, a Government Decree⁽⁷⁹⁾ redefined, in greater detail, the tasks of 'Farmers' Cooperatives' and laid down how they were to be organised and the rules for their administration. Accordingly, the new tasks and aims of the 'Farmers' Cooperatives' were:

- (i) to guide and aid planned agricultural production on the land owned (rented) by its members
- (ii) to organise agricultural machinery operations
- (iii) to procure the materials required for production

- (iv) to process and market agricultural produce
- (v) to manage and utilise the allocated assets
- (vi) to produce on the land owned (rented) by the Farmers' Cooperative
- (vii) to set up a network of retail outlets for marketing

The Decree laid down that, with the exception of the establishment of retail outlets, all other functions could be carried on within the framework of the Farmers' or Tenants' Cooperatives. Most importantly, it extended the agricultural activities of the Farmers' Cooperatives, operating in more than 2500 villages, into agricultural production.⁽⁸⁰⁾ The Decree also extended the range of activities of Farmers' Cooperatives into the consumer field. All this, however, was merely legislation for already well established practices, since Farmers' Cooperatives had already opened retail outlets. More interesting, perhaps, was that the Decree defined, for the first time, the concept of the 'working peasant' as someone who either carried out most of the necessary work on his own farm, by himself, or with the help of his immediate family, or made his living, predominantly, from hiring his labour.⁽⁸¹⁾

In the wake of the measure that followed, the amalgamation of 'Village Cooperatives', e.g., 'Hangya', into Farmers' Cooperatives also began on a large scale. During this amalgamation campaign, a policy of mass recruitment of members was also pursued. The numerous public meetings called to approve these amalgamations were completed by the middle of 1949 and as a result, in May 1949 some 3010 'Farmers' Cooperatives' were operating, with a membership of 834,000.⁽⁸²⁾ At this stage, the Farmers' and Agricultural Producers' Cooperatives, (APC, i.e., collectives) mezőgazdasági termelészövetkezetek, developed along common lines and for a brief period the Farmers' Cooperatives became the 'General Village Cooperative' in agriculture. The Farmers'

Cooperatives can in fact be seen as the 'prep-schools' of the Agricultural Producers' Cooperative movement. Later, when Agricultural Producers' Cooperatives became independent, the Farmers' Cooperatives assumed the role of, essentially, Consumers' Societies for the rural population and, until 1955, it was largely their retailing businesses that developed, for example, grocers and butchers, shops and pubs.⁽⁸³⁾

Parallel to the preparations to integrate Farmers' Cooperatives to take on the role of Agricultural Producers' Cooperatives, the organisation of agricultural 'Lease-holding' and 'Producing' Groups had also begun, after the sale and purchase of land was prohibited; this meant that even impoverished peasants were forced to sell to the state. The first and most effective measure introduced by the regime against the wealthier peasants was the Government Decree of 29th August 1948⁽⁸⁴⁾, i.e., almost immediately after the announcement of collectivisation, which abolished most renting of land by setting the upper limit of individual renting at 25 cad. yokes (i.e., 14.4 hectare) and the total size of a holding, together with the land already owned, at 40 cad. yokes (23 hectare). All land above these respective sizes was requisitioned by the state. Obviously the Decree largely affected the land owned or rented by the wealthier 'kulak' and medium peasants. Moreover, all land above the size of 5 cad. yokes (2.9 hectare) was requisitioned by the state from those whose main occupation was not farming. The land so acquired was distributed to the peasants. In theory, those entitled to claim land could freely decide whether they wished to work it as small individual leaseholders or, while still keeping their own land intact, to form either a 'Leaseholding Group' within a Farmers' Cooperative or a 'Tenant Cooperative', which could be formed in districts where no Farmers' Cooperatives existed. In practice, this was in many places ignored and priority, and favourable treatment, were given to those who agreed to put the land they received into an 'Agricultural Producer Cooperative'

(mezőgazdasági termelőszövetkezet), i.e., a collective farm.⁽⁸⁵⁾ The intention of the regime was 'land redistribution' in favour of some form of communal work, to ease the process of collectivisation. Later, both 'Tenants' Cooperatives' and 'Leaseholding Groups' were transformed into 'Agricultural Producers' Cooperatives. Thus, the first preparatory stage of the development of the Producer's Cooperative movement (collectivisation) essentially began with the immediate transfer of land formerly leased out by the 'kulaks' and now requisitioned by the state to cooperatives formed jointly by agricultural workers and poor peasants. Under this Decree the government ordered the expropriation and redistribution of 245,943 cad. yokes of land formerly leaseheld by the kulaks.⁽⁸⁶⁾ The land was taken away by the newly created 'Village Land-lease Committees' and redistributed to landless peasants and dwarfholders, at a nominal rental charge, provided the size of their farms did not exceed 10 cad. yokes. The total number of those entitled to claim land was 113,439 (332,799 with family dependants) of whom 50,336 were landless, 42,600 had land up to 5 cad. yokes, the rest between 5-10 cad. yokes. In the event, some 61,487 were given land totalling 245,943 cad. yokes. Despite governmental pressure, in many places, to join the collectives 43 per cent of land recipients remained outside the cooperative movement. The other 57 per cent of recipients with 147,500 cad. yokes of land, i.e., 60 per cent of the total redistributed land, came either from the 'Land-lease Cooperatives' (24,029, with 44 per cent of land totalling 108,172 cad. yokes) or decided to form a proper 'agricultural producing group' within a Farmers' Cooperative. Thus, only 10,537 land recipients, with 16 per cent of redistributed land, totalling 39,328 cad. yokes, opted for genuine collectives.⁽⁸⁷⁾ This move, however, at once trebled the total number of collectives that existed up to then. Most peasants had no desire to establish any form of cooperative. They regarded the whole measure as a 'supplementary land reform', a 'new land redistribution'.⁽⁸⁸⁾ About half of these farms were operating within the

framework of Farmer's cooperatives. Their development was particularly strong and important in the Trans-Tisza region.⁽⁸⁹⁾

The full impact of the 27th November 1948 Central Committee Plenum in the sphere of agriculture was just as radical as in the sphere of political developments and it attracted just as much intra-party attention. Turning to agriculture, Rákosi, in his report to the Plenum, dwelt in detail on one subject of building socialism in the countryside. The scattered peasant holdings, he said, were able to reach the pre-war level of production in a matter of three years and were doing well for the moment. But, he observed that,

they are a long way behind the level of the more developed agricultural countries and still more behind the level of the Soviet Union.⁽⁹⁰⁾

He then stressed the need to learn from the experience of the Soviet Union. This, he admitted, was up to now very much, and wrongly, neglected and he declared that,

we must, with everything in our power, give the opportunity to our working peasantry to become acquainted with the Soviet collectivised agriculture.⁽⁹¹⁾

Rákosi's statement was significant since it made it clear that a miniature carbon-copy of the Soviet agricultural model was the Party's aim. Also, his reference to the satisfactory progress made by private individual small-scale farming, even under the specific conditions of governmental neglect, during the reconstruction period, was most interesting. It constituted an admission that there was no economic reason to announce the collectivisation in August 1948. Given some governmental aid, Hungarian agriculture could have continued to develop at a reasonably high rate, even after the reconstruction period came to

an end. There could now be no doubt that collectivisation was announced first of all for political and ideological reasons, with the emphasis on class struggle and the liquidation of the kulaks, and that economic considerations played a secondary role. It is, of course, arguable that purely economic considerations came to the fore with the announcement and outline of the First Five-Year Plan at the Central Committee Plenum in March 1949, to begin in January 1950. The Plan itself, however, was in turn a political decision.

Rákosi's report to the Plenum finally dispelled any remaining intra-party uncertainty or obscurity and ended all speculation regarding not only the model but also the proposed rate of collectivisation. Rákosi said that, 'the question of collectivisation' was 'boiling in the villages' and the peasants themselves would not tolerate 'living in uncertainty for years'.⁽⁹²⁾ He told the Central Committee Plenum that,

we have to take this question (collectivisation) to the point that within three to four years 90 per cent of the peasants are cultivating their lands in common, in standard socialist collectives.⁽⁹³⁾

and went on to say that achievement of this accelerated tempo unavoidably necessitated the sharpening of the class struggle. Then he posed the question of liquidating the wealthy, kulak peasants. Thus,

we can only deal with them (the kulaks) fundamentally by taking away their land, houses and machinery and what we do with them, I do not yet know.⁽⁹⁴⁾

It must, however, be stressed that, as noted earlier, none of the Plenum's discussion was made public. The general public and the peasants were still in the dark as regards the proposed rate of socialist transformation.

The acquisition of kulak lands in addition to their own, Rákosi anticipated, would be sufficient incentive to provide a 'giant-push' to small and medium peasants to join the collectives.⁽⁹⁵⁾ This proposed plan was opposed by Imre Nagy. He was alarmed and told Rákosi that it was the wrong way to build socialism. Thus,

in September 1948, the idea began to prevail ... that Hungarian agriculture would have to be collectivised within a few years. I do not agree. I consider such plans ... unrealistic, erroneous and excessive. Their execution would inevitably mean that we would leap over an entire transitional phase of our revolution. This would isolate us from the most important representatives of the peasantry and would deal a blow to the foundation of the worker-peasant alliance which is the only solid basis for socialism in the countryside, as well as in the towns.⁽⁹⁶⁾

Nagy's objection was rejected and he soon found himself isolated within the Party, and a number of his supporters began to leave him. In December 1948, Ernő Gerő fiercely attacked him in an article, without naming him. Gerő put all the blame on him for his desire to postpone the fight against the 'capitalist elements' in the countryside and for lack of vigilance that existed within the Party. This can be seen from the following passage:

one member of our Politburo of our Party was of the opinion that it was no longer possible for capitalism to develop in the Hungarian countryside. From this mistaken idea naturally followed the view that there was no need to intensify the struggle against the kulaks. The Politburo rejected this right-opportunist viewpoint.⁽⁹⁷⁾

Nagy, undeterred, maintained his views even after this 'censure' and cautiously pressed for moderation until the final 'show-down, in April 1949. This will be taken up again later.

During December 1948, in response to the November Plenum Resolution, the different types of Agricultural Producing Cooperative Groups began to

separate from the Farmer's Cooperatives and assume independent, self-governing status while all other Village Cooperatives and 'Hangya' merged with the local Farmers' Cooperatives, which began to transform themselves into ordinary village retail shops with an organic link to the state wholesale trade system. This change was partly brought about after the mills, distilleries, tractors and harvester-machines - up to now under their management - were handed over to the Machine Tractor Stations and other nationalised undertakings.⁽⁹⁸⁾ After their separation from the Farmers' Cooperatives was completed, at the turn of 1948/49, these independent agricultural producing cooperative groups (termelőszövetkezeti csoportok) were inspected for 'political reliability' and some 13 per cent, suspected to be 'kulak's or under kulak's and capitalist' influence, were dissolved.⁽⁹⁹⁾ They were then classified according to their level of 'communality', i.e., the common utilisation of the means of production and the type of distribution of their income. By the Autumn of 1948, due to the number and variety of these 'producing groups', which created a rather confusing scenario, some rationalisation was needed. A Government Decree was drafted and published on 18th December, 1948, establishing 'Model Statutes' for the different types of collective organisations.⁽¹⁰⁰⁾ This decree, it was proudly stated, was based largely on the experience and reports of the numerous delegations which visited Soviet and Bulgarian collective farms during the Summer of 1948.⁽¹⁰¹⁾ Each collective farm had its own 'Model Statute', for which the one developed in the Soviet Union served as a model. This Statute, in substance, enumerated the conditions under which a specific collective farm was permitted to be established. Approval had to be obtained from the Ministry of Agriculture, but refusal was the exception rather than the rule. The Statutes also stipulated the internal organisational structure and the operating frame of reference for the collective. While its title 'Model' may imply that an individual collective was, within the broad framework, free to adopt a Statute somewhat

modified to suit its own specific local conditions and circumstances, this in fact was not the case. The 'official' statute was a rigid document which had to be observed without any alteration down to the last letter. As such it was a corpus juris which directed the entire economic and social functioning of the collective.⁽¹⁰²⁾ The highest authority in the collective farm was, notionally, the General Meeting of all its members. This body elected the Executive Committee (with a minimum of three members), the Control Committee and the Disciplinary Committee. The Executive Committee was entrusted with all the business arising from the collective's activity between General Meetings and was obliged to submit a report once a month. Its Chairman, in fact the manager of the collective, was elected for a term of one year.⁽¹⁰³⁾ In practice, however, elections to the post of Chairman, or to the various committees, was not as straightforward as the regulations tended to suggest. More often than not acceptance of the candidates was strongly 'recommended', or they were simply appointed by local party officials in collaboration with the leaders of the local councils, themselves party members, and they were subsequently 'influenced' by them in their running of the collective. Needless to say, the criterion for selection was based on party loyalty rather than expert knowledge in agrarian matters. The principal organs entrusted to deal with the directives issued by the central agencies were the local councils, which operated at the county, district and village levels. Each elected a President, a Secretary and an Executive Committee, the latter being responsible to its own council and also to the Executive Committee immediately above it in the hierarchical order. Their role and status was defined in conflicting terms by Rákosi when, addressing the National Assembly on 17th August, 1949, he stated that they were 'not only autonomous organisations but, at the same time, the executive organs of the central power'.⁽¹⁰⁴⁾ It soon, however, became evident that in reality their main function was the servile execution of central orders. Among this local executive

network it was the Village Council which enjoyed the most influence. Being the closest to the rural population it was given the task of conducting the programme of collectivisation and as such acquired not unimportant discretionary powers. These were subsequently used in a very arbitrary manner, as will be shown, in imposing taxes and assessing land for compulsory delivery quotas. Naturally, the central authorities took great care regarding the 'proper' composition of this organisation. The leading posts of the Councils were invariably given to party members who explicitly demonstrated their willingness and eagerness to promote 'class warfare' and the establishment of collectives in the respective villages. Thus, the sphere of competence left to the collective's leadership was extremely limited, since central authorities, through their local networks, prescribed a number of indicators, including the total acreage of individual crops, the targets for output, the proportion of overheads, the fees for Machine Tractor Station services, taxes, allocation of net income between investment and reserve fund, the maximum amount of landrent payable and, consequently, the remaining residual which was left for payments to members as income. The duties of the collective's leadership were confined to devising the most efficient methods to satisfy the directives issued by the government and achieving, or better still, surpassing the targets set.

The Decree specified three types of producer's cooperatives which might be formed, Types I, II and III, depending on how the product and income was divided. Types I and II, the lowest forms, were close to individual farming, while Type III was characterised by the predominance of communal farming. The preamble of the Decree solemnly declared that,

with the liberation of our country, with the implementation of the land reform, with the nationalisation of factories and banks and the consolidation of the people's democratic state, the working peasantry of Hungary embarked now on a road which leads to a more human life.⁽¹⁰⁵⁾

The next stage of progress was declared to come from the superior advantages offered by the establishment of large-scale, collective farming. Small peasants had to be made to understand the superiority of collective farms. In the course of events that followed, it soon became evident that rather than bringing about a better life for the peasants, as promised by the decree, it marked the beginning of perhaps the hardest period they had ever experienced.

The communists believed that once a few collectives were organised in each region, say two or three, their sheer example would be sufficient to convince the average peasant that collective farming was advantageous and profitable.⁽¹⁰⁶⁾ From this 'collective nucleus' then, expansion would meet no resistance from the working peasants, and together with the landless, dwarf and smallholders they would join the collectives en masse. This belief was also based on the fact that ever since the land reform of 1945 the Party had done nothing to support the new recipients of land. They were given land but no capital, implements or livestock, and only rarely ever seed. This neglect was entirely intentional, in the interest of later collectivisation programme, so that the peasants would see no alternative to their problems but to join the collective.⁽¹⁰⁷⁾ To this extent the entire process of transformation to collectivised agriculture, as stated frequently and emphatically, was to be based on the 'voluntary principle', that it was left entirely to the peasants themselves to decide whether or not they wished to join a form of collective. To make it more attractive to the peasants, especially to the 'vacillating' middle peasants, three main organisational forms were decided upon. These forms were designed to take into account the degree of peasant attachment to his land and livestock. The three types of collectives reflected the:

- (i) degree of collectiveness of carrying out agricultural operations,

- (ii) extent to which private property rights were observed, and
- (iii) method of payment for the work

Thus,

Type I the lowest form: 'big-parcel group' - 'association for joint cultivation of land' - all work of ploughing and all sowing that can be mechanised, are carried out collectively on land pooled together, but individual harvesting and gathering in, on land designated, in turn, by drawing of lots, conducted by a management committee. All costs incurred, plus contributions to two reserve funds, are borne, in proportion to the size of land contributed, by each member. Crop, after these deductions, is retained as income. Privately owned land, livestock, implements, buildings etc., are retained by members for their own use.

Type II intermediate form; 'Average Distribution Group', the 'artel'; all the work is performed collectively; after proportionate cost deductions net proceeds are distributed according to the size of land contributed. As in Type I, privately property rights are retained.

Type III highest form; 'Producer's Cooperative Farm' (i.e., collective proper); all property, i.e., not only land, but draft animals, livestock, implements, buildings etc., are pooled, socialised, to become -after compensation - collectively owned. Members are paid in work-units (*trudoden*), according to work performed. Although the regime was eager to remind the peasant that even Type III did not fully correspond to the Soviet 'kolkhoz' form, since land was not nationalised and a ground-rent was paid to owners, in all other aspects it operated like the Soviet 'kolkhoz'. Members were allowed, as in the 'kolkhozy', up to 1.5 cad. yokes (0.9 hectare) of land, including a garden plot around the house, as 'private plot' and were allowed to keep livestock.

The lower forms, Types I and II were intended to be transitional forms, only to help the peasants to see the advantages collective farming was to offer, and were expected gradually to progress voluntarily towards the higher collective farm type. These different forms also had the added benefit of suggesting the existence of free will on the part of the peasantry to 'choose' whichever form suited them best. Moreover, in order to help them to decide to join, it was stated that collective members were allowed to leave the collective after three years if they wished. (108)

In an attempt to destroy the image that still persisted among the peasants regarding Soviet agriculture and to demonstrate the advantages of collectivisation the Party resorted to far-reaching propaganda and educational campaigns. The 'glorious' achievements of Soviet collective farming were given wide publicity in the press and learned journals. Also, a number of carefully selected peasant delegations, composed mostly of members of the previously landless agrarian proletariat and sympathetic towards collectives, were sent to the Soviet Union to study agricultural conditions. On their return they spoke highly favourably about collective farming there and published glowing reports on their experiences under such titles as e.g., 'Five weeks in the world's most developed agriculture'.⁽¹⁰⁹⁾ Their impact on the average peasant, however, was minimal.

The political aspect of the rural campaign for collectivisation, related to the three main strata of peasantry, was to be guided by the well known Leninist triad, 'rely upon the poor peasants, enter into alliance with the middle peasant and fight against the kulak'.⁽¹¹⁰⁾ This familiar slogan - adopted earlier, as shown - took on a different meaning now in view of the changed political circumstances. Previously, alliance with the middle peasant was sought on the basis of defending small-scale individual farming and private property. Now, this alliance was to be founded on the principle of securing their collaboration for the 'building of socialism' through the establishment of collective farming in the countryside. It was considered that, even without compulsion, the collective farms would 'detach the middle peasant from kulak influence ... and put him on the side of the working classes'.⁽¹¹¹⁾ Nothing is more illustrative, perhaps, in this respect than Rákosi's own classic elaboration of the changing attitude of the Party towards the peasantry, when addressing the Central Committee Plenum, convoked for 5th-6th March 1949:

.... after the liberation of the country our party, together with the peasantry, including the kulaks, fought against the feudal landlords ... until the Summer of 1947 ... we could not set ourselves the aim of drawing the medium peasant over to our side. Our main objective was to neutralise the medium peasant ... In the Winter of 1947/48 we took the line of turning the medium peasant into our ally. At the same time, we started a struggle against the kulaks and did everything to restrict their development and influence.⁽¹¹²⁾

The entire programme of fighting and persecuting the kulaks was initiated, and subsequently artificially intensified, 'from above' by the central leadership. Contrary to expectations, as noted earlier, no class antagonism developed after the land reform between the three, artificially, divided strata of the peasantry. The Party grossly underestimated the degree of solidarity that existed among the different categories and even former landless agrarian labourers, let alone the small and medium peasants, who received land under the land reform showed no desire to commence class warfare against the kulaks. It is, of course, true to say that a degree of jealousy and envy towards the wealthy peasants had existed, but, at the same time, they were also respected on account of their efficiency, knowledge and industrious character. They were often help up by the poorer peasants as an example. But, if class conflict did not develop naturally it had to be created. In terms of ever sharpening class struggle the policy of 'restriction' of the kulak first became more systematic and deliberate and, soon, in addition to taking away the land 'leased' by them and applying economic pressures, administrative measures, social ostracism and other methods of harassment were deployed to drive them off the land. It was declared at the beginning that kulaks were not desirable recruits to the collectives, because their property-owning and labour-exploiting mentality was bound to make them hostile to socialism. Hence, they were to be treated as 'sworn enemies' of the people. The Party maintained that were they admitted they might attempt to influence, to demoralise, undermine and disorganise the operation of the collective from within, and the

detection of their undesirable activities would be much more difficult.⁽¹¹³⁾ On the other hand, if they were to be excluded and left as independent producers they would compete against the collectives. Thus, the alternative policy was to eliminate them. Prevented, on the one hand, from disposing of their land and banned from joining the collective, on the other hand, the only options remaining open to them were either to cling, tenaciously, onto their land and face the prospects of being squeezed of their very last drop of vitality or to 'offer' their land to the state. After a period of intense struggle many opted for the latter, thereby fulfilling the regime's ultimate goal of forcing them off the land.

The official Hungarian policy adopted against the kulaks followed, in principle, the Soviet example and experience, as taught by Stalin's 'valid and universally applicable' theory. This was clearly stated by Politbureau member Ernő Gerö in his speech to the Central Party School, in early 1949. He said that,

the elimination of the kulak as a class is to be accomplished in the same manner as it was done in the Soviet-Union - in two stages. The first stage, the present stage, is the stage of restricting the kulaks, which will, at a suitable moment, when the necessary political and economic conditions obtain, be followed by their dislodgement, then their liquidation is a class.⁽¹¹⁴⁾

The official policy of 'restriction', explained Gerö, meant to subject the kulaks to economic, political and administrative measures in order to weaken their political and economic status.⁽¹¹⁵⁾ But, unlike in the Soviet Union, where it may be argued that they held important political and economic power before their decline, in Hungary, after the Land Reform, the kulaks held neither strong economic nor political power.

The definition of the term 'kulak' was artificially applied with great flexibility according to the political needs of the moment. Officially, as a rough guide, the various peasant categories were defined as follows: ⁽¹¹⁶⁾

- (a) Kulak a farmer who owned more than 25 cad. yokes (14.4 hectare) of land, or whose net income was more than 350 golden crown⁽¹¹⁷⁾ or who employed labour other than members of his immediate family.

There are, of course, notable differences between these limits. Under the first rule, a small number of wealthy peasants would have remained inside the limit (i.e., rated as medium peasant), while under the second rule, used more extensively later, many medium peasants came into the kulak category. Under this rule, after taking account the quality and size of holding, all other earnings derived from, say, some other employment or business was, after adjustment, added to the total net cadastral income obtained from the land. (e.g., 15 cad. yokes holding with a net income of 150 golden crown, plus 5000 Forints money income derived from other sources, add together).⁽¹¹⁸⁾

- b) Medium Peasant: a farmer with more than 10 but less than 25 cad. yokes of land, who did not employ hired labour, but worked his land with his immediate family and did not undertake work for others at all, or only exceptionally.

But, quite apart from the fact that the boundaries between these two categories were flexible, the kulak designation was used not only in the context of wealth and exploitation on the land. Exploitation, it was noted, could take place in forms other than hiring of labour, e.g., lending, speculation or some form of business activity, e.g., mill, pub ownership or butcher shop. Often, even the sheer ownership of a nice house, wanted by some party official, combined with the ownership of a small plot of land, or indeed, mere personal enmity were sufficient grounds to put the 'kulak' tag on a person. The designation of kulak was, in fact used to denote the 'class enemy' amongst the peasants, as against the working peasants. No exact definition was ever really given and the

vagueness of the term was convenient, since its meaning could be, and was, especially later on, easily extended. The medium peasants were the most poorly defined group. The ruthless elimination of the kulaks was expected to 'soften' the medium peasants. Just the opposite happened, as will be shown later, and as they refused to budge during the collectivisation drive they became kulaks with more or less the same fate.

- c) Small Peasant: a farmer with land between 5 and 10 cad. yokes, who lived predominantly from his own land, but for extra income undertook, systematically, work for others.

- d) Agrarian Semi-Proletariat: farmer with land between 1 and 5 cad. yokes from which he generally covered half of subsistence costs, the other half came from hiring his labour

- e) Agrarian Proletariat: farmer with land between 0 and 1 cad. yoke garden around the house he owned who hired his labour out for wage-work or share-cropping.

At the same time of the announcement of collectivisation and the sharpening class struggle, there were over 2 million farms in Hungary.⁽¹¹⁹⁾ Those peasants who, according to the above definitions, could be considered 'kulaks', numbered around 70,000, according to a Census compiled around the turn of 1948/1949.⁽¹²⁰⁾ This figure included many who did not actually own a farm of 75 cad. yokes size, but whose net cadastral income derived from their land was over 350 golden crowns. Also, some 16,000 of them were engaged in other than farming activity, but their combined net income reached the 350 golden crown mark. Consequently, about half of the 70,000 or more on the notorious 'kulak list' were no more than medium peasants. The 'kulak list' was compiled in early 1949 for the purposes of establishing on whom taxation and compulsory deliveries

could be increased and defining who could not be allowed to join a collective. By farm size criterion alone a wealthy peasant could, in fact, begin at around 50 cad. yokes since under this size it is difficult to employ any outside labour. ⁽¹²¹⁾ It is difficult to provide a precise figure as to how many of the 70,000 kulaks actually owned farms above the 25 cad. yoke size, since there are a variety of estimates: according to one, the total number of kulaks was 40,000, with dependents about 200,000-250,000⁽¹²²⁾, others put the figure at 30,000-35,000, with an average of 4 persons per family, making 120,000-140,000 including dependents.⁽¹²³⁾ Another estimate, the most conservative, but which statistically would appear to be the most consistent and is therefore adopted here, puts their numbers at about 47,000, representing about 3.3 per cent of those actively engaged in agricultural activities, together with their dependents. The share of kulak land in the total privately owned arable land was 16.5 per cent and 10-12 per cent of total livestock belonged to them.⁽¹²⁴⁾ Undoubtedly, they owned most of the large agricultural machinery. Their share of marketed grain was approximately 20 per cent, an important source for the economy. Generally, the marketable surplus of production had come, primarily, from the kulaks. Furthermore, crops were usually of better quality on kulak lands.⁽¹²⁵⁾ It was the most efficient, industrious, best educated and trained stratum in agriculture, most familiar with agricultural techniques. Many of them had reached their better economic position in life largely through their own personal efforts. It was this group of peasants which was, allegedly, the only target of communist warfare in the countryside. But, as the collectivisation drive unfolded the measures adopted affected not only this section but almost the entire peasantry.

The Party's move against the kulaks began, as shown, with the requisitioning of 'Lease-holding land' outlined under Decree 9000/1948, soon after the announcement of the collectivisation programme. The policy proposed

for the 'opening gambit' of class struggle was, in many ways, a direct continuation of the policy of 'restriction' (korlátozás) pursued in respect of the 'rural capitalists' from the beginning of 1948. The primary object of that policy was to close all available avenues to kulak expansion and to reduce their influence over the rest of the peasantry. Although, even at that early stage, they were openly destined to ultimate economic strangulation it was pointed out, then, that the time was not yet ripe for their 'dislodgement' (kiszorítás) or 'liquidation' (felszámolás). This official policy, however, was shortly ignored in practice and replaced by an indiscriminate nationwide assault on them, aimed, in many places at the implementation level, at their dislodgement and often liquidation. The policy was also distorted in practice in another important dimension, namely in its scope since in many places it was extended, even at the early stages, i.e., from the second-half of 1948, to affect not only the medium but also the small peasants, who were, at least officially, considered an important ally of the working class in the countryside. This can be seen clearly from the circular sent by the central party leadership to local, rural, party organisations on 13th December 1948. Thus,

in many places our local party organisations attempted to win the political fight against the kulak by resorting exclusively to administrative measures ... in many places our comrades lost sight of the fundamental aim that we have to force the kulaks to produce for the democracy. The task in hand was to select and punish the 'fattest' (i.e., the wealthiest), most obnoxious kulak in the district and, by using his example, make other kulaks work. Instead, in many places, our comrades organised a complete 'witch-hunt' and arrested kulaks who completed the required work ... repeatedly, an incorrect attitude towards the policy of alliance with the medium peasant was shown ... and ... not only kulaks but medium, often even small peasants were rounded up and punished.⁽¹²⁶⁾

But this apparent divergence between official 'theory' and 'practice', between higher and lower party organisations was, in fact, an inherent part of the framework in which the entire 'kulak question was approached and formulated. This was so on several levels. First, there was not a clearly defined and consistent kulak theory formulated, and rigidly adhered to, at high levels, which could have been handed down, more or less, as a 'package directive' upon which the lower, local party officials could take the action required of them. This, of course, was not accidental or due to inability on the part of the central leadership, but was clearly intentionally arranged. Tactical expediency required that the various measures to be taken should not be explained beforehand. Second, there was the genuine difficulty, in the official view, of defining unambiguously who was a 'kulak' and drawing a sharp, indentifiable, demarcation line between kulaks and medium peasants. Farm size, as a sole criterion was, for obvious reasons, unsatisfactory and inefficient. A medium peasant, rated by size of holding, for example, but with an excellent piece of land, intensively cultivated, prosperous and strong, was, by official logic, considered more of a kulak than a kulak with inferior land, cultivated say, with moderate intensity, hence securing less prosperity and economic power to the owner.⁽¹²⁷⁾ To this extent, relative wealth, another criterion, appeared as a logical extension to other criteria, like land area, employment of labour or some other forms of 'exploitation'. Unlike, for example, land size, which can be uniquely quantified, relative wealth cannot and as such it easily lent itself to the possibility of misapplication. This is only one example, others could easily be cited on similar lines. But it is sufficient to demonstrate the inherently ambiguous nature of defining who was a 'kulak', which gave rise to numerous difficulties. Third, which perhaps most often led to arbitrary excesses and abuses, were the confusing, often contradictory, demands from above regarding the actions local party officials were expected to take. Such were, for example, the slogans of

'restrictions' (korlátozás), but not 'dislodgement' (kiszorítás) or 'liquidation' (felszámolás), of the kulaks. Here the difficulty was to predict if a particular action would have a result within the required limits. If the action resulted in 'insufficient restriction', especially at the initial stages, or reports were submitted to higher party organisations stating that there were no kulaks or only 'good kulaks' in their respective districts - as often happened, e.g., in the Transdanubian regions - then party actives were accused of 'leniency', or 'lack of vigilance' and were denounced as 'right-wing' deviationists who allowed kulaks to disguise themselves as medium peasants to retain their 'destructive influence'.⁽¹²⁸⁾ To confuse the issue even further, while the medium peasants had been declared allies of the working class, nevertheless, they also had, it was said officially, 'capitalist tendencies'. It was hardly surprising, then, that party actives at lower levels, confronted with these ambiguities and contradictions, on the one hand, and faced with pressure from above to show 'glorious' results on the 'kulak front', on the other hand, chose eventually the simplest, and what they intuitively felt to be the expected, way out of their predicament and began to resort to force and administrative measures which would, in the final analysis, produce the required results.

From early 1949 onwards, prompted probably by Stalin's repeated warnings regarding the intolerable discrepancy between socialised industry and private farming, and partly because of reasonably successful initial kulak resistance in reply to regime's economic measures, any gradualism was abandoned and the policy of 'restriction' was, in practice, supplanted by the policy of 'dislodgement' by excluding the kulak from the new system of contracts - under which kulaks were given contracts for seeds and various industrial crops - depriving them of profitable sources of income and access to credits, artificial fertilizers and scarce industrial products. In addition, steep taxation, harsh delivery obligations, often 3.5 times more per cad. yoke of land than for small

peasants, confiscation of grain surplus and denial of admission to join new collectives - ostensibly organised by medium and poor peasants - and finally, direct pressures were all designed to force them off the land. By the end of 1948, Politbureau member Ernő Gerő felt it necessary to warn party activists against what he called the 'senseless' and 'clumsy' manner in which the class warfare against the kulaks was being conducted, by attempts to transform the fight against them into expropriation of kulaks and grain purchasing into expropriation of surpluses, forgetting, he said, that

under present conditions expropriation of the kulak is folly and the surplus expropriation means not an alliance with, but a fight against the medium peasant.⁽¹²⁹⁾

But, at the same time, as if to abrogate his criticism, he praised them for the results achieved in the grain collection front, by stating, with satisfaction, that,

by the middle of October (i.e., 1948) 50 per cent more wheat was delivered to the state than during the whole of the previous year.⁽¹³⁰⁾

This may well have been interpreted by party activists as an endorsement of their methods and Gerő's distinctly equivocal warning brought no lasting improvement in the countryside. The persecution of kulaks, and frequently medium peasants, continued unabated and within a few months, in many places, the implementation of the official policy of 'restriction' of the kulak had already grown, in practice, into the policy of 'dislodgement'. By March 1949 it increased to such a level that Rákosi felt it necessary to warn against the over-zealous application of the policy of dislodgement. Speaking at the Central Committee Plenum, convoked on March 5th-6th, 1949⁽¹³¹⁾, Rákosi, inter alia, analysed the grave mistakes committed by 'left-wing deviationists in executing the policy formulated against the kulak. His main concern, however, was not so much the

harsh and arbitrary measures directed against them - and leading to their premature dislodgement - but rather the fact that party activists, by focusing their attention on the kulaks, had neglected the importance of constant strengthening of the alliance with the small peasants, on whose support the party depended, and had failed to distinguish between kulaks and medium peasants, whose support the party sought to rally. It was wrong, he said, that

in many places the party organisations seemed to think that once the slogan of winning the medium peasant over was adopted, the poor peasants were no longer important and consequently there was no need to bother about measures must be taken to secure the leading role of the poor peasant, our true ally, in the DÉFOSz organisations and the leading role of the workers in the MTS's ... Another serious mistake was that our party organisations, in many places, made no distinction between the kulak and the medium peasants. The blow designed for the kulak must not fall on the medium peasant.⁽¹³²⁾

and

in general we consider those who own more than 25 cad. yokes of land to be kulaks. But our comrades in the villages have considered farmers owning more than 15 cad. yokes as kulaks.⁽¹³³⁾

Insofar as the genuine 'kulaks' were concerned, alleged Rákosi in his address, the measures employed so far against them seemed inadequate since they continued to grow richer. To change this, he observed, it was

high time that the fight against the kulaks was seriously tackled ... whenever the kulak dares to violate the laws of democracy he must be ruthlessly called to order.⁽¹³⁴⁾

He referred to the kulaks as the 'wheel-drags' of collectivisation, who only respond to firm measures which, according to his demagogic statement, also 'inspired respect among the medium peasants'.⁽¹³⁵⁾

The situation regarding the medium peasant, constituting in 1949 about 18 per cent of the agricultural population, remained, however, as ambivalent as ever. While Rákosi denounced the mistaken practice of lumping the kulaks and medium peasants together neither he, nor the central leadership, made any genuine efforts now to combat the undesirable 'left-wing' deviation they were accused of by providing clearer, more operationally defined guidelines and insisting on its rigid enforcement, if necessary by taking punitive measures against the offenders. Surely, in view of the size of the country, control over zealous party activists, if desired, could have been relatively easily put into effect. It is of interest to note, however, that at no time was a party activist brought to trial for 'left-wing' deviation, nor for any non-observance of central directives, nor indeed, was any disciplinary action taken against any one of them.

Rákosi's intervention on behalf of the working, and especially the medium peasants, could perhaps be interpreted as a 'tactical retreat'. The firm-hand policy of the government against the kulaks created much anxiety and alarm among the entire land-owning peasantry. They already began to wonder whose turn it would be next to be put into the dreaded 'kulak' category. At the level of implementation, however, his intervention had little effect. The persecution of kulaks went on undiminished and its extension to the medium, and often even the small, peasants remained a serious problem. This can be seen clearly from the revelation by András Hegedüs, writing shortly after Rákosi's speech at the Central Committee Plenum, in the party theoretical monthly, reminding the party activists of Rákosi's speech regarding 'left-wing' deviation. Hegedüs observed, with disapproval, that

during the last two months, left-wing deviation occurred in almost all rural districts and they created serious disruptions in many villages. These had particularly bad effects on the medium peasants. In many villages, the achievements of many years of hard work became endangered.⁽¹³⁶⁾

What, in fact, was happening is clearly illustrated by his reference to some local party officials who reported that 'in our village the liquidation of the kulaks has already been completed'. And these were not isolated cases only. He observed that, 'some party activists' in fact 'went out of their way to identify kulaks and then daubed slogans, not only on their houses but often on houses belonging to medium peasants too',⁽¹³⁷⁾ or 'smashed the windows of kulak houses and looted the shops belonging to them'.⁽¹³⁸⁾ He also complained that 'no distinction was made between kulaks and other working peasants, and often a small peasant, with 7-8 cad. yokes of land, was declared a kulak simply because he owned a horse or a cow.'⁽¹³⁹⁾ In his conclusion, however, Hegedüs too displayed the typical ambivalent attitude of the regime regarding the problem of 'left-wing' deviation. Condemnation, seemingly, always had to be accompanied by a qualifying clause and Hegedüs was no exception, when he observed that while due attention must be paid to the dangers of 'left-wing' deviation 'we must never forget that the main danger facing our agrarian policy is still right-wing deviation'.⁽¹⁴⁰⁾

It is not easy, even today, to find a satisfactory explanation of the purpose of Rákosi's famous 'tactical retreat' speech. A number of possible prepositions can, however, be advanced. First, with an eye fixed on the forthcoming General Elections, which in fact was held on 15th May, 1949, i.e., only two months away, Rákosi, wishing to calm the situation, may have believed that shifting the blame from the level of central party authorities to local organisations would enable him to create a temporary atmosphere of greater confidence and to persuade the panic-stricken peasantry, especially the small and medium peasants, that his intervention on their behalf would bring corrective measures which would help the working peasants. Second, the importance of the spring sowing for the whole agricultural year is well known.⁽¹⁴¹⁾ In this instance, in view of the imminent commencement of the First Five-Year Plan, with its

corollary, the increased rate of collectivisation, this was particularly important. Thus it could be argued that, in order to avoid further disruptions in the spring sowing, through peasant discontent and lack of incentives, Rákosi's speech was designed to woo the peasant into continued production. The anti-kulak policy had already alienated, and frightened, most of the peasants. Rather than inciting the hatred of the working peasant against the kulak the policy created a feeling of solidarity and united all the land-owning peasantry in abhorrence of the regime. Moreover, further anger and discontent was generated by the decision of the government, at about this time, to raise taxes on independent private farmers and by the unrealistically increased compulsory delivery quotas, the severe penalties for underfulfilment and the petty persecutions. Third, which may be considered to be a somewhat cynical view, but which is not altogether inconceivable, is that Rákosi, being the 'best pupil of Stalin', wanted to arrange his own theatrical equivalent of his great mentor's 'Dizzy with Success' speech. Fourth, was the moderating influence of Imre Nagy and the resistance of working peasants to collectivisation. It would be reasonable to assume that any one of these motives or more likely a combination of them may have pushed Rákosi into action.

Parallel to the offensive against the kulaks the government also ordered the intensification of pressure to organise some form of collective, i.e., either a simple producing association or fully fledged collective farms. The whole process of collectivisation differed from that in some other East European countries. The collective farms in Hungary were not created on the large estates, some of which were nationalised rather than distributed, but instead they were expected to come into being, in the first instance, by converting the land confiscated from kulak lease-holdings and by re-pooling peasant small-holdings distributed to them by the Land Reform. As a result, the most important social reform of the post-war period, the communist sponsored land

Reform of 1945, was to be completely reversed. The formation of the collectives was encouraged and supported by the state, especially in the early period, by providing them with the main factors of production: primarily, by the direct, or indirect provision of land and machinery. Other forms of temptation were also forthcoming; in December 1948 a Decree was passed which cancelled the debts of peasants - for assets received during the land reform - provided they worked in a collective. Much of the land to set up collectives at this stage was provided by the confiscated kulak 'leaseholdings' and, in addition, by the end of 1949 some 22,600 cad. yokes of land under the management of Farmers' Cooperatives was transferred to collectives, together with other assets of farm buildings and equipment managed by them, including some 600 stables, 200 barns, cellars, vine press-houses and 132 large machines, of which 66 were tractors.⁽¹⁴²⁾ A significant amount of land for collectives was also provided from the 'State Land Reserve Fund': some 869,500 cad. yokes came from this source by the middle of 1953.⁽¹⁴³⁾ Mention must also be made of the fact that some church and private land 'offered' or simply abandoned after the 1945 Land Reform also went to the state reserve. By the end of 1948 some 1783 farms in the above 50 cad. yokes category had had to surrender land totalling 90,000 cad. yokes, which in one form or another was now controlled by the state.⁽¹⁴⁴⁾

Intense propaganda campaigns were organised to educate the peasants to recognise that to improve the standard of living, both inside and outside the agricultural sector, it was necessary to liquidate backward methods of cultivation and adopt modern large-scale farming methods. A major role in lifting agriculture out of the backwardness and facilitating the development of large-scale collective farming was assigned to the development of the network of 'Machine Tractor Stations' (Állami Gépállomások) and 'State Farms' (Állami Gazdaságok). A full discussion on these is more conveniently postponed until later.

In theory, the collectives were to be organised, spontaneously, by the peasants themselves. However, only the agricultural proletariat welcomed the formation of collectives; the land-owning peasantry showed no desire to join or form any type of collectives. Hence, despite positive discrimination, progress in organising collectives was slow and disappointing for the regime. By early 1949 the total number of collectives, of all forms, approved by the Ministry of Agriculture, was only 500. Of these, 468 were organised during the previous autumn's intensive campaign. They occupied 95,500 cad. yokes, or about 0.5 per cent of total arable land area.⁽¹⁴⁵⁾ There was significant regional variation in their formation, e.g., in the Trans-Tisza region (Békés, Hajdú and Csongrád counties), traditionally noted as a radical region of the country, the proportion of collectives, with 1.5-2.0 per cent of total arable land, was significantly above the national average.⁽¹⁴⁶⁾ The founding members of these early collectives were predominantly the less competent landless agrarian proletarians, former seasonal workers or farmhands on the pre-war large estates, with little knowledge of modern production methods. They utilised the confiscated land previously rented by the kulaks. There were also new landowners who received land during the land reform, and found their holdings unprofitable because they lacked the necessary draft power and equipment. Such landowners were doomed to failure. The social composition of the founder members of collectives can be seen from the survey conducted at the end of 1948, which showed that only 5 per cent of them came from former small and medium peasants, i.e., they owned some land even before the land reform, 38 per cent from those who received land in 1945 and 57 per cent were landless, rural proletarians.⁽¹⁴⁷⁾ Looking at the formation of genuine collectives, i.e., Type III farms, the proportion of former land-owning peasantry declines from 5 to 3 per cent and the proportion of landless proletariat increases from 57 to 62 per cent, according to some estimates even to 70 per cent.⁽¹⁴⁸⁾ The survey also shows that of the 468 collectives formed by the end of

1948, 70 were Type I, 119 Type II and 279 Type III.⁽¹⁴⁹⁾ The predominance of Type III collectives, over two-thirds, formed by landless rural proletarians is clearly visible. This can be partially explained by the fact that most of these collectives were created on leased land, where land ownership and crop-sharing played no significant roles, and by the fact that the state was giving the greatest help to this type of collective. Also, only this form of collective gave the landless founding member permanent work opportunity and livelihood. Apart from isolated cases the small and medium peasant with his land, remained outside the collective sector. The average number of households per collective was about 20 and the average land area 173 cad. yokes.⁽¹⁵⁰⁾ A number of these newly organised collectives began to operate with the autumn sowing, but systematic communal work was carried on only from the beginning of 1949.

The social composition of these early collectives determined not only the beginnings of the collective movement, and the agrarian transformation, but also its future development and operation. Later, with the development of collectivisation, the proportion of former agricultural labourers declined but even in the mid-1950's their numerical superiority in the collectives remained disproportionate. The most serious obstacle facing their efficient operation was caused, both in qualitative and quantitative terms, by the deficiency of the most important factor of production, land. About 90 per cent of the land was provided by the state, from expropriated leased land, and less than 10 per cent of the land was privately owned. A report to the Politbureau on 3rd February 1949 noted with dissatisfaction that,

the working peasants failed to bring in the land they had owned ... but left it outside the cooperative, to work it intensively, privately.⁽¹⁵¹⁾

Some individual peasants, at the early stages, envisaged that while working in the collective they still could maintain their individual, private, holdings. Up to the middle of 1949, for example, 37 per cent of members still had individual private holdings. But by the end of 1949 this almost totally disappeared.⁽¹⁵²⁾

The same report also observed that those land-owning peasants who decided to join the collectives - with their land - were mostly new landowners who were inefficient, had let their land run down and joined without any draft animals. Often, even the agrarian proletarians who joined did not do so out of conviction but because of the continuing serious unemployment problem. Another report noted that in about one-third of the collectives the main complaint was that the amount of land was insufficient to function efficiently.⁽¹⁵³⁾ But many of the 'new landowners' had no real desire to join the collectives. A good illustration of their way of thinking is given by a new landowner, who reasoned against it as follows:

prior to the liberation I was a have not, today I have land. In the first year, I had neither cow nor seed, today I have a cow and seed too. Before, we were dressed in rags and many of our children had no shoes, today we all wear decent clothes and shoes. Before, I lived in someone else's house, by now I have already built my house, we live in our own home. Why should I go into a collective?⁽¹⁵⁴⁾

This sentiment, doubtless was shared by many land-owning peasantry.

Due to government inability to provide guidance and sufficient machinery and other equipment, most of the collective farms, despite some help from state reserves, operated under serious difficulties and without proper economic foundation. The most important common feature of these early collectives, according to reports, was the almost complete absence of the most important basic tools, the shortage of machines and equipment, draft animals, livestock or financial resources for running expenditure.⁽¹⁵⁵⁾ The primary

reason for this was because after the expropriation of rented land, most of the equipment and animals remained with the previous 'rentier' or, as often was the case, in the private ownership of members.⁽¹⁵⁶⁾ Even agrarian proletarians who owned some equipment did not wish to contribute it to the common pool. This is clearly demonstrated by the fact, that the proportion of livestock in the collectives was one third of the national average.⁽¹⁵⁷⁾ Similar problems prevailed with regard to farm buildings. Most of these, taken away from the wealthy peasants, or left behind by the old gentry estates, were in dilapidated condition and in desperate need of repairs. The MTS network at its initial stages of development, at the turn of 1948/1949, created to support the collectivisation programme, was unable to fill the gap in machinery requirements and in any case these were often established along way from the needy collectives. In the spring of 1949, the view prevailed in the party that the machinery necessary for large-scale production should not be allocated to the 'unstable' collectives. This meant that not only the 'Farmer's Cooperatives' had to part with their machinery but that collectives were not allowed to buy and/or own tractors, combine harvesters, etc., but all these were given to the developing MTS network.⁽¹⁵⁸⁾ Most individual peasants resented these MTS because of their reputation for sending agitators to 'convince' the peasants to join the collective. Thus, often the collective was forced to rely on the wealthier peasants for tractor power. Due to lack of financial resources many of the collectives could not afford to pay their members in advance of the next year's harvest. From the very beginning members were often forced to undertake day-work for others or they could hardly have survived until the next year.⁽¹⁵⁹⁾ A survey carried out at the end of 1948 noted that because of the

disorganisation and appalling conditions that prevailed in the collectives, established up to now, they would endanger the future development of the cooperative sector.⁽¹⁶⁰⁾

Without doubt the peasants were hardly able to turn these farms into attractive alternatives for the outsiders. Faced with this situation it was not surprising that within a few months, while the collectivisation struggle had hardly begun, some 1300 members, mostly land-owning peasants, left the lower, simpler, form of collectives, i.e., Type I and II, where withdrawal was still permitted.⁽¹⁶¹⁾

The major problem with the establishment of these collectives was that the Party leadership, at both the central and local levels, for political reasons was mainly interested in the quantitative development of collectives. It showed little concern about their viability. Due to government pressure, fierce competition had developed between the various districts to show quantitative results and during the Autumn campaign it was noted that

district party secretaries, seeing that the establishment of collectives in their districts was fewer than in their neighbours', began, at break-neck speed, to set up new collectives, while ignoring completely the management of existing ones.⁽¹⁶²⁾

Credit support for these newly established collectives, up to the middle of 1949, was 40 million Forints which, for the problem in hand, was totally inadequate, as well as unreliable and inappropriate in its structure.⁽¹⁶³⁾ The social and economic conditions of members in the collectives was so weak that much of the credit was allocated to grain, food supply or paying for other consumer goods requirements.⁽¹⁶⁴⁾ Very little was invested in constructing communal farm buildings or acquiring machinery to improve the positions of these collectives and to make them more attractive for the peasants to join.

The intractibility of the peasants was well illustrated by the attempt of the HWP to resort to mass mobilisation. The two former radical peasant organisations, FÉKOSz and UFOSz, discussed earlier, were merged on 18th December, 1948, into the 'National Union of Working Peasants and Agricultural

Labourers', DÉFOSz (Dolgozó Parasztok és Földmunkások Országos Szövetsége).⁽¹⁶⁵⁾ It was given the single political task of winning over the small and medium peasant members of the 'deceased' peasant parties to socialism and thereby promoting the rapid socialist transformation of agriculture. All other tasks were subordinate, the representation of peasant interest was pushed completely into the background. By early February 1949, however, the HWP had changed its previous views regarding the character of DÉFOSz. The elections for local DÉFOSz leaders in January 1949, in some 1013 places electing 11,442 officials, produced only 48.3 per cent support for the communists, 17.1 for the NPP, 15.5 for the SHP and 19.1 per cent for independent candidates.⁽¹⁶⁶⁾ The dissatisfied communist party leadership demanded better representation and the dissolution of those DÉFOSz units which were 'penetrated by the class enemy'. During the next few months DÉFOSz units came under close political scrutiny and where the proportion of communists was below 60 per cent changes were made in their favour, or the unit was dissolved.⁽¹⁶⁷⁾ Also, to secure working class leadership, worker's sanctions were formed within DÉFOSz, with 70 per cent communist representation⁽¹⁶⁸⁾, which tended to alter the original aim of attracting middle peasants, and their activity changed towards trade unionism. These changes, combined with the brutal measures that ensued improved the position of the HWP by a mere 1.9 per cent while, at the same time, creating an atmosphere of terror in the countryside. Indeed, Rákosi later admitted that DÉFOSz 'was one of our biggest mistakes in four years'.⁽¹⁶⁹⁾ The dogmatic leadership of DÉFOSz had to resort to recurrent, and essentially counterproductive, purges and persecution among the peasantry during subsequent years, which led to a decrease of communist membership among the peasants. Rákosi had revealed to the Central Committee Plenum on 27th October, 1950 that

it must be said, comrades, clearly and openly that in village after village our party organisations have lost ground and weakened over the last two years.⁽¹⁷⁰⁾

Indeed, the proportion of peasants in the HWP had declined from 18 per cent in 1948 to 13 per cent in 1950.⁽¹⁷¹⁾ An HWP majority was finally achieved by the simple recourse of reducing their competitors' numbers by purges. Having failed to fulfil its envisaged role as an agent of collectivisation, DÉFOSz was ultimately dissolved in January 1952 and replaced by a simple trade union for agricultural workers.

It can thus be seen that, by the spring of 1949, before the collectivisation drive, only a small minority of peasants, mainly agrarian proletarians, belonged to collective farms and the proportion of land area in the collective sector was nominal. The small number of collectives that existed were disorganised and without proper economic foundation. The social conditions and the economic disadvantages prevailing within these collectives rendered them totally unsuited to persuade most individual peasants to voluntarily relinquish their traditional way of life. Nevertheless, the first steps of collectivisation had begun and with the establishment of independent, self-governing agricultural producer's cooperatives the preparatory stage was closed. The task of 'convincing the small and medium peasants, however, still remained to be solved. The First Five-Year Plan, drafted before the completion of the Three Year Plan, in March 1949, indicated that in the next few years agriculture was to play a key, if not crucial role. The success of the Plan depended on the success of collectivisation and the generation of an adequate marketed surplus of food and agricultural raw materials. All these, however, demanded drastic changes in the party's economic policies. It was to these tasks that the party now turned.

Part III

1. In Poland, for example, the announcement was made at the PPR Central Committee Plenum on 6th July 1948

Chapter 7

2. The abbreviation HWP will be used from now on to denote the Communist Party
3. Sándor Nógrádi, Történelmi Lecke, Bp. Kossuth, 1970, p.390 & p.397
4. Viktor Csornoky was Hungary's Ambassador to Egypt. He was recalled on the basis of fabricated charges, accused of being a British agent, charged with high treason and executed in November 1948
5. When the new Constitution came into force, in August 1949, the Presidency was abolished and Árpád Szakasits was given the post of Chairman of the Presidium of the People's Republic, a post of considerably lesser significance. His 'services', however, failed to earn the eternal gratitude of Mátyás Rákosi and in April 1950 he was arrested and sentenced to 15 years for crimes he never committed. A similar fate was meted out to many ex-SDP members, whether on the 'right' or the 'left' of the party. George Páloczi-Horváth, The Undeclared, London 1959, pp.238-239
6. 'For a Lasting Peace for a People's Democracy' 1st July, 1948, p.1; see also, Bálint Szabó: Népi demokrácia és forradalom elmélet, Bp. Kossuth, 1970, pp.240-245; and 'A Jugoszláv Kommunista Szövetségének rövid Története', Noviszád, Fórum, 1963, pp.482-492. The Soviet-Yugoslav schism is sufficiently well known and documented that, for the present purpose, it is sufficient to summarize the relevant aspects of the accusations concerning agriculture
7. For a Lasting Peace for a People's Democracy, 1st July 1948, p.1
8. To understand this aspect it is important to consider the relations between the Soviet Union and other East European countries. The international situation in 1948 and 1949 was so tense that no possible crack in communist solidarity could be permitted, in case the West exploited it. The Russians, on the other hand, knew only too well how fragile these new communist states were and how resentful their populations were. Repression was the only way to guarantee obedience. There had to be complete conformity to enable Russia to build an unchallenged basis for her position in the world as an international power
9. Gomulka, who did not identify himself with the views of the resolution, was blamed for having failed to understand the 'proper' rate of progress to socialism and to appreciate the Soviet experience and its role in the construction of socialism. By September 1948 he was deprived of his party and government posts. Later he was arrested and imprisoned
10. For details, see: Gyula Schöpflin, 'Dokumentum A Magyar Kommunista Párt útja 1945-1950', Látóhatár (Munich), No. 6, p.246, 1955; also, Sándor

Orbán, Két Agrárforradalom Magyarországon. Demokratikus és Szocialista agrárátalakulás 1945-1961. Bp. Akadémiai Kiadó, 1972, p.71

11. Lilly Marcou, Le Kominform, Presses de la Fondation Nationale des Sciences Politiques, Paris, 1977, p.203, 215n
12. Indeed, even when the Cominform was founded the two countries had not seen eye to eye, notably over the Greek civil war (in which the Greek communists were defeated) and over the future of Albania. Also, a Balkan Federation proposed by Tito did not find Russian approval
13. Lilly Marcou, Le Kominform ... op.cit., p.203, 215n
14. Gyula Schöpflin, Dokumentum ... op.cit., p.246
15. Ibid
16. András Hegedüs, A Magyar Mezőgazdaság Szocialista átszervezésének kérdései Bp. Szikra, 1951, p.6
17. Ibid
18. Central Committee Plenum held on 30th June Rákosi, in similar ambiguous and contradictory terms, but even more directly, referred to the Cominform resolution. It was also at this meeting that, as shown earlier, he revealed the existence of a Stalin-Molotov letter, sent in March, urging him to build socialism in the villages
19. Mátyás Rákosi, Építjük a nép országát, Bp. Szikra, 1948, p.6
20. A Magyar Dolgozók Pártja Országos Szövetkezeti Konferenciája, Bp. Szikra, 1948, p.16
21. Eastern Europe, Vol. 4, No.190, 5th July 1948, p.8
22. Ibid
23. Eastern Europe, Vol. 4, No. 191, 22nd July 1948, p.8
24. A Magyar Dolgozók Pártja Országos Szövetkezeti ... op.cit., pp. 54-56, see also, 'A Magyar Dolgozók Pártja első szövetkezeti konferenciája', Bp. Társadalmi Szemle, No.8-9 (August-September), 1948, pp.608-614
25. Ernő Gerő, Harcban a Szocialista népgazdaságért, Válogatott beszédek és cikkek. (Report to the Conference), Bp. Szikra, 1950, p.377
26. P.I. Filmtár PB/739, from the protocoll
27. Ferenc Donáth, 'A dolgozó parasztság elönyomulása', Szabad Nép, 14th July 1948
28. Eastern Europe, vol. 4, no.191, 22nd July 1948, p.8
The same source reported that some well-to-do peasants had already been deported and the public believed that in every village an informer

had already been planted and that the police had already begun to employ terrorist methods

29. Mátyás Rákosi, Épitjük a nép országát ... op.cit., p.55; also Ernő Gerő, Harcban a szocialista... op.cit., pp.410-411
30. Gyula Schöpflin, Dokumentum ... op.cit., pp. 246-248
This is a very interesting account, the only one known to the author which provides information not only on the confrontation but also on Rajk's views on the kulaks and collectivisation. Coming from a senior ex-communist party official of the period it can, perhaps, be assumed to be correct even without corroborating evidence. Many, however, would argue that these attitudes were not in character: Rajk was also described as a ruthless, fanatical communist, a left-winger by communist standards, who wanted a one-party state and dictatorship of the proletariat from the earliest moment, was against Rákosi's tactical coalition policy, and was scrupulously loyal to the Russians.
31. W. Shawcross, Crime and Compromise, Weidenfeld & Nicolson, 1974, p.53
32. For a good, general analysis for the differences between Rákosi and Rajk see, Paul Kecskeméti, The Unexpected Revolution, Stanford University Press, 1961, pp.18-31
33. Gyula Schöpflin, Dokumentum ... op.cit., p.247
34. Paul Kecskeméti, The Unexpected Revolution ... op.cit., p.27
35. The complex and tragic story of Rajk still remains to be told in full. In the present context, only aspects which were thought to be relevant have been discussed. Fejtő, a specialist in Hungarian affairs, notes that Beria and Rákosi hesitated for some time in choosing between Rajk and Nagy as the principal victim of the proceedings against 'Titoism'. Their choice did not immediately fall on Rajk.
Francoise Fejtő, Portrait d' Imre Nagy, Paris, Plon, 1957
For a recent, rather brief biography published in Hungary and with many gaps see, E. Strassenreiter and P. Sipos, Rajk László, Bp. Akadémiai Kiadó, 1978, pp.174-175
36. Mátyás Rákosi, Épitjük a nép országát ... op.cit., pp.292-299
37. Ibid., pp.293-294
38. Ibid., 298
39. Sándor Orbán, Két Agrárforradalom ... op.cit., p.72, 35n
40. Francoise Fejtő, Behind the Rape of Hungary, David McKay, New York, 1957, p.59
41. Sándor Balogh & Bálint Szabó (eds), A magyar népi demokrácia története 1944-1962, Bp. Kossuth, 1978, p.156

42. Dezső Nemes, et al., A magyar forradalmi munkásmozgalom története, Bp. Kossuth, 1970, vol. 3, p.191
43. Sándor Balogh & Bálint Szabó (eds), A magyar népi demokrácia ... op.cit., p.157
44. 'A második Balantonkenesei értekezéslet', Politikai és Gazdasági Tájékoztató. II.évfolyam no.34-44, 12th November, 1948, published by the Független Kisgazda, földmunkás és polgári párt, Bp. 1948
45. Sándor Balogh & Bálint Szabó (eds), A magyar népi demokrácia... op.cit., p.157
46. Ibid.
47. Szabad Nép, 26th September 1948
48. Ibid.
49. Ibid.
50. Ibid.
51. Sándor Balogh & Bálint Szabó (eds), A magyar népi demokrácia ... op.cit., p.158
52. Bálint Szabó, Népi demokrácia és forradalomelmélet: A Marxista forradalomelmélet fejlődésének néhány kérdése Magyarországon, 1935-1949, Bp. Kossuth, 1970, p.245
53. 'Report to the Central Committee Plenum', Szabad Nép, 28th November 1948, p.3
54. Ibid.
55. Bálint Szabó, Népi demokrácia ... op.cit., p.247
56. Ibid.
57. Ibid.
58. Szabad Nép, 16th January 1949
59. Ibid.
60. Bálint Szabó, Népi demokrácia ... op.cit., pp.248-249
61. Ibid., p.253
62. József Révai, 'Népi demokráciánk jellegéről', Társadalmi Szemle, March-April, 1949, p.164
63. Ibid., pp.165-166

64. Ibid., p.166
65. Ibid., p.167
66. Paraphrasing the Bible, Matthew Chapter XII, Verse 30
67. The Republic had originally been proclaimed on 1st February, 1946. This new constitution embodied lavish praise for the Red Army's role in the liberation of Hungary. It established a Presidential Council, instead of the Head of State, A council of Ministers, as the chief executive organ, and a unicameral national assembly; article 56, in effect, codified the dominant position of the Hungarian Workers' Party (HWP). See Jan F. Triska, Constitutions of the Communist Party States, Stanford, California, 1969, pp.182-194.
68. András Révai, A Túlsó Partról, Szepsi Csombor Kör, London 1975, p.86
69. József Mindszenty, Emlékirataim, Vörösváry István kiadása, Toronto, Canada, 1974, p.207
70. It is unnecessary to cover the Mindszenty affair in any greater detail because of its marginal interest in the present context
71. See pp. 61-69
72. Vera Szemere, 'A NÉKOSz történelemhez', Párttörténeti Közlemények, No.4, December 1975, p.3-50 and
Gyula Borbándi Der Ungarische Populismus, Mainz, Hase & Koehler, 1974, pp.273-276
73. Erzsébet Strassenreiter, Peter Sipos, Rajk László ... op.cit., p.177
74. Gyula Schöpflin, Szélkiáltó, Emlékezések, Az Irodalmi Ujság Sorozata, Páris, 1983, p.104
75. Ibid
76. Vera Szemere, A NÉKOSz történelemhez ... op.cit., pp.41-42 & p.48
77. Iván T. Berend, György Ránki, A Magyar Gazdaság Száz Éve, Bp. Kossuth, 1972, pp.244-245
78. As shown earlier, the first of these cooperatives were established in Sarkad-Feketeér, Vasszilvágy and Felsőszeleste in 1946. Their members cooperated chiefly in the use of machinery and other implements which belonged originally to the large estates, which had been parcelled out. From that time to 1948 a few more were founded, but their membership remained small.
79. Decree 8000/1948, Korm.sz.rendelet, Magyar Közlöny (Hungarian Official Gazette), No.182, p.1771
80. Sándor Orbán, Két Agrárforradalom ... op.cit., p.79

81. Decree 8000/1948, Korm.sz.rendelet ... op.cit., p.1772
82. A földművesszövetkezeti mozgalom 10 éve, Bp. Kossuth, 1956, p.14
83. Sándor Balogh és Ferenc Pölöskei (eds), Agrárpolitika és Agrárátalakulás Magyarországon (1944-1962), Bp. Akadémiai Kiadó, 1979, p.230
84. Decree 9000/1948, Korm.sz.rendelet a mezőgazdasági ingatlanok és haszonbérletekről. (Government Decree on agricultural land and leaseholding) Magyar Közlöny (Official Gazette). 1948, no. 194, pp.1923-1925
85. Sándor Szakács, Földosztás és agrárfejlődés a magyar népi demokráciában, Bp. Közgazdasági és Jogi Könyvkiadó, 1964, p.172, 404 n
86. Ferenc Donáth, Demokratikus Földreform Magyarországon 1945-1947, Bp. Akadémiai Kiadó, 1969, p.390 (see Table 34)
87. Ibid.
88. Sándor Orbán, Két Agrárforradalom ... op.cit., p.79
89. Sándor Szakács, Földosztás és agrárfejlődés ... op.cit., p.173 and
Ferenc Donáth, 'A falu szocialista fejlődésének kérdései'. Társadalmi Szemle, February 1949. p.110
90. Rákosi's report to the Central Committee Plenum, Szabad Nép, 28th November, 1948, p.3
91. Ibid.
92. Henrik Vass (ed), A Mezőgazdaság Szocialista Átalakulása Magyarországon (Tudományos ülészak, Turkeve April 6-7, 1981)
Szolnok megyei Lapkiadó Vállalat, 1981, p.36
93. Sándor Orbán, Két Agrárforradalom ... op.cit., p.72
94. András Zsilák, A magyar társadalom osztályszerkezetének alakulása a szocializmus építésének kezdeti időszakában és a Magyar Dolgozók Pártja szövetkezeti politikájának főbb vonásai (1949-1956), in Henrik Vass (ed), A Magyar Kommunista Párt Szövetkezeti Politikája, 1936-1962, Bp. Kossuth, 1966, pp.176-178
95. Ibid. and see Sándor Orbán, Két Agrárforradalom ... op.cit., pp.72-73
96. Imre Nagy, Falusi politikánk kulcskérdése: a középparasztsággal való szövetség (November 1948); A Szövetkezet jelentősége a mezőgazdaság fejlődésében (December 1948); Vita a középparasztsághoz való viszony és a falusi osztályviszonyok kérdésében (in 1948-49), See Imre Nagy, Egy Evtized (válogatott beszédek és irások), Bp. Szikra, Vol.2, n.d., p.146
97. Ernő Gerő, Harcban a szocialista ... op.cit., p.385, and
Dezső Nemes, et al., A magyar forradalmi munkásmozgalom ... op.cit., p.21

98. Sándor Balogh & Bálint Szabó, (eds), A magyar népi demokrácia... op.cit., p.185
99. Ibid.
100. Decree 14000/1948. Korm.sz.rendelet, a földműves szövetkezetek és a földbérlet-szövetkezetek termelőszövetkezeti csoportjairól, Magyar Közlöny, 1948, no.278, pp, 2569-2575
101. Béla Fazekas, A mezőgazdasági termelőszövetkezeti mozgalom Magyarországon, Bp. Kossuth, 1976, p.57
102. Iván Földes, A termelőszövetkezetek állami irányítása, Bp. Közgazdasági és Jogi Könyvtár, 1962, p.168
103. Szabad Nép, 8th February, 1951, p.7
104. Társadalmi Szemle, August-September, 1949, p.502
105. Decree 1400/1948. Korm.sz.rendelet ... op.cit., p.2569
106. For a Lasting Peace for a People's Democracy, 1st July 1949
107. Emil Csonka, A forradalom oknyomozó története 1945-1956, Veritas, München, 1981, p.283
108. Társadalmi Szemle, February 1949, p.118
109. c.f., Társadalmi Szemle, August-September 1949, p.561-570
Szabad Nép, 4th March, 1949, p.3
110. Társadalmi Szemle, February 1949, p.109
111. Sándor Orbán, Két Agrárforradalom ... op.cit., p.70
112. For a Lasting Peace for a People's Democracy, 15th March 1949, p.2
113. Here the Soviet kolkhoz regulation which banned the kulak from joining the collective was followed. This rule, in Hungary, was maintained until 1959, when it was rescinded. Ferenc Donáth, Reform és Forradalom, Bp. Akadémiai Kiadó, 1977, p.138
114. Ernő Gerő, Harcban a szocialista ... op.cit., p.406
115. Ibid., p.407
116. For the definitions see, Sándor Balogh és Ferenc Pölöskei (eds), Agrárpolitika és Agrárátalakulás ... op.cit., pp.10-11; categories (b) to (e) inclusive were defined as 'working peasants' and from (c) to (e) as small and poor peasants
117. The Golden Crown was introduced in 1875 as a measure of land quality, taking into consideration land fertility, location, cultivability, i.e., general differences in the quality of land, and was used for land-tax

purposes. The net income from land was graded between 1 and 20 golden crowns per cadastral yoke; the national average being 11 golden crowns. The definition of net income was based, theoretically, on the average net income that could be obtained from a cadastral yoke of land in 1875 money values with the farming methods, production prices and costs prevailing at the time. It is an outdated method, but still in use in Hungary to pay 'ground rent' to members of collectives for the land they pooled.

Közgazdasági Kis Lexikon, Bp. Kossuth, 1968, p.21 and p.163

118. Sándor Orbán, Két Agrárforradalom ... op.cit., p.75
119. See Chapter 4.3 p.229
120. According to this registry, 10,000 of the 70,000 were traders, shop-owners, mill or pub-owners and butchers; 4,300 rural physicians, lawyers, civil servants and retired persons; 1,300 independent craftsmen; 53,200 farmers. These numbers, however, tend to vary according to different estimates and the time of compilation of the registry; in a 1949 compilation, for example, the total number on the kulak list was given as 65,000, but from 1948 on their numbers tended to decline, due to government policy.
Sándor Orbán, Két Agrárforradalom ... op.cit., p.78
121. Sándor Balogh és Ferenc Pölöskei, Agrárpolitika és Agrárátalakulás ... op.cit., p.53
122. Gyula Schöpflin, Dokumentum ... op.cit., p.247
123. Sándor Orbán, Két Agrárforradalom ... op.cit., p.78
124. Sándor Balogh and Bálint Szabó (eds), A magyar népi demokrácia ... op.cit., p.187
125. Dezső Nemes, et al., A magyar forradalmi munkásmozgalmak ... op.cit., p.172
126. Sándor Szakács, Földosztás és agrárfejlődés a magyar népi demokráciában, Bp. Közgazdasági és Jogi Könyvkiadó, 1964, p.172.404n.
127. A peasant farming 50 cad. yokes in the region between the Duna and the Tisza, where land was wind-blown sand was really no more than a middle peasant: see Ferenc Erdei, Futóhomok, Bp. Gondolat, 1957, p.XXXIII
128. Társadalmi Szemle, May 1949, pp.328-329 & p.334. There were sporadic attempts by the kulaks to evade compulsory deliveries by making false harvest declarations. Also, at the early stages, some kulaks managed to infiltrate party organisations and blocked measures directed against them; they were, however, soon purged
129. Ernő Gerő. 'The policy of the Hungarian Workers' Party in the countryside', For a Lasting Peace for a People's Democracy, 1st December, 1948 and Harcban a szocialista ... op.cit., p.398

130. Ernő Gerő, Harcban a szocialista ... op.cit., p.387
131. Full report in Szabad Nép, 6th March 1949, pp.2-4
132. Ibid., p.2
133. Szabad Nép, 24th March, 1949
134. Szabad Nép, 6th March, 1949, p.3
135. Sándor Balogh és Bálint Szabó (eds), A magyar népi demokrácia ... op.cit., p.187
136. András Hegedüs, 'Elhajlások pártunk falusi politikájának végrehajtásában', Társadalmi Szemle, May 1949, p.332
137. Ibid., p.331
138. Ibid., p.332
139. Ibid., p.337
140. Ibid., p.332
141. 'Theoretical' farm labour requirements in million days per month were as follows:
- | | | |
|----------------|---------------|------------------|
| January - 1.0 | May - 23.2 | September - 34.0 |
| February - 1.7 | June - 32.9 | October - 30.1 |
| March - 10.1 | July - 42.5 | November - 9.5 |
| April - 22.2 | August - 28.0 | December - 5.6 |
- The sudden increase in the demand for labour at the beginning of March can clearly be seen and is characteristic of countries dominated by cereal cultivation and poorly equipped with modern machinery
- René Dumont, Types of Rural Economy: Studies in world agriculture, Methuen, 1957, p.489
142. Béla Fazekas, A mezőgazdasági termelészövetkezeti ... op.cit., p.61
143. Ibid., p.64
144. Sándor Balogh és Ferenc Pölöskei, Agrárpolitika és Agrárátalakulás ... op.cit., p.49
145. Sándor Orbán, Két Agrárforradalom ... op.cit., p.80. Some estimates put the total number of collectives organised below 449 and some above 500. Ibid., p.80, n.72
146. Ferenc Donáth, 'A falu szocialista fejlődésének kérdései', Társadalmi Szemle, February 1949, and
- András Hegedüs, 'A termelészövetkezeti mozgalmunk helyzete és fejlődésének főbb kérdései', Társadalmi Szemle, June-July 1949, pp.461-470

147. Sándor Orbán, Két Agrárforradalom ... op.cit., p.80
148. Ibid., p.81
149. Béla Fazekas, A mezőgazdasági termelészövetkezeti ... op.cit., p.59
150. Ferenc Donáth, 'Producers' Cooperatives in Hungary', For a Lasting Peace for a People's Democracy, 1st July 1949, p.3
151. Report to the Plenum of the Politbureau of the HWP, February 1949, P.I. Filmtár PB/825 in Sándor Orbán, Két Agrárforradalom ... op.cit., p.82
152. Béla Fazekas, A mezőgazdasági termelészövetkezeti ... op.cit., p.66
153. Report to the 'Mezőgazdasági Szövetkezeti Bizottság' (Agricultural Cooperative Committee), 21st January 1949, P.I. Archives 2/8/14 in Sándor Orbán, Két Agrárforradalom ... op.cit., p.82
154. Társadalmi Szemle, February 1949, p.107
155. Report to the 'Mezőgazdasági Szövetkezeti Bizottság', on 1st December 1948, on the 'Financial reorganisation of Cooperatives'. P.I. Archives 2/8/14 in Sándor Orbán, Két Agrárforradalom ... op.cit., p.82
156. Ibid., p.82; P.I, Archives 2/8/24
157. Ibid., p.82; P.I. Archives 2/8/74
158. Sándor Balogh és Ferenc Pölöskei, Agrárpolitika és Agrárátalkulás ... op.cit., p.23
159. Henrik Vass (ed.), A Mezőgazdaság Szocialista ... op.cit., p.36
160. Ibid., p.35
161. Társadalmi Semle, August-September 1949, p.629
162. Henrik Vass (ed.), A Mezőgazdaság Szocialista ... op.cit., p.36
163. Sándor Orbán, Két Agrárforradalom ... op.cit., p.85
164. Ibid., p.86
165. Sándor Balogh és Bálint Szabó (eds), A magyar népi demokrácia ... op.cit., p.167
166. Kálmán Szakács, 'A középparaszt kérdés', Párttörténeti Közlemények, No.4, December 1972, pp.82-109; p.90
167. Sándor Balogh és Bálint Szabó (eds), A magyar népi demokrácia ... op.cit., p.167
168. Kálmán Szakács, 'A középparaszt kérdés'... op.cit., p.106-107

169. Ibid., p.102

170. Ibid., p.108

171. Ibid.

Chapter 8: The Process of Collectivisation: the second stage

8.1 Towards a new stage, March 1949-January 1951

There is no doubt that the Central Committee meeting in March 1949 signalled a doctrinal change, and marked the start of a new phase in the Party's agricultural policies, to last until early 1953. The collectivisation policy in the period presently under investigation went through two distinct stages. The first stage, from the March Central Committee Plenum of 1949, a 'relatively' milder stage for the working peasants, except the kulaks, of course, lasted until the end of 1950. In the second stage, from early 1951, when new forms of economic and administrative measures and compulsion were introduced, the 'line toughened' and the government started applying indiscriminate 'dekulakisation' and terror on a mass scale. This continued until early 1953. During the stage the regime conducted an undisguised war against the entire peasantry which may not have matched the overall level and extent of the brutality of the Soviet collectivisation drive of the 1930s but it certainly came very close to it.

The change in policy was ushered in by the official announcement, at the March 1949 Central Committee meeting, outlining Hungary's First Five-Year Plan, covering the period 1st January 1950-31st December, 1954.⁽¹⁾ Like the Three-Year Plan, which was in its last year, the Five-Year Plan was first published as a proposal. Unlike the Three-Year Plan, which envisaged a balanced development of the economy, the overriding objective the new Plan, according to its chief domestic architect, Ernő Gerő, was 'to turn Hungary into a country of iron and steel'. Rákosi, too, proudly boasted about the Plan, claiming that it 'would make of the peasants' endless "puszta" a land of iron and steel and to this glorious end any means were appropriate'.⁽²⁾ The plan was designed 'transform Hungary from an agricultural to an industrial country, with a highly developed agriculture', to accelerate the tempo both in investment and output, with

primary emphasis on manufacturing, especially the growth of heavy industry.⁽³⁾ Besides economic aims, the main purpose of the Plan was to carry socialism to victory in the whole of the Hungarian economy. With the socialist transformation practically complete in industry, where on 28th December 1949, all enterprises employing more than 10 and less than 100 workers, were nationalised and, in 1950, 91 per cent of total output originated in the state sector (1 per cent handicraft-cooperative and 8 per cent was private), the primary target of socialisation now was agriculture where, in 1950, more than 80 per cent of the land still belonged to small-scale individual private holdings.⁽⁴⁾ But the Plan also had a third aim, the strengthening of the 'defensive powers' of the Hungarian People's Republic' on the side of the Soviet Union and other friendly people's democracies and freedom-loving peoples of the world against the war-mongering imperialist arsonists.⁽⁵⁾ The most important external influence for the drastic change in policy was the Soviet autarkic model and Stalin's new 'war economy', which resulted from the sudden impact of Stalin's war hysteria to such an extent that the 1949 Defence Budget was increased four-fold within weeks of its formulation in September 1948.

The change in policy can best be seen from the proposed allocation of investment funds. While the Three-Year Plan allocated 25 per cent of total investment to industry and 31 per cent to agriculture, the Five-Year Plan, in its original version, allocated 42 per cent to industry, 80 per cent of which was to serve heavy industry, and 16 per cent to agriculture. The net investment level was to reach 25 per cent of National Income. The Plan set very ambitious targets for the whole economy. Its proposed increase in National Income, from the 1949 level, was 63 per cent, of industrial production 86 per cent, within which heavy industry was to increase by 104 per cent. The predicted rise in living standards was 35 per cent.

The agricultural section of the Plan was to serve the 'socialist transformation' of the economy and proposed to increase agricultural production by 42 per cent, to supply food for the expected growth in urban population - a basic factor in the standard of living - and to supply the largest possible amount of raw materials for industry. In view of the fact that, as noted earlier, in the 15 years of the inter-war period, between 1924-25 and 1938-39, the gross value of agricultural production had increased by 35 per cent, in constant prices, this was a very ambitious target indeed.⁽⁶⁾ To achieve these results priority was given to the development of State and Collective Farms and Machine Tractor Stations (MTS). The number of tractors was to increase from just over 14,000 to 22,000, of which 19,500 were to be operated by MTS's - the number of which was to increase to 500. At the end of 1949, there were 331 MTS's operating 3897 tractors. There were to be corresponding increases in other machinery. Investment in agriculture was to be 8000 million Forints with indirect investment raising the total to 12,500 million Forints. Half of the total amount spent on agriculture was to serve mechanisation. Research in agriculture was to be intensified and the system of crop rotation successfully practised in the Soviet Union was to be tested and adopted and new crops, including cotton, were to be introduced. The cotton area, in an experimental stage only in 1949, was planned to reach 94,000 cad. yokes in 1954. Last, but not least, electric power was to be introduced in 1250 villages.⁽⁷⁾

The March Central Committee Plenum also reappraised the Party's 'alliance policy'. Gradually, by this time, the 'dogmatist', 'left-wing deviationist', 'sectarian' view began visibly to gain the upper hand. Compared with 1948 -when elements of this 'sectarian' policy were already noticeable at the policy implementation level - the March Plenum now produced a fundamental change in the Party's 'alliance policy'. The resistance of working peasants to collectivisation, the abortive attempt of the DÉFOSz to win over the middle

peasant, combined, perhaps with Imre Nagy's opposition to the 'over-hasty' collectivisation programme influenced the Party's agricultural policy in two main ways. First, the planned rate of collectivisation was reduced. At the 27th November, 1948 Central Committee Plenum Rákosi proposed, intra muros that within a period of 3 to 4 years 90 per cent of all peasants and 95 per cent of all arable land should be under collective farming. The March 1949 Plenum, however, proposed a more modest target of 60 per cent of all land under 'kolkhoz type cooperatives' and 5 to 6 per cent under State Farms by 1952/1953.⁽⁸⁾ Second, this more modest rate of collectivisation, however, was to be accompanied by an intensified fight against the kulaks and, perhaps more importantly, by a changed attitude towards the small scale peasant producer. Throughout 1948, and still at the 27th November, 1948 Central Committee Plenum, Rákosi placed the winning over of middle peasants at the focus of the Party's attention and criticised the leadership of both the FÉKOSz and UFOSz for their bias against the middle peasants. The 5th March Plenum represented a 'U-turn' in the Party's 'alliance policy'. Rákosi, at this meeting, declared the poor peasants to be the Party's 'most reliable allies' and criticised the DÉFOSz leadership and local party organisations for misinterpreting the Party's policy towards the middle peasants at the expense, and neglect, of the poor peasants. To correct this, Rákosi declared that the most urgent task of the Party was to 'reactivate the Party's alliance policy and to put the poor peasants in the forefront of its policy'.⁽⁹⁾ Thus, while the party leadership, during the Autumn of 1948, largely sacrificed the agrarian proletarians and poor peasants in the interest of a compromise with the middle peasants, now to correct this mistake, the new policy proposed to sacrifice the middle peasants.

The March Plenum also resolved and specified the stages of collectivisation, leading progressively to the planned target: the acreage under the collectives was to reach 250,000, 500,000 and 1 million cad. yokes by the end

of 1949, 1950 and 1951 respectively.⁽¹⁰⁾ According to the guidelines, this was to be achieved by the liquidation of kulak land and by the mechanisation of agriculture, through the investments allocated by the Five-Year plan. Indeed, Gerö declared that,

the line we have to take is to bring about a decisive change in agriculture, within the next few years, by mechanisation and the development of Machine Tractor Stations.⁽¹¹⁾

The Party's changing attitude to the kulaks and agriculture generally - setting, in fact, the tone for the Central Committee meeting, two days later - can also be clearly seen from the minutes of the Politbureau meeting of 3rd March 1949, stating that,

by 1952 all the preconditions will exist to turn to the policy of liquidating the kulaks and for the mass entry of working peasants into the collectives.⁽¹²⁾

The Party's attitude to the different layers of peasantry began to crystallise. And the conceptual solution to the problems of the kulaks and well-to-do peasants and the creation of collectives began, more and more, to resemble the course of action taken against the peasants during the Soviet collectivisation process. In his speech to the March Plenum, Rákosi himself in fact several times referred to the experience and example of the Bolshevik Party during that time and, following an 'alliance policy' according the Leninist triad, he demanded the unconditional intensification of the class struggle, saying that the state must hit out hard against the kulaks, that 'this layer of peasants would have to be eliminated from Hungarian society'.⁽¹³⁾ Gerö, too, declared that the 'destruction of the kulak class could only be accomplished in the Soviet manner' since, he said, 'we do not believe that the kulaks could grow into socialism.'⁽¹⁴⁾

Collectivisation, Rákosi declared, was the road that Soviet peasants were following with great success and it was the road that the masses of private peasant farmers in the people's democracies must also follow.⁽¹⁵⁾

This drastic agricultural policy change provoked a heated debate within the party leadership around April 1949. The disagreement that had existed between Rákosi and Imre Nagy over agricultural policies ever since September 1948 flared up again, according to official parlance over 'fundamental questions related to agriculture.'⁽¹⁶⁾ Nagy disagreed with the over-hasty tempo of 'socialist reorganisation', i.e., collectivisation, of agriculture and considered the policy of liquidating the kulaks premature. He was critical of the agrarian policy which equated the kulaks and middle peasants, a policy which sought to accomplish the 'socialist reorganisation' through the destruction of small and medium peasants. This, in his view, violated the 'voluntary principle' and gradualism. Nagy accused Rákosi and his plan of being 'excessive', 'left deviationist' and 'adventurist' and, as so often before, he persisted in advocating a policy of 'constructive' alliance with the middle peasants.⁽¹⁷⁾ Soviet policy directives, however, put aside such marginal reservations. For expressing 'deviant', 'rightist' views on collectivisation, Nagy was expelled from the membership of the Politbureau on 3rd September 1949. As a 'Muscovite', with the experience of the 1930's purges in the Soviet Union, he knew that the time had come to remain silent. When a one time 'strong man' of the Ministry of Interior, László Rajk, could be arrested and, on 24th September 1949, sentenced to death, and Szakasits sent to prison, the best policy was to be silent. Nagy then withdrew to academic life as Vice-Chancellor of the Agricultural University of Gödöllő, where he established a rapport with some concurrently disgraced left-wing Populists, and taught young agronomists the principles of cooperative farming, the production methods used in Soviet kolkhozy and the Leninist principles of agriculture. He was in temporary disgrace and did not participate

in politics. Later, after performing a humiliating 'self-criticism' and being compelled to confess to 'opportunism', Nagy was re-admitted to the Party leadership and became one of a number of Secretaries at the time of the Party's Second Congress, in February 1951.⁽¹⁸⁾ The lesson, however, remained clear in his mind; if he wanted to survive he would have to learn to hold his tongue. This he successfully accomplished, and with determination he executed all the orders of the Party without shrinking from his duty. Perhaps to humiliate and embarrass him further on 8th May 1950, the Party put him in charge of the sensitive post of Minister of Crop Collection, with responsibility for procurement of agricultural produce from the peasants, until 16th November 1952, when he became one of five Deputy Prime Ministers.⁽¹⁹⁾

With the sole dissenting voice now silenced the Party leadership, following the March Plenum, was ready to mount the campaign against the kulaks in earnest and to organise the peasants into collectives. For a successful outcome, Ernő Gerő's young understudy András Hegedüs, an agricultural expert, in his capacity as Director of the Central Committee's Agricultural Department, was given the task of overseeing the collectivisation drive.⁽²⁰⁾ The driving force in this collectivisation process was the economic and administrative direction exercised by the organs of the Party and State administration. And the main administrative fields in which the economic policy of collectivisation operated were the fight against the kulaks, taxation and compulsory delivery systems, commassation of land (consolidation of small strips into larger holdings), management of the Machine Tractor Stations, planning and state subsidy to collective farms and regulation of their working conditions. Its main feature was a succession of 'campaigns' with the targets set by central and local authorities and strict insistence on compliance with them.

The official policy adopted by the Party at its March Plenum with regard to the kulaks was their dislodgement as a class. This meant that the

appropriation of land leased by the kulaks, which lasted from Autumn 1948 to Spring 1949, was now followed by the expropriation of the land and other property owned by the kulaks. In addition to economic compulsion, the kulaks were to be subject to, often unnecessary, political, administrative and social measures of harrassment, particularly from the beginning of 1950, when persecution changed to a ruthless terror campaign executed with great ferocity against them.⁽²¹⁾ Very often this was unnecessary because characteristically, after the first frontal attack by the regime, many kulaks showed little resistance and to save themselves from the hardships and the prospect of imprisonment were soon ready, in a process of 'self-liquidation' either to reduce their holdings to 15 cad. yokes and/or 'offer' part or all their land to the state. Under the various economic limitations their days would have been numbered, anyway, even if they had attempted to cling onto their land. Increasing labour shortage from the beginning, lack of draught animals, fertilisers, credit, building materials, tools, equipment at low prices (often only the 'black market' was open to them) and with the MTS's forbidden to work for them, ultimately they would have had to give up their land. But the regime, in view of its commitment to a rapid industrialisation programme and rapid 'socialist transformation of agriculture', i.e., creation of collectives, was not prepared to wait until this 'natural' evolutionary process took its course and decided to expedite it. While it is true that around April-May 1949, occasional references can still be found regarding the future of those kulaks 'who decided to offer their land', suggesting that some sort of 'perspective' ought to be found for them, such as allowing those who were judged suitable on an individual merit basis to join the collectives. These concepts, however, remained isolated and apparently were designed as transitional tactics to placate public opinion in view of the forthcoming General Election.⁽²²⁾ On ideological grounds this was to the party an unacceptable solution. First, because of 'good kulak theory' was considered 'opportunistic' and,

second, it denied the validity of the dogma of 'sharpening class struggle' in the countryside. The solution to their future, as will be shown in a moment, was found in persecuting and scattering them into prisons, internment camps, factory work, resettlement and, occasionally, sentencing them to death or driving them to commit suicide.

Soon after the General Election was over, in its harvest campaign the Party instructed local secretaries, on 9th June 1949, to be vigilant and look out for kulak resistance and law breaking and to take measures against a few as a warning to others. They were also warned against persecuting all peasants branded by local activists as kulaks since many of them might turn out to be medium and even poor peasants.⁽²³⁾ Such marginal reservations, however, were soon abandoned. After the summer the regime ordered the intensification of the fight against the kulaks. Perhaps the most dramatic and crucial element in 'liquidating' the wealthy peasants was the 'kulak list'. This list, as noted earlier, was introduced in early 1949 with the ostensible purpose of establishing who should pay higher rates of taxes and compulsory deliveries and who should be barred from joining the collectives. The 'kulak list', however, was employed by the authorities especially ruthlessly from 1950/1951 and with flexibility to 'brand' and persecute not only kulaks but also once poor peasants, who, by their diligence and hard work, had become small and medium farmers. The 'kulak lists' were drawn up and treated as secret by all villages, up and down the country, and were submitted for approval, in the first instance, to District Councils and then to the Ministry of the Interior. The secrecy surrounding the 'kulak lists' and their frequent widening to include medium peasants, intellectuals, artisans etc., was used to create a feeling of insecurity and fear among those who believed they might be put on the list next.⁽²⁴⁾ In spite of declared central policy almost anyone's name could appear on the list. Thus a small peasant with 5 cad. yokes of land was put on the list for refusing to give 5 litres of wine demanded by a

drunken district party secretary.⁽²⁵⁾ Once on the list, it was impossible legally to gain release from it. The basis of the 'kulak lists still in use in 1951 was the pre-1948 landownership structure. This was highly distortive as many changes had happened since then, and a person could, for example, have left farming altogether. But whether or not still engaged in farming his name was included on that basis. The only way to 'get off' the list was for the peasant to 'offer' all his land to the state and change occupation and even residence.⁽²⁶⁾ But often even this failed to guarantee freedom from persecution. Later, the 'kulak list' was very useful to the regime to discipline and punish workers who had earlier lived in villages, or still commuted to the cities and factories. When the kulaks disappeared into mining, factories or internment camps, where they were used as 'forced labour', with a red stripe painted on their backs, it was the turn of the middle peasants, originally the king-pin of the party's agricultural policy, because they were 'contaminated' by the kulaks. Since a name could not be erased from the list - the number of kulaks could not, even theoretically, be reduced - the only way the kulak numbers could be maintained was to replace the already liquidated kulak farms with medium peasant farms.⁽²⁷⁾ In addition to the 16.5 per cent kulak land, the medium peasants owned 35.3 per cent of the total area of individual holdings.⁽²⁸⁾ In other words, not only the approximate 3 per cent of kulaks but the approximate 18 per cent of medium peasants, not to mention the large section of small peasants, were persecuted under the pretext of being kulaks. Certainly, at the implementation level, rural party activists often, in spite of frequent warnings at the beginning, just could not be bothered to differentiate between 'strong medium peasants' and 'weak kulaks'. Later, even officially, due to increased taxation and compulsory delivery quotas, there was a tendency to group them together. By way of illustration, in his reminiscence an old peasant made the following observation:

yes, we were declared to be kulaks. I inherited 7 cad. yokes from my father, this was the base. Then, my wife brought some land with the marriage and later my son-in-law also contributed and altogether we had some 26-28 cad. yokes. But this land, in the Great Plain, where the average net income is 5 golden crowns per cad. yoke, was really worth only a quarter of it and anyway, 20 cad. yokes was woodland and pasture. If we wanted to prosper we had to take on leased land. Then in 1948 or 1949, I am not sure when, times began to turn for the worse, the authorities using God knows what multiplier eventually declared that we were worth 34 cad. yokes of land and declared us to be kulaks.⁽²⁹⁾

In practice, the kulak persecution affected almost the entire peasantry. The authorities were very 'inventive' and 'imaginative' in finding justification for the persecution and arrest of kulaks. From the summer of 1949 onwards the newspapers began to give wide publicity to the arrest and imprisonment of kulaks, the heavy sentences passed on them and the confiscation of their properties. During this period, kulaks and alleged kulaks were persecuted under many varied pretexts. Vivid reminiscences of persecutions of real or alleged kulaks can be found in the excellent sociological study of György Moldova, investigating a small district in western Hungary, and the autobiographical work of József Hogyor.⁽³⁰⁾ For illustration purposes, some grounds to initiate criminal proceedings, most of which could be 'anonymously' reported to the police, were as follows: failing to feed his livestock properly or refusing or being late with threshing, with spring sowing, with deep ploughing; slaughtering livestock or digging up fruit trees without permission, feeding grain or maize to their animals; failing to deliver compulsory delivery quotas in time (often even 1 or 2 days of lateness exacted reprisals); evading contractual obligations; intentionally provoking, by letting his dog bark at a policeman passing by; having a manure heap insufficient distance from a well; having no lights on a bicycle; 'agitating' against democracy and collectives. These were all construed as indicating criminal intent or even sabotage and without any further investigation the kulak, or 'alleged kulak' was arrested and imprisoned, fined and/or resettled

and his property confiscated.⁽³¹⁾ The list of alleged crimes could easily be further extended. In sum, the 'kulak' or 'alleged kulak' was blamed for everything and frequently used in propaganda campaigns as a scape goat for failures caused either by natural phenomena or by the regime's unrealistic plan targets. He was also accused of 'creating a hostile atmosphere' at crop collection campaigns and blamed for the growing food shortage. The severity of the sentences passed had no meaningful relation to the alleged crime committed. From a number of trials it would seem that it was a haphazard function of the individual kulak or local party activists involved or the composition and arbitrariness of the County Tribunals. For example, non compliance with fire regulations (no ladder found at hand) or letting the dog loose, could bring a fine between 20,000 and 25,000 Forints;⁽³²⁾ feeding bread, grain or maize to cattle and pigs could lead, in addition to 6-8,000 Forints fine, to 1 to 3 years imprisonment, confiscation of property and banishment for ever from his village.⁽³³⁾ A kulak who allegedly deliberately delayed harvesting until the crop was over-ripe was sentenced to 10 months imprisonment, a 3000 Forints fine and partial confiscation of his property. The land and houses of a kulak could be confiscated, and he himself sent to prison for 5 years, because he killed his pig without permission.⁽³⁴⁾ These were not isolated instances. Many kulaks, and alleged kulaks, were in fact arrested and interned throughout the country. For all these, the continued justification was given by the 'kulak list'. By late 1950, it was officially admitted by the Minister of the Interior that some 21,632 'kulaks' were imprisoned.⁽³⁵⁾ According to a survey in the period between mid-1950 and mid-1952 the total number of legal proceedings, resulting in shorter or longer periods of imprisonment was 280,000, on average 4 proceedings for each kulaks.⁽³⁶⁾ The interned kulaks were employed by the regime as forced labour, carefully guarded, on various road construction programmes and State Farms. The arbitrary manner in which arrests were made, usually in the middle of the night,

and the sentences passed created, intentionally, an air of insecurity and lawlessness throughout the country. The fines, paid in cash prior to every deportation, and the loss of labour through imprisonment were heavy additions to the standard economic burdens of highly progressive taxation and compulsory delivery systems meted out according to the size of holdings of wealthy peasants. The system of highly progressive taxation and heavier compulsory deliveries, based on acreage owned and golden crown net income, and their exclusion from certain rights, were among the other policy tools that were employed by the regime to 'liquidate' the wealthier peasants. Since these measures affected all peasants to different degrees, a detailed discussion on them is postponed until later. It will suffice here to say that tax and delivery obligations of kulaks were characterised by extremely steep progression and were raised drastically every year from 1948 onwards. The decree regulating the delivery rates for 1948/1949 stipulated three times greater quotas per unit of land area for a 25 cad. yokes holding compared with a holding of 5 cad. yokes. In 1949/1950, all the rates were increased fourfold.⁽³⁷⁾ Parallel to each increase in quotas the manner in which the produce was collected was severely intensified. There was, in fact, a 'double-squeeze' which affected all peasants, but mainly the kulaks, since increased deliveries at low prices left less, often nothing, for the kulak to sell on the more profitable free market. The situation was similar in the case of taxes. These increased threefold during the period and, in addition, the kulak was obliged to pay a special 'agricultural development tax', identified by the peasants as 'kulak-tax', which was levied according to area on all holdings above the size of 25 cad. yokes.⁽³⁸⁾ In addition to normal tax obligations an extra burden was placed on the kulaks in the form of heavy fines in the rapidly rising number of cases of non-payment of taxes and non-fulfilment of deliveries. A study undertaken by the Party on the financial position of large farms at the end of 1949 indicated that the heavy economic burdens had not only limited

profitability of large farms but caused many to operate at a great loss.⁽³⁹⁾ The next stage, as a result of heavy taxes and fines, was the accumulated debts, 'arrears', resulting in the confiscation of the houses, machinery, animals and land of kulaks. During the five years between 1949 and 1953, 6500 houses, 16,000 farm buildings, many animals and all the large machinery were directly confiscated or the kulak was forced to 'offer' them to the state.⁽⁴⁰⁾ The confiscation of machinery and its surrender to the developing Machine Tractor Stations hit the kulaks particularly hard. These ruthless and crude measures had a dual purpose. On the one hand, in conformity with the March Resolution, to liquidate the kulaks, as a class and, on the other hand, to prove that individual farming was inefficient, that the individual peasant could not prosper. The regime artificially restricted the efficiency of kulak farms by other means too. In addition to the losses created by harrassment and imprisonment, the kulaks were excluded from credits, were unable to obtain material inputs and were not allowed to keep male animals.⁽⁴¹⁾ Because of these measures, profitability, incomes and production had declined. The leadership was, of course, fully aware that the kulaks, and alleged kulaks, were efficient farmers, but politically it was considered vital to break their politico-economic independence and influence, at any cost. And the costs were, as will be seen, high indeed. The regime failed in only one of its main policy objectives. Contrary to expectations, at no time did the peasantry exhibit any willingness to endorse and support the regime's anti-kulak policy. The policy of 'class struggle' was unsuccessful and as the persecution of kulaks unfolded the peasantry increasingly turned towards them with pity, sympathy and active solidarity.⁽⁴²⁾ The leadership, concerned about the increasingly sympathetic public opinion towards the plight of the kulaks, attempted to stop the 'good kulak' concept spreading even further,⁽⁴³⁾ and to forment emnity between the 'village rich' and the 'village poor' by making increasing use of ordinary peasants as witnesses at kulak trials. The only rural

support the regime had received in its fight against the kulaks came, not surprisingly, from the members of village, district and county councils and rural party organisations.⁽⁴⁴⁾ These organisations were exhorted continuously to play their part in all important agricultural activities, such as ploughing, sowing, harvesting etc., and in the 'exemplary punishment of kulaks'.⁽⁴⁵⁾

The effect of this truculent 'dekulakisation' policy can best be seen in the changes in land area and livestock in kulak ownership. Faced with the continually increasing taxes, fines, social and political harassment, imprisonment, resettlement and deportation, as expected, the kulaks began to free themselves, by getting rid of, 'offering' their land, or part of it, to the state in the hope that they could then lead a quieter life either off the land or on their remaining land. The rate of 'land offer' at the beginning was low and was largely the result of the policy of partial 'self-liquidation' of kulaks to a lower farm and social category. This is indicated by the reduction in arable kulak farm land area from 20 per cent of the total, in 1948, to 16.5 per cent by the end of 1949.⁽⁴⁶⁾ During 1950, however, as a result of increasing kulak persecution, the rate of reduction was accelerated. Rákosi, addressing the Second Party Congress in February 1951, observed with satisfaction that:

two years ago the number of kulaks was 63,000. This figure includes only those who had more than 25 cad. yokes of land or paid taxes on more than 350 golden crowns ... since July, 1949, 22,000 kulaks offered 662,000 cad. yokes of land to the state, of which 340,000 cad. yokes have already been taken over from 17,000 kulaks.⁽⁴⁷⁾

Thus, by the end of 1950, the total arable land area in kulak hands was reduced to 1,230,000 cad. yokes, which represented 12.9 per cent of the country's total arable area.⁽⁴⁸⁾ During these years this reserve pool of 'offered' kulak land played an important role in the development of Collective and State Farms. Later, as will be shown, under the pressure of collectivisation, so much land was

'offered' by the rest of the peasantry that the State was unable to absorb it and much of it remained in the 'land-reserve-pool', where it was left uncultivated. The situation in respect of livestock, on kulak farms followed a similar pattern. During these early years of collectivisation an embittered struggle took place between the regime and the kulaks to gain control over the country's stock of draught power.⁽⁴⁹⁾ The kulaks, by their own diligence, during the post-war years had slowly rebuilt and now owned a large share of the draught animals such as horses, oxen, cows etc., and enjoyed a new monopoly position in the country. With the expansion of Collective and State Farms, on the one hand, and the inability to satisfy their requirements for mechanical tractor power, on the other hand, the regime faced a predicament, fearing the growth of peasant dependence on the kulaks, and therefore decided to intervene to break the draught power base of the kulak. The quickest and most effective way to achieve this was the well proven Soviet method of direct confiscation of the large animals under various pretexts. The campaign to this effect began in the Autumn of 1948 and was conveniently extended, through taxation and compulsory deliveries, to include even pigs and sheep. Faced with confiscation, the kulaks began to dispose of their livestock, either by sale, sometimes fictitious, or slaughter, or concealed distribution among relatives. A survey of 600 kulak holdings showed that, while the number of large animals per farm averaged 14.9, in 1935, the corresponding figure was 4.6 by the end of 1949.⁽⁵⁰⁾ Later, kulaks were required by law to make available to the state the small number of draught animals left for 'continued and sustained' use, at very low prices, determined by local councils. Non-compliance was punishable by imprisonment. Under these circumstances the livestock position of kulak farms rapidly deteriorated even further.

The over-hasty manner in which the dislodgement and often liquidation of kulaks began, predictably caused a serious setback for the regime: by depriving them of their property, agricultural production was lessened. This was so,

mainly for two reasons: first, due to the actual reduction in land area, and second, because of the general neglect of previously productive farms, soil conditions and yields had deteriorated. Faced with ever increasing uncertainty, harrassment, lack of draught power, materials, fertilisers and the possibility of imprisonment, amongst other restrictions, many kulak lands became pitifully neglected long before they were finally turned over to the state. Many of those who managed to survive the initial attack often operated their remaining land at a subsistence level, producing enough to feed themselves and their families. Personal initiative, in terms of production, was considerably reduced by this fear of persecution as kulaks.

The serious consequences of the anti-kulak policy, expected perhaps even by the regime, did not lag far behind. By undermining the economic basis of kulak production, the marketed production, especially of grain and livestock, from kulak farms began to decline. The decline was considerably faster than the slowly developing, economically poor, inefficient and disorganised Collective and State Farms were able to offset. Consequently, the country's food supply suffered a serious setback. It must, however, be noted that despite these measures this stratum of peasants still produced more than the collectives, until the 'kulak farms', inter alia, were almost completely eliminated from the agricultural scene by early 1953, when the food supply of the country almost totally collapsed.

It can thus be seen that while the regime could legitimately claim great success in its 'dekulakisation' campaign, the cost in terms of lost production was substantial. This, however, was not all. Under the impact of forced collectivisation running, with increasing intensity, parallel with the anti-kulak campaign, and affecting all other strata of the peasantry, the problems of the regime and of the peasants, had multiplied and production figures, inter alia, were further adversely affected.

During the two years following the announcement of the Five-Year Plan at the March Plenum the HWP leadership generally speaking did not engage much in doctrinal discussions. The Party was much more concerned, apart from its concentration on the 'fight against the kulaks', with the practical problems of the formation of collective farms, rather than any specific theory. A rather sudden turn in the doctrinal field, to be discussed in full in a moment, came with the announcement in February 1951, of the amended Five-Year Plan, which drastically revised upwards the output targets for industry and, to a lesser extent, agriculture and stepped up the rate of collectivisation.

To return to the history of collectivisation, it has been pointed out that up to the March Plenum the essential feature in the social composition of collectives was the predominance of landless agrarian proletarians, the 'have-nots' and new landholders, who could not work their farms successfully and preferred to collectivise. These social groups, on the whole, needed little persuasion, especially in view of the fact that the state, in addition to providing the land, granted all possible advantages for them to join the, primarily, Type III collectives. For these social groups income prospects did not deteriorate by joining the collective and often even improved. Also, a limited number of long-standing small and medium peasants, attracted by these numerous governmental concessions, decided to join the collectives. According to official data, the total number of collectives approved by 17th May 1949, was 562, with a total membership of 11,746; the composition of that membership was 6440 landless agrarian proletarians, 4797 new landowners - who had received land under the 1945 Land Reform - 454 old established smallholders and 14 old established medium peasants.⁽⁵¹⁾

Two of the standard complaints of the Party, from the beginning, were the unconsolidated nature of collective farm land and the tendency on the part of the landowners joining the collective to leave a significant part of their land

outside the collective. First, much of the land expropriated under Decree 9000 was undoubtedly in myriads of small scattered parcels. The Collective Farm Decree stipulated that a collective farm could only be formed if, at least, it possessed 30 cad. yokes of land. While the government allocated much of the land, in the initial period, this condition was easily fulfilled: the overall average land area of collectives was 135 cad. yokes and, somewhat higher, at 165 cad. yokes, for Type III collective farms. This was, of course, still a long way below the 800-1000 cad. yokes, which was considered by the Party as the optimal size for collective farms. Thus, at this stage, the size of land area was not cause for concern. But the land was divided into numerous separate pieces scattered all over different locations; one collective had 85 cad. yokes land in 8 different strips or locations and an individual strip often was no bigger than 4-5 cad. yokes. This was a major concern to the Party, since it wished to create highly efficient large-scale farming units.⁽⁵²⁾ Second, many of those owning land who joined left a significant part of their holdings, on average - it was claimed - 4 cad. yokes, but in many cases as much as 9-10 cad. yokes of land, outside the collective.⁽⁵³⁾ This tendency, too, caused grave concern to the Party, which officially admitted that,

the majority of the land-owning peasantry only entered the collective with one foot, the other foot remained firmly outside, in private farming.⁽⁵⁴⁾

Undoubtedly, the main reason for this was that peasants who joined the collectives were interested only in receiving the various government concessions and other privileges given to collective farm members, but denied to private farmers, which could then be used to benefit their own private farms. These problems, which the Party declared had to be rapidly resolved, had far reaching repercussions later, during the autumn of 1949.

From mid 1949 onwards the stage management of agriculture was considerably further centralised. The highly developed centralisation, involving a high degree of detailed planning and bureaucracy, left little freedom for the individual farms. The directing organisations prescribed, in detail, the schedules for agricultural activities, e.g., sowing, ploughing, harvesting, etc. The planning of the national economy was carried into Collective and indeed State Farms, and the various bureaucratic administrative organs obliged them to draft production plans in the smallest detail. Then, 'flying committees' were organised, which descended on the peasants to check that the execution of the various agricultural works was completed on time. Competitions, which in future years, became a permanent feature in agriculture, were organised at different levels, aimed at the earliest completion of agricultural works, e.g., threshing, sowing etc.⁽⁵⁵⁾ A typical way to organise these 'competitions' was to select a force two individual peasants 'to challenge each other' in some agricultural work. At this stage they were badly organised and nobody yet seemed to take them too seriously. They were accompanied by a great 'fanfare', but the results were hardly ever publicised.

Despite the not inconsiderable state support, conditions inside the collectives remained unattractive for the majority of land-owning peasants. The 40 million Forints of credit provided by the state up to the middle of 1949, in addition to other material support, in relation to the general poverty of the early founder members, was totally inadequate. The most these founder members could afford to bring with them into the collectives was 1 or 2 pigs, perhaps one cow. The livestock numbers were extremely low in relation to the land area. Out of the 562 collectives, 300 had no livestock at all.⁽⁵⁶⁾ These collectives certainly could not operate as highly efficient large-scale production units as envisaged and promised by the Party. Under these circumstances, farming was reduced, largely to cereal farming, especially grain and maize, and animal husbandry was

extremely underdeveloped. By the end of 1950, with the increasing pressure on the land-owning peasantry to join, state support declined but it still remained significant: 65 per cent of total assets of collectives originated from state investment or credit, 49 per cent of horses, 50 per cent of cattle, 35 per cent of pigs and 63 per cent of sheep in the collectives also originated either directly or indirectly from state allocation.⁽⁵⁷⁾

These trends continued until the autumn of 1949. The progress of collectivisation proved painfully slow for the regime. The economically reasonably strong small and medium peasants, despite the increasingly hostile economic and political environment, were determined to remain independent, outside the collective sector as long as they could. With tremendous efforts, during 1949, the government succeeded in setting up only a few more collectives, based largely on the landless agrarian proletarians. This source for collectivisation, obviously, was becoming exhausted and the Party had to look seriously in other directions. On 17th August 1949, Rákosi, in his speech on the occasion of the 'New Constitution', observed with great dissatisfaction that with a total of 587 collectives, occupying 1 per cent of total arable land area, collectivisation was still in its initial stages.⁽⁵⁸⁾ The working land-owning peasantry, he declared, 'was still undecided, the majority of them were still the prisoners of private property'.⁽⁵⁹⁾ Because of their sheer numbers it was vital for the regime to win over the middle peasants and induce them, somehow, to begin to join the collectives. This stratum, as noted earlier, represented 18.1 per cent of the total agricultural labour force and farmed 35.3 per cent of all arable land.⁽⁶⁰⁾ They made a significant contribution to the food supply of the country. While the Party was still constantly using the rhetoric of 'alliance with the middle peasants', by this time it no longer believed that the majority of middle peasants would join the collectives voluntarily, without coercion. Obviously, the Party had failed to take adequately into account the attachment of working peasants to their land.

Soon after the Rákosi speech, in August, policies began to change as it was now the turn of the middle peasants to be 'convinced' to join the collectives. A countrywide collective development and membership recruitment campaign began on 1st September and lasted until 1st November, 1949. The methods of inducing the farmers to join the collectives, from the outset, were extremely fierce and tough, with administrative solutions beginning to come more and more to the forefront. Until the late Autumn of 1948, medium peasants only represented 0.7 per cent of the membership. A year later, in the Autumn of 1949, there were still only 200 medium peasants, representing not quite 1.5 per cent in a total membership of 13,000. By the end of 1949, after two short months of campaign pressures, their share in the total membership increased to 13.7 per cent, and by the end of 1950 it had reached 19.7 per cent.⁽⁶¹⁾ With this new trend, the balance of social composition of collectives began to move in favour of the old and new land-owning peasants. While in early 1949 the landless agrarian workers constituted 57 per cent of the total membership, their share declined by the end of 1949 to 34.2 per cent,⁽⁶²⁾ with the land-owning peasants now constituting 57.5 per cent.

When the autumn recruitment campaign was introduced, the authorities planned to increase the number of collectives to 1500, the total membership to 45-50,000 and the total land area farmed by collectives to 350,000 cad. yokes, with an average acreage in existing collectives of 300 and in newly formed collectives 200 cad. yokes.⁽⁶³⁾ Although most of the planned targets remained underfulfilled, the overall results nevertheless came close enough to the targets set for the regime to claim a moderate success. By the end of 1949 the number of collectives increased to 1367, with a total membership of 36,400, which was an underfulfilment of 20 per cent, and occupied an area of 316,000 cad. yokes. There was a significant shift in the regional pattern of recruitment of members. The highest increases in membership, at 282 per cent, was in the richest region

of Transdanubia, a region farmed mostly by medium peasants; next with 182 per cent increase was the North-Hungary region, and the lowest increase, a 'mere' 112 per cent, was in the Trans-Tisza region where, as noted earlier, most of the expansion took place prior to the autumn campaign.⁽⁶⁴⁾ Another interesting feature of the autumn collectivisation and recruitment campaign was the drastic shift in policy to favour the creation of Type III collectives, with almost complete disregard for the simpler forms of Types I and II collectives; these were declared 'transitional' only, very 'unsound' and far removed from the 'ideal', the Type III 'kolkhoz'.⁽⁶⁵⁾ Thus, while at the end of 1948 40 per cent of the total number of collectives were of Types I and II, by the end of 1949, their share had declined to 6 per cent. This trend, in fact, continued and by the end of 1950 their share had further declined, to below 2 per cent.⁽⁶⁶⁾ Insistence, by the regime, on the creation of Type III collectives, however, made recruitment among the medium and small peasants even more difficult.⁽⁶⁷⁾ It is interesting, and somewhat perplexing, to note that when it was the turn of the medium and small peasants to be forced into collectives the choice of the simpler forms of Type I and II collectives almost completely disappeared and the principle of gradualism was totally abandoned. Apparently, impatient with the progress of collectivisation - and in an attempt to remain on target - with the 'socialist transformation of agriculture' - the regime was prepared to jump the time-wasting 'transitional' stage and go immediately for the higher form.⁽⁶⁸⁾

Another significant feature of the autumn campaign was the regime's attempt to consolidate the scattered farmland of collectives and to prevent the land-owning peasantry from keeping part of their land outside the collectives when they joined. Concentration of the land, belonging to those who joined the collective farms was considered a necessary condition for large-scale farming. A special Presidential Council Decree, published on 28th August, 1949, enabled the government to introduce 'partial commassation' of scattered agricultural and

forest land.⁽⁶⁹⁾ Commassation, especially later on, was one of the most important administrative means that played a special role in harrassing and coercing the peasants into joining the collective farms. Later, land 'commassation' became one of the most widely used administrative methods and was repeated time and again, each time making the peasants involved worse off than before, thereby forcing the land-owning peasant to join the collective. The continued commassation caused widespread resentment among the peasantry and resulted in widespread dereliction of land that was then offered to the state land reserve. This, of course, also furthered reduced production. The regime, nevertheless, considered it absolutely vital to resolve the contradiction that developed when a large part of the land was left outside the collective sector by the individual peasants when they joined collectives. Thus, it was stated that,

had we overlooked this (ie., the land left outside) the development of collectives would have come to an abrupt halt and collective groups could have broken-up.⁽⁷⁰⁾

The first 'partial commassation' began in September 1949, and affected 20 per cent of working peasants' farmland; 80 per cent of the affected land was previously gentry and kulak land. The contribution of 'partial commassation' to the development of collectives at this early stage is shown in the table below.⁽⁷¹⁾:

In villages, designated for partial commassation	Before commassation	After commassation	Increase
number of collectives	275	423	54%
average membership	23	35	52%
average land area of coll.	188 cad. yokes	303 cad. yokes	61%

Within a few weeks after the partial commassation, land reorganisations were carried out in 102 villages of 'settlers', with the same aim, which, as can be seen from the table below, further contributed to the development of collectives⁽⁷²⁾:

In villages, designated for land reorganisations	Before reorganisation	After reorganisation	Increase
number of collectives	38	116	305%
average membership	27	33	22%
average land area of coll.	118 cad. yokes	206 cad. yokes	75%

While the targeted 300 cad. yokes average acreage for existing collectives, at 303 cad. yokes, was just achieved with the 'partial commassation', the target of 200 cad. yokes for new collectives remained, at 166 cad. yokes, underfulfilled.⁽⁷³⁾ The regime had castigated the officials for the underfulfilment, accusing them of neglecting their political tasks by paying more attention to 'partial commassation' than to the formation of new 'Producers' Cooperative Groups' (termelőszövetkezeti csoport), or Type III collectives. From the communist viewpoint, perhaps, the underfulfilment of the target for increased total embership must have been even more disappointing. Rákosi, in his speech to the first conference of the 'National Council of Producers' Cooperatives and Machine Tractor Stations', held on 25th-26th January, 1950, blamed the widespread anti-women and anti-youth attitude that prevailed amongst both rural party activists and landless collectives members, who did not wish to admit them into the collectives. This had to be changed: women and young people, Rákosi declared, had to be mobilised and given their rightful and important role to play within the collectives.⁽⁷⁴⁾

A new wave of nationwide recruitment of new collective members and efforts to consolidate existing collectives, as well as moves to strengthen state

control over agriculture, began, rather unusually early, in the summer of 1950. The immediate reasons for this sudden turn of events were twofold. First, the outbreak of the Korean war, on 25th June 1950, and the resulting tension between East and West. Thus, defence and military preparations played an important part in the speeding-up process. Second, signs of serious strains in the economy were becoming evident, despite efforts to conceal them.⁽⁷⁵⁾ The Chairman of the People's Economic Council, reporting in June on the progress of the economy to the Central Executive Committee of the HWP, drew a revealing and gloomy picture. According to this statement the alleged increase in standard of living, inter alia, was endangering the execution of the investment programme and dangerous lags were beginning to show in fulfilling the plan.⁽⁷⁶⁾ In foreign trade, during the first four months of 1950, imports had increased by 56 per cent over the corresponding period in 1949, while the increase in exports was only 1 per cent.⁽⁷⁷⁾ As regards agriculture in Hungary, especially the early part of the year is normally noted for higher prices, as the stocks of food decline before the new crops begin to come in. That year, however, severe drought damaged most crops. The first six months of 1950 saw a continuous deterioration in the food situation. Important staples, e.g., potatoes, lard, meat, milk products, vegetables etc., which had been available in sufficient quantities since 1947/1948 were in short supply in the middle of the year. Official explanations blamed higher consumption, the drought and the failure of the new national enterprises responsible for distribution for the shortages, which were also said to have been aggravated by kulak hostility towards the regime and, it was hinted, by the resentful peasantry withholding food under kulak influence.⁽⁷⁸⁾ Rumours at the time spoke of forced food exports to East Germany and emergency stockpiling.⁽⁷⁹⁾ Judged by the scope and severity of the counter-measures which began to be introduced soon after the Central Committee Plenum, held on 31st May-1st June, 1950, the unfolding stresses and dangers in

the economy, from the communist viewpoint, must have been very real indeed. Speaking at the Central Committee, after the meeting enlarged its own and the Central Control Commission's membership, Ernő Gerő, in a mood of grim determination, outlined the immediate tasks and direction of further development of the economy.⁽⁸⁰⁾

In early 1950 over 4000 former social democrats, including such prominent 'fellow travellers' as Károly Szakasits, then President of the Republic, were purged. As the result of 'complaints' regarding the lack of discipline - both of workers and managers - inefficient planning in the central agencies and slackness in the enforcement of government directives, large scale purges were organised in the Trade Unions and factories to improve labour discipline and to increase output. Great efforts were made to encourage private savings by the launching of cooperative housing schemes. A new wage system was also introduced, which reduced earnings, unless output was increased significantly. There was, however, no slackening in the execution of the investment programme. On 16th June, 1950 investment scheduled for 1950 was increased by 900 million Forints.⁽⁸¹⁾ In the field of agriculture, great efforts were made to bring in the harvest and move it into the safekeeping of the government. In addition to the recruitment campaign for collectives, other measures were taken to strengthen the collective movement. A Government Decree, on 12th August 1950, modified the 'Model Statutes' of self-governing, independent 'Agricultural Producers' Cooperatives' (Mezőgazdasági termelészövetkezet) and Type III 'Agricultural Producer Cooperative Groups' (mezőgazdasági termelészövetkezeti csoport). At this time, the economically viable Type III 'Agricultural Producer Cooperative Groups' began to be transformed into independent 'Agricultural Producers' Cooperatives', i.e., full kolkhozy. By the end of 1950 some 125 such APCs were in operation. After this, Farmers' Cooperatives and APCs, even legally, began to move away from one another.⁽⁸²⁾ The modified 'Model Statutes' specified⁽⁸³⁾:

- i) the size of private plots; members, depending on the size of their family were entitled to between $\frac{1}{2}$ and $\frac{3}{4}$ cad. yoke.
- ii) members were permitted to keep one cow, one sow with sucklings, 5 sheep or goats, 1 or 2 fattened pigs - depending on the needs of the family - and unlimited bees, rabbits and poultry.
- iii) members entering the collectives were obliged to take with them quality seeds, draft and domestic animals and fodder, all in proportion to the acreage of their land, brought into the collective; 15 per cent of its total value was to be contributed directly into the common pool of the collective's assets, the remaining 85 per cent was to be paid to the peasant in four equal yearly instalments.
- iv) collectives were obliged to establish a 'social fund' for the aged, invalid and for nursery services etc.

In the interest of securing the uninterrupted process of production, and to obtain more work from the collective farm members, work discipline, the subject of much criticism was to be strengthened too. The modified 'Model Statutes' prescribed that every collective farm male member had to perform a minimum of 80 workday-units (munkaegység), women with young children 40 workday-units, in every season. Severe disciplinary action was to be taken against those, who violated this regulation and failed to fulfil the prescribed norms.⁽⁸⁴⁾

The main task, as perceived by the Party, was to get rid of the harmful influence of the kulaks over the peasantry and to arrest the widening rift and rapidly worsening relations between the Party and the peasants. One method used by the Party to improve relations and to persuade the peasants to join the collectives 'voluntarily' was the intense propaganda campaign which began in the summer of 1950. A 200 member delegation, headed by no less than the Minister of Agriculture, Ferenc Erdei, visited the Soviet Union - another group of 50 the Soviet Ukraine - to 'study' the Soviet kolkhozes. On their return, at a National Conference organised for the purpose on 22nd August, 1950, addressed by Ernő Gerő, the delegates called upon the working peasants to follow the glorious

example of the Russian kolkhoz peasant 'where a happy communal spirit prevails and where life is much easier than for the peasants of Hungary, who still farm individually' and join the collectives.⁽⁸⁵⁾ In his address, Gerö declared that to be able to employ machinery on a large-scale, collective farms must extend over at least 845 cad. yokes. To achieve this during the autumn, existing 'cooperative groups' would have to be expanded and smaller 'cooperative groups' merged into larger units. Up to then, he said, 70,000 families had joined the collectives, but one million ought to have joined them. Setting the pace of collectivisation for the autumn, Gerö stated that,

during the next 10 weeks we have to persuade not a few hundreds, but a few thousands of men and women and families to voluntarily join the collectives.⁽⁸⁶⁾

After the conference, in imitation of Soviet practice, an extensive 'public education' exercise was staged by the government throughout the country, using the delegates who had returned from their visit to the Soviet Union, as well as party activists, in order to 'educate' the peasants by popularising the achievements of Soviet kolkhozes as the world's most progressive and efficient large-scale agricultural production system.

From that time on, amidst increasingly brutal coercion, more and more small and medium peasants were forced by various methods into the collectives. The coercion employed was in many places so intense that even official pronouncements openly admitted that the 'voluntary' principle was completely ignored. Still, within a short space of time Ernö Gerö was able to observe, with great confidence and satisfaction, that a 'turning point' had been reached in the collectivisation drive and peasants by the thousand were entering new and existing collectives. As he put it,

the ice is being broken and the cooperative movement is beginning to establish deep roots in the villages.⁽⁸⁷⁾

The continuation of this trend was cautiously confirmed by Mátyás Rákosi a few months later. Addressing the Central Committee meeting held on 27th October 1950, on the main problems of peace and the rapidly deteriorating international political situation - resulting from the Korean war - Rákosi touched also on the domestic situation and reported to the meeting, in connection with agriculture, that the progress of collectivisation was, on the whole, satisfactory and largely in conformity with the plan.⁽⁸⁸⁾ He paid tribute to the countrywide propaganda campaign conducted by the delegates for having passed on the experiences gained and methods learnt on their visit to the Soviet Union, together with the untiring efforts of rural party activists in 'educating' the peasants. Without their help and devotion, progress would have been considerably more difficult. The meeting, in conclusion, endorsed the resolution calling for the convening of the Second Party Congress in February 1951.

It would appear that the party leadership genuinely believed that a 'turning point' had indeed been achieved and that with the use of sufficient coercion and pressures the small and medium peasants, as anticipated, had begun to enter the collectives en masse. This was despite the fact, and contrary to Rákosi's statement to the Central Committee, that the progress of collectivisation was behind target, since the government had failed to achieve the doubling of the acreage under collectives planned for the period between 30th July and 31st October, 1950.⁽⁸⁹⁾ Indeed, the unsatisfactory progress made was raised at the Politbureau meeting held on 10th November, 1950, hardly two weeks later.⁽⁹⁰⁾ Discussing, inter alia, the reasons for falling below the planned rates set for collectivisation, Rákosi admitted that the collectivisation was still a movement of the poor and new land-owners; the established small and medium peasants, the primary target of the regime, were not really entering the

collectives in strength. The solution to the problem, according to the resolution adopted by the meeting, was to reject gradualism and to increase the pressure, to accelerate the collectivisation drive even further.

To turn the collective farms into more attractive alternatives for the outsiders, since the regime was unable to provide proper guidance and machinery for the existing collectives, and at the same time to improve the deteriorating worker-peasant relations, an ill conceived 'patronage' system was instituted to send 'volunteer' worker activists from the factories to collective farms to offer advice and help to demonstrate the worker-peasant alliance. The Party Secretariat, however, in November 1950, instructed that,

the patronage work must be launched in such a way that Producers' Cooperative Groups themselves ask for the help of the designated factory.⁽⁹¹⁾

Instead of either providing sound guidance or improving worker-peasant relations, the Party succeeded only in creating widespread resentment and further alienation among the peasants because of the general incompetence and insensitivity of urban activists.

In the same vein, in addition to making collective farming more attractive to the land-owning peasants, other financial measures were introduced to increase the importance of 'private plots' and household production. Private plots, until then, had to a considerable extent been under-rated and neglected by the predominantly poor and landless agrarian proletarian collective members. A new Government Decree, modifying an earlier directive, was introduced to encourage peasants to bring their domestic farm animals and other assets with them when joining a collective. The decree obliged collectives to reimburse the peasants for 85 per cent of this total value contributed to the common pool in one year, instead of the earlier 4 years, and also stipulated that 50 per cent of

this payment was to be made in cash.⁽⁹²⁾ Evidence showed that, out of the total of 77,000 families in collectives, only 38,000 had a 'private plot' and 53,000 kept only a limited number of animals.⁽⁹³⁾ In order to upgrade their role and to improve 'private plot' production, thereby easing the burden on collectives, the government also made short and long-term credit available to collective members, on favourable terms, to encourage them to purchase domestic farm animals for 'private plot' operation. The value of the short-term credits provided was 1500 Forints to purchase a cow and 300 Forints to purchase a sow. Application for the credit had to be made to the Agricultural Department of the District Council.⁽⁹⁴⁾ At the same time, with the slogan 'to strengthen cooperative democracy' - in reality to extend Party control over the collectives - new selections of collective farm leaders were ordered by the Minister of Agriculture. Accordingly, between 15th December 1950 and 15th January 1951, all collectives were instructed to scrutinize politically all collective farm chairmen, members of Management Committees, Disciplinary and Control Commissions and where it proved 'justified' to replace them with younger, more 'progressive' cadres.⁽⁹⁵⁾

By the end of 1950, under increasing pressure, 5.7 per cent of the active agrarian earners were in collectives and the regime succeeded in extending collective farming to 5-6 per cent of total arable land area. Some 15,000 medium peasant families, i.e., 5 per cent of all medium peasants, joined the collectives. During the same period, however, while the total collective membership had grown to 120,000 approximately, 180,000 agricultural workers looked for employment outside agriculture, most migrating to industry or other sectors of the economy. Also, while 15,000 medium peasants 'decided' to join the collectives, more than 11,000 decided to liquidate their farms and transferred land ownership to the state, and they too sought other employment.⁽⁹⁶⁾

Numerically, the development of collectivisation between December 1948 and December 1950 is shown in table 8.1⁽⁹⁷⁾:

Table 8.1: Development in the number, area, and membership of collectives between December 1948 and December 1950

Time	No. of collectives			No. of members	Total area in cad.yokes	Average area in cad.yokes
	Type I & II	Type III	Total			
December 1948	189	279	468	-	-	-
June 1949	140	444	585	12,900	95,500	163.5
31st December 1949	77	1290	1367	36,400	316,700	231.3
30th June 1950	50	1738	1788	67,600	482,800	269.5
1st December 1950	36	2159	2185	119,500	772,000	353.0

Source: see n. 97, p. 587.

It can be clearly seen from the above table that from the beginning of collectivisation, but especially from the end of 1949, the regime favoured the formation of Type III, the superior type of collective farm groups. By the end of 1950 this type dominated the collectivisation scene. During this period many of the collectives which started out as either Type I or Type II were hurriedly, often within one or two months of their formation, converted into Type III collectives. By the end of 1950 the number of simpler Type I and II collectives declined by two-thirds to a total of 36, of which 17 and 19 were Type I and Type II respectively.⁽⁹⁸⁾ This policy of favouring Type III collectives, however, was soon to change, as the regime's attempt to extend collectivisation to the small and medium peasants encountered growing opposition. This opposition, which was

becoming more apparent from 1951 onwards, made the authorities resort to increasingly brutal repression.

Although these policies succeeded in augmenting the collectivised sector, their consequences on the domestic scene appeared in the demoralised reaction of the peasantry, introducing additional uncertainties and leading to a decline in production and further deterioration in the country's food supply, a basic factor in the standard of living, thus wiping out, most of the gain in living standards achieved during the previous period by the end of 1950. In spite of the growing food shortage, however, export of food continued to increase unabated. The growing imbalance in food supply posed a serious threat to the regime.⁽⁹⁹⁾ At the beginning of 1951 selective rationing had to be introduced for bread, flour, sugar, butter, fats, soap and, in Budapest, milk and certain industrial products, to forestall domestic chaos. The strong propensity to spend, both in the towns and in the countryside, was shown by the fact that institutional savings hardly increased during 1950. In order to stimulate savings, the National Savings Bank was reorganised and lottery savings books were introduced in addition to the First Peace Loan issue in September 1949. Attempts were also made to stimulate private savings through the organisation of Building Cooperatives.⁽¹⁰⁰⁾ Yet, as if to hint at things to come, Rákosi would insist at the Politbureau meeting held on 10th November 1950 that,

the peasants must be forced to sacrifice more for the building of socialism.⁽¹⁰¹⁾

Despite the fact that, from the outset agriculture did not receive the necessary material support for collectivisation and many of the targets set by the leadership remained, repeatedly, under fulfilled - notably in respect of investment and mechanisation and the supply of machines to the Machine

Tractor Stations - the leadership did not for some time to come give up its targets for agricultural reorganisation and production. On the contrary, the Hungarian leadership favoured sectors which displayed rapid growth. Thus, agriculture already lagging, was left with inadequate investments for rapid development and had to fend for itself. The Second Congress of the HWP set even bigger targets for agriculture and for collectivisation.

8.2 The all-out drive for comprehensive collectivisation, February 1951-December 1952

There is no doubt that the Second HWP's Congress gave the signal for the start of a new 'tougher' stage in the Party's agricultural policy, which was to last until early 1953. Partly as a result of Soviet demands for still more heavy industry and more military expenditure, in connection with the increased international tension brought on by the communist aggression in North Korea, greater stress was placed on heavy industry than originally anticipated. Industrial and agricultural targets of the Five-Year Plan were further increased. Undoubtedly, the outbreak of the Korean War played its part, perhaps even an important part, in the revision of the Five Year Plan, but it was essentially the struggle between economic reality and communist goals that was ultimately responsible for the eventual stagnation and decline of agriculture in Hungary under communist rule.⁽¹⁰²⁾ That is to say, the dismal situation that had developed in Hungarian farming would not have been very much different had the Korean War not broken out. The Soviet demands only augmented the already worsening situation in agriculture, and that of the peasants.

During December and January 1951 collectivisation picked up speed. In preparation for the forthcoming Congress many speakers stressed the need for the entire peasantry to join the collective system and complained that many people tended to forget the fact that only 7-8 per cent of the peasants had formed collectives. Designed to change attitudes, to persuade the peasants to form collectives, numerous slogans, e.g. 'long live Producers' Cooperatives, State Farms and Machine Tractor Stations, the militant vanguards of flourishing socialist agriculture', decorated the streets of towns and villages during the pre-Congress period.⁽¹⁰³⁾ There was, however, another more specific and effective pre-Congress campaign method employed by the regime, in an attempt to cajole the majority of the peasants by means of 'persuasion and conviction', to test the

feasibility of 'comprehensive collectivisation' in important areas, perhaps before the details of such a policy were spelled out by the Party Congress. Special areas, designated as 'Model Districts', were created, with their own town and village centres, where 'Cooperative Towns' or 'Cooperative Villages' could be established; in County Szolnok, for example, four towns were singled out as 'show cases', to demonstrate to the peasants the rapid progress in collectivisation.⁽¹⁰⁴⁾

On 16th January, 1951, county officials - under pressure of 'disciplinary proceedings' against them - were forced to submit 'requests', 'from below', to central authorities to 'permit' their towns to be declared 'Cooperative Towns' if by the Second Congress, at least 70 per cent of the peasants in their districts had entered collectives. An extensive, and intensive, organisational campaign was mounted by respective 'Collectives Development Committees', on 21st January, to assist in the achievement of this ostensibly unsolicited pledge. For this purpose, daily visiting delegations - composed, often of as many as 350-380 members - and invited ministerial speakers descended on the districts, towns and villages to agitate and persuade the peasants that it was 'in their best interest' to enter the collectives. On 30th January, even Rákosi, amid much fanfare of trumpets, visited one selected town, Túrkeve, to lend his authority to the ensuing campaign. The skillfully orchestrated campaign, accompanied by an atmosphere of intense coercion and terror, succeeded in producing such a psychological effect that even the most determined peasant found it difficult to resist, especially when he saw that some of his most admired and respected neighbours had 'decided' to join the collective farms. In the last stages of the campaign a network of 'street-stewards' was established with the task of organising 'controlled' street-meetings to pressurize resisting peasants individually. When only 10 per cent was needed to achieve the set target a revised 'kulak list' was produced to 'shock' some of the still resisting and vacillating peasants - those especially, who could not establish with any degree of accuracy in which group

they belonged - into submission. In fear of increased economic burdens and political reprisals, many 'decided' to enter the collectives. Within weeks, first Túrkeve - in time to greet the Congress gathering - then, soon, Karcag, Kisújszállás and Mezőtúr, amongst others, were declared to be 'Cooperative Towns'.

What began as an intensive pre-Congress preparatory campaign actually continued without respite at an unprecedented rate during and immediately after the Second Congress had met. Local officials eager to please their superiors coerced large numbers of peasants to join the collective farms, causing great unrest in the villages. It may be interesting to look in detail at the immediate results of these five weeks of collectivisation at a break-neck speed unparalleled either before or after. These are shown in the table below⁽¹⁰⁵⁾:

Time	number of collectives formed	increase in new collective members	increase in arable land area in cad. yokes
13th-20th Feb. 1951	194	14,810	71,752
20th-26th Feb. 1951	617	31,278	186,632
26th February - 6th March, 1951	446	41,010	175,874
6th-13th March, 1951	272	23,164	102,573
13th-20th March, 1951	16	9,409	40,654

Taken as a whole, the big jump in the total number of collectives, membership and area, during the Congress preparatory campaign, shown in the table below, tells the story⁽¹⁰⁶⁾:

31st December, 1950	2272	137,561	818,717
20th March, 1951	4258	283,344	1,495,019

It is to be noted that all but approximately 10-12 per cent of the newly formed collectives were of the 'inferior' Type I and II, i.e., which paid rent to their members. This reversal of earlier policy was encouraged by the Party during the preparatory campaign and was later confirmed by the congress, in order to show rapid results by making it easier for the medium and small peasant farmers to enter the collectives. To achieve this, in many places, zealous local officials often recruited members by offering them attractive privileges, especially if joined by March (a practice which continued) in the form of income tax exemptions, government loans, reduced delivery quotas.⁽¹⁰⁷⁾ In some cases, these privileges had of course official sanction but local officials went beyond that, privately assuring peasants extra privileges. The sudden decrease, almost a halt, in the rate of collective formation was due, largely, to the resolution, subsequently passed at the Congress, instructing the Ministry of Agriculture not to authorise the formation of new collectives from 10th March to 1st August. A decree issued on 10th March, 1951, prohibited the formation of new collective farms but the recruitment of new members for existing farms continued without restriction.⁽¹⁰⁸⁾ The reason for this decision was partly to give time for the consolidation of the hastily established collective farms and partly, perhaps more importantly, to reassure the peasants and thus not to disrupt the spring and summer agricultural work.

After two months of intensive preparations the Second Congress of the HWP met, on 25th February-2nd March, 1951. It came at the height of the purges and Rákosi's dictatorial powers. The opening address, by Mihály Farkas, was followed by the 754 handpicked voting delegates going through the motions of electing the Party's executive bodies and approving the leadership's recommendations. In his keynote speech,⁽¹⁰⁹⁾ on the economy, Rákosi began by over-estimating the results of the completed Three-Year Plan and exaggerating the first year's performance of the Five-Year Plan: industrial production, he

claimed increased by 27 per cent in 1950, compared with the previous year, instead of the planned 21.4 agricultural production increased by 5-6 per cent in 1950 and reached the level of production in the last peace year before the war, 1938. This, in fact, was untrue. The level of agricultural production was about 10 per cent below that of 1938. But there were also important annual fluctuations, e.g., in 1949, agricultural production was 16-18 per cent lower. The pre-war level, in fact, was only reached, on a permanent basis, in 1957.⁽¹¹⁰⁾ The different rates of growth of industry and agriculture had already begun to show. Rákosi then moved on to emphasise the gathering threat of war and the assistance provided by the Soviet Union, especially its help to build modern factories and to 'give us the best machines, the most up-to-date manufacturing processes' and, what was no less important, he said 'put her best socialist ace workers at our disposal.'⁽¹¹¹⁾ Finally, he reached the crucial point: an immense increase would be required in the current plan's economic targets:

the experience of the last year convinced us that our targets were too low and therefore we have prepared a new plan, which will allocate 65-70 per cent more to investment than the original plan.⁽¹¹²⁾

With regard to agriculture, he declared that 'it was the greatest brake on the acceleration of socialist development' - which demanded increased food.⁽¹¹³⁾ In an usually frank statement concerning yields, Rákosi remarked that

the yield of our primary crops per cadastral yoke exceeded the pre-war average by barely 9.2 per cent, at any rate to a negligible extent ... The yield of certain crops, such as maize, is even below the pre-war level, while that of potatoes remained unchanged ... our raising of crops and vegetables has lagged behind our requirements and real potentialities for production.⁽¹¹⁴⁾

Rákosi then went on to say that the increased demand for foodstuffs and industrial crops meant that the country must produce more than in the times of Horthy. But the increases in average yields were extremely low in every field. He blamed the peasants for the worsening food situation and low yields. According to him, they were due to the slow progress made in collectivisation and improvement was impossible until the bulk of the peasantry joined the collectives.⁽¹¹⁵⁾ To liquidate the 'backward state of agriculture' by accelerating the process of collectivisation, the Congress issued an urgent appeal to peasant party members, approximately 100,000, in early 1951, that the 'communist peasants must set an example to the other peasants'. Rákosi then called for the intensification of the class-struggle, for greater vigilance and 'communist iron discipline'. With regard to the kulaks, he observed that although many had offered their land, 13 per cent of arable land was still in kulak hands. He stressed that the struggle to eliminate the rest must continue, as well as efforts to crush the 'remnants of the capitalist class'.⁽¹¹⁶⁾ Rákosi's concluding remarks were devoted, inter alia, to the question of further tasks of the Party in agriculture. Formulating his own proposals, he said that the new augmented Five-Year Plan

includes a greater increase in the development of the socialist construction of agriculture than ever before. This is one of the most important problems of the First Five-Year Plan, which must be solved in the next few years and on the proper solution of which the further course of socialist construction, in many respects, depends.⁽¹¹⁷⁾

Rákosi indicated that the increased rate of development of the socialist sector in the village was to come from the further extension of Machine Tractor Stations, State Farms and Producer's Cooperatives. Assessing their positions, he observed that the development of MTS's, numbering 361 at the end of 1950, with 6895 tractors and employing 29,000 workers, was inadequate and they failed to fulfil

the Party's expectations. State Farms, on the other hand, had grown satisfactorily by 53 per cent in 1950 and now occupied 570,000 cad. yokes of arable land.⁽¹¹⁸⁾ And to improve the rate of collectivisation by a further attempt to lure the medium peasants who still remained conspicuously outside the socialist sector he said that where conditions were not yet ripe the highest form, Type III, collectives should not be 'suggested'. He warned local organs against too rigid insistence on establishing the higher form of collectives. Thus

we should be satisfied with the simplest form, or the first type, which has the advantage of giving the opportunity to the individual farmer and the still hesitating peasant to try out the good side of cooperation, at a time, when they are still afraid of a more advanced, higher, form which is too collective for them. We should not be afraid of the first type of cooperation. The superiority of cooperative production will show itself even at this simplest stage in that, as the experience of the past years has proved, in the majority of cases the members of the first class cooperative will move towards a higher cooperative grading immediately after the first harvest.⁽¹¹⁹⁾

It was left to Politbureau member Ernő Gerő, Minister of State, President of the People's Economic Council, to disclose - on the second day of the Congress - the full details and implications of the augmented plan. The revised plan had from the beginning generated some controversy between Ernő Gerő, heading the Muscovigte zealots, and the more cautious economic experts.⁽¹²⁰⁾ The drastically revised plan, finally passed by the National Assembly, on 8th May 1951, motivated by an effort to accelerate industrialisation further, and especially to increase the rate of development of heavy industry, set more ambitious targets in every field.⁽¹²¹⁾ The modified Five-Year Plan set the highest goal for the development of industrial production by raising the original 1949 target index from 186 per cent to 310 per cent, an annual growth of 42 per cent (a fantastic 380 per cent for heavy industry, 438 per cent for plant construction and 245 per cent for light industries). Compared to 1949 the revised Plan set a

growth target for agricultural production of 54 per cent between 1949 and 1954. The rate of increase in the standard of living was also revised, from 35 per cent in the original plan, to 50 per cent over the same period, to a level twice as high as it was before the war. The capital investment funds for the realisation of these targets were correspondingly revised upwards from 51,000 million Forints to 85,000 million Forints, to reach more than 35 per cent of National Income.⁽¹²²⁾ Of the total investment, 41,000 million Forints was allocated to industry, up by 87 per cent compared to the original plan, and representing 48.3 per cent of all investment, 37,500 million Forints of which was to go to heavy industry and 3,500 million Forints to light industry. Agriculture was to receive 11,000 million Forints, its share was reduced from 15.7 per cent (8,000 million Forints in the original version of the plan) to 12.9 per cent.⁽¹²³⁾ The revised plan promised 26-28,000 new tractors to agriculture, an increase in fertilizer use from 12 kg to 73 kg per cad. yoke and an eightfold increase in the irrigated area, compared to the original plan, to reach 370,000 cad. yokes.⁽¹²⁴⁾ The augmented plan clearly shows the adoption of an exaggerated industrial development, in conformity with the 'law of socialist industrialisation', projecting a change in the ratio of the output values of industry to agriculture from 53-47 in favour of industry before the war, to 80-20 in favour of industry, by the end of 1954.⁽¹²⁵⁾ The Party's central leadership declared that 'investment must be regulated solely by political considerations, all the economic indexes can only play a secondary role'.⁽¹²⁶⁾ Hence, it emphasised investment in heavy industry, at the expense of both agriculture and light-consumer- industries. The regime seemed to believe that the low priority of investment in agriculture, imposed on them by their decision to go for rapid industrialisation, could to some degree be compensated by the increased efficiency of production to be achieved if private strip farming were consolidated into the large farms in which they seemed to believe so firmly. The continued endeavour to increase the size of farms, often by

repeated commassation, seem to reflect a belief on the part of the leadership that the bigger the farm the greater the potential for efficient production.⁽¹²⁷⁾ The Party leadership completely overestimated the possibilities of the 'cooperative movement', thereby imposing a heavy burden upon agriculture, on three main accounts: (i) the low investment priority given to agriculture combined with the high demand imposed upon it, in respect of (ii) releasing labour to satisfy the growing industrial labour requirement - which, in fact, increased by 400,000, i.e., by 50 per cent, in four years - and (iii) to provide enough food, with the reduced labour force and the low level of mechanisation, for the increased urban industrial population. It can, of course, be argued that industrialisation and agricultural collectivisation serve both economic and political objectives and it is sometimes difficult to distinguish which motive is paramount. Enforced industrialisation in Hungary, as elsewhere, apart from serving certain economic and strategic purposes, could absorb surplus agricultural population and by the transfer of manpower into industry reduce the pressure of latent unemployment in agriculture and open up the way to raising the level of agricultural productivity in the future, as long as the manufacture of farm equipment does not continue to be sacrificed in the interests of heavy industry and armaments. But the growth of industry should operate as an increasingly favourable factor in the pursuit of agrarian progress. At the time, however, the rate of investment in the land was insufficient to exploit the possibilities offered by the consolidation of holdings.⁽¹²⁸⁾

It was an unrealistic plan, to be denounced later as 'irresponsible' and 'adventurous', but at the time, it was promptly greeted by the Second Congress with enthusiasm and approval. Opposition to the plan, however, grew with the increase in the target figures and with the devastating effects of the plan upon the manufacture of consumer goods - and thus living standards - and upon agriculture. Whatever were the eventual achievements of the plan within the

industrial and, especially, the armaments sectors - and there were some notable achievements - the financial, technical and political preconditions did not exist, and the complete fulfilment of the plan was impossible. In 1951 the harvest was good which, temporarily, alleviated the consequences of the policy mistakes made in agriculture. It was only mid-1953 that the reduction in consumption enforced by the bad 1952 harvest, the increasing frequency of bottlenecks in industry, the aftermath of Stalin's death and a belief that the international political climate had improved seem to have combined to persuade a new government, led by the politically controversial Imre Nagy, for a brief period, to make a drastic downward revision of the Plan targets for both industry and agriculture.

Unquestionably, agriculture in particular proved to be one of the most disappointing sectors of the plan. According to a report on the operation of the Five-Year Plan issued by the Central Statistical office in May 1955, the projected targets in agriculture remained grossly under-fulfilled. A brief, global, look at the actual fulfilment of the main agricultural targets of 1951 version of the Plan, by the end of the planned period in 1953 is pertinent at this point. The planned material resources actually put at the disposal of agriculture to achieve the projected rate of growth in production were as follows⁽¹²⁹⁾: (i) the overall utilisation of fertilizers reached 56.5 kg per cad. yoke, representing a fulfilment of only 45 per cent; fertilizer use in the collectives was considerably less, up only 16.3 per cent compared to 1949; (ii) largely because of the failure to complete the planned irrigation plant at Tiszalök, the actual irrigated area had increased to 132,000 cad. yokes only instead of the planned 370,000 cad. yokes; (iii) the supply of new tractors, which stagnated until 1951 increased by a mere 4649, compared to 1949, instead of the plan figure of 26-28,000; (iv) investment allocated to agriculture was 9,300 million Forints, instead of the 11,000 million Forints planned, i.e., a fulfilment of 84 per cent; of this actual investment, 42

per cent was allocated to the State Farms, which made up approximately 10-12 per cent of total arable land but where the efficiency of investment was lowest, 16 per cent went to the Machine Tractor Stations network - whose development was included in the Plan, and only 16 per cent of total investment directly served the development of collectives.⁽¹³⁰⁾ But, at the same time, the 9,300 million Forints actually allocated to agriculture were amply recouped through compulsory deliveries, taxes and the price system, by which agriculture paid for industrial and other developments, depriving it of its own development resources. Fixed capital formation, including livestock, in agriculture grew by only 22 per cent over the five year period. Perhaps one of the most striking features of investment allocation to agriculture was its distribution with regard to time. About half of all the investment was actually carried out in the last 18 months of the planned period: up to the middle of 1953, agriculture received only 5000 million Forints for investment.⁽¹³¹⁾ Largely, but not only, because of the under fulfilments in these areas agricultural production grew only 11 per cent by the end of the plan period, instead of the planned 54 per cent, a growth index which was, interestingly, only achieved as late as 1968⁽¹³²⁾

To return to the history of collectivisation, one of the most fundamental policy changes adopted by the Second Congress was the goal of comprehensive collectivisation of agriculture. This was to be carried out at the same time as the augmented plan - as in the Soviet Union at the time of its First Five-Year Plan. The adoption of such a policy, already hinted at by the intensive pre-Congress campaign in Túrkeve, Karcag, Kisújszállás and Mezőtúr, and several other localities, was not totally unexpected. In fact, András Hegedüs confirmed in his speech to the Congress on point 1 of the agenda that these towns were used as testing grounds for such a policy.⁸¹³³⁾

Delivered by Mátyás Rákosi, the 'wind of change' address on collectivisation emphasised that

the most decisive, strategic, task before the Party and the country is to eliminate the dual nature of the national economy, by the socialist reorganisation of agriculture, to establish a homogenous socialist foundation in our economy.(134)

Translated into practical terms, the target set for total arable land to be collectivised was to be increased to reach 81.6 per cent by 1953-1954, instead of the 55-60 per cent set in March 1949, which was now thought not to be enough.⁽¹³⁵⁾ It has been officially admitted since that this target was totally unfounded and could not possibly be achieved. The economic and social conditions, which may have been sufficient for a gradual and, necessarily, slow expansion of the cooperative movement, were totally inadequate for complete collectivisation within a time-scale of 2-3 years. In the event, as will be shown, the planned targets remained unfulfilled during the period under consideration, because the economic and especially the agrarian policy of the HWP failed and by the end of 1952 the country became virtually bankrupt. Despite the fact that agriculture was not given even the low planned financial resources the demands to fulfil the new revised targets set for collectivisation and increased agricultural production remained unchanged until about December 1952. While the importance of agrarian production was repeatedly emphasised, in reality it was considered secondary and subordinate to the quantitative achievements in collectivisation.

Thus, from early 1951 onwards greater efforts than ever before were made all over the country to recruit members into the collectives. What was lacking in social and economic conditions was made up in administrative measures and economic coercion. All of these were well known and used in the 1949-1950 period, but they became accepted and universal in 1951 and exclusive in 1952. The years 1951 and 1952 were the worst years not only for the peasants but for the Hungarian people as a whole. Collectivisation went faster and more

ruthlessly in Hungary than in most other East European countries. The process of formation of collectives was essentially a spasmodic one, with the highest increase in 1951, especially, as shown, in the first few months of that year. The lull in the formation of collectives, called for by the Party leadership - partly to avoid aggravating further the already rapidly deteriorating rural labour situation - continued until August 1951. An official of the People's Economic Council, György Pogácsács, revealed on 12th May 1951 that the greatest obstacle in the way of the planners was the harvest, which was likely to be a good one, he said.

The harvest will present considerable problems this year, as there will be less labour available owing to the drain of manpower for industry and other sectors of the economy. Only State Farms and Machine Tractor Stations are entitled to employ outside workers to help with the harvest, but even they have to make the best use of their resources. Collectives and individual farmers will have to carry out harvesting and threshing with their own manpower resources. Only in exceptional circumstances will they be allowed to employ hired helpers. (136)

Since time immemorial, large, medium and small holders had relied on outside help to get the harvest in and to do the threshing. No regime ever suggested that the peasants be denied help at harvest time. From spring until the autumn the peasants, either members of collectives or individual, literally had to work from dawn to dusk, under great pressure from the regime. This order created much bitterness and resentment among the peasants. To this extent, the continuation of the collectivisation campaign during this critical period, with the accompanying peasant unrest, would almost certainly have jeopardised the spring sowing and the collection of grain etc., during the summer, on which the augmented plan largely depended. In the event, despite a good harvest agricultural production stagnated. On 27th July, 1951, it was admitted that the harvest, which came at the end of a rather wet spell, suffered not only because of the weather, the shortage of workers and machinery but, also, it was stated,

because of the 'slackness on the part of rural councils in failing to impose adequate discipline'. There is no doubt, however, that the failure of peasant wives and families to join the collective farms was an important contributory factor to the labour shortage, which was felt most acutely at harvest time. The authorities tried to remedy the shortage of labour by reducing the areas of private household plots, which often aroused great resentment among the landless collective members. The harvest collection problems were also blamed on the kulaks who 'created an atmosphere hostile to collection, interfered with threshing machines, prevented the surrender of large surpluses against 'C' tickets (i.e., for which peasants could buy cheap industrial products) and organised illicit threshing, and also on officials of collectives who submitted inaccurate reports of lower crop averages than had been realised.'⁽¹³⁷⁾

While the collectivisation drive was temporarily suspended, the intensification of the 'class struggle' in the countryside continued unabated, in the preparation for the final showdown with the kulaks. On 11th May, 1951, the Chairman of the People's Economic Council, Zoltán Vas, complained in the National Assembly that subversive activities by the kulaks had retarded the development of agriculture. Despite the Government's continued campaign, he said, the kulaks still represented a serious economic force in the country. Vas noted that,

there has been very extensive illegal slaughter of kulak owned livestock.⁽¹³⁸⁾

He warned that meat consumption would be reduced still further because the country's cattle population was on the decline. But, he said, collectivisation must continue. So, it was the kulak sabotage that had retarded agricultural development and kulak slaughtering was responsible for less meat for the towns. This provided the regime with the excuse for the wildest persecution of kulaks

and wealthy peasants. Many were sentenced for illegal slaughtering. On 4th June, 1951, Rákosi admitted that a total of 3516 head of cattle had been slaughtered illegally in April.⁽¹³⁹⁾

Theoretically the goal of comprehensive collectivisation posed the problem of the kulak in a much more acute form than before. When all the medium and small peasant landholders joined the collectives, as the regime now envisaged, what was to be done with the kulaks. A semblance of 'legality' for the 'liquidation of the kulaks as a class' was officially provided by Rákosi's speech at, and the subsequent resolution passed by, the Second Congress. By this decision local organisations were given the right to take all the necessary measures in combatting the kulaks, including full confiscation of their property if needed, which as before became the 'indivisible funds' of the collectives. An even more drastic plan existed in a draft form. According to a former official of the Hungarian Planning Office, in June-July 1951 the party leadership, apparently toyed with the idea, in imitation of Stalin's method, of carrying out full collectivisation with the aid of mass deportation of kulak families, to as to break the passive resistance of the peasants by intimidation and terror. At this time a great number of families - generally, former government officials, army and air force officers, aristocrats and intellectual members of the middle class - were deported from Budapest and other large cities into distant villages,⁽¹⁴⁰⁾ partly to alleviate the housing problems caused by the rapid urbanisation which had to accompany the forced pace of industrialisation and partly to provide housing for the new communist elite. Since Hungary had no Siberia to which to deport her kulaks it was proposed to transplant them from one part of the country to another - peasants from Transdanubia in the West, to be deported to the country beyond the Tisza River, in the East, and vice-versa.⁽¹⁴¹⁾ The plan envisaged on this mass scale was, however, never implemented. But, of course, many kulaks and their families were individually, and less systematically, deported and banned from their villages.

As earlier, high delivery quotas and taxes were only some of the means applied to liquidate the kulaks. Between 1951 and 1953 the overall economic burden on kulak holdings was again drastically increased. In 1952 it was 168 per cent greater than in 1950.⁽¹⁴²⁾ While in 1950 kulaks were left no surplus rye and potatoes to sell on the free market, in 1951 this was extended also to wheat. A report on delivery quotas, compiled on 16th July, 1951, stated that if kulaks complied fully with their delivery obligations there would be no surplus left at their disposal.⁽¹⁴³⁾ In earlier years one of the most important tax burdens on kulak holdings was the 'development tax'. From 1950/1951, onwards due to progressive increases, the general tax levied on land area became the most important burden. In 1952/1953 this tax on kulak holdings varied between 477 and 576 Forints per cadastral yoke.⁽¹⁴⁴⁾ In addition monetary fines and 'claims for damages' increased steeply due to non-fulfilment of delivery obligations. In 1952/1953 kulak holdings underfulfilled these significantly, for all kinds of produce, the highest rate of fulfilment of quotas being 73.4 per cent for wheat, the lowest 46 per cent for pigs.⁽¹⁴⁵⁾ A similar situation prevailed with regard to tax payments. Except for the good harvest year of 1951, a progressively smaller proportion of these taxes was paid after 1950 and, in 1952 only 73.8 per cent of the total taxes on kulak holdings was met.⁽¹⁴⁶⁾ While in 1950 tax arrears by kulaks were 252 Forints/cad. yoke, by the end of 1952 and the middle of 1953 they had increased to 637 and 1400 Forints per cadastral yoke respectively.⁽¹⁴⁷⁾

As the anti-kulak 'offensive' moved to its concluding phase from 1951 onwards, with continually increasing economic, administrative and political pressure, many of the kulaks shifted to a lower land category or, predominantly, 'offered' their land to the state. Often the mere act of 'offering' part of their land failed to help them much because, in many places, local authorities would not accept it, since the land could only be partially absorbed either by the State Farms or the Collectives; and progressively more and more kulak land was left

uncultivated. And if local authorities were in a position to accept the land the kulak was still left on the 'kulak list'. The only escape from this cat-and-mouse game was to give one's land up completely and move from the village to the towns. During the period 1951-1953, in fact, more and more kulaks and 'wealthy' peasants sought a quieter life in the factories, mining and big construction sites like Sztálinváros. Even there some of them were not entirely free from persecution by a revengeful local party machinery. While much of the persecution was prescribed from above, much also depended on the local authority officials - but there were not many humane local leaders. Many cases were recorded where local party organisations attempted to 'extradite' kulaks from 'socialist industries' which, in a number of cases, refused on the excuse that the kulak was 'indispensible' and 'was a very good worker'.⁽¹⁴⁸⁾ Working peasants, too, began to 'offer' their land from about 1951 onwards, reaching a peak in 1952/1953, but on the one hand this did not reach the same proportions as in the case of the kulaks and, on the other hand, while the 'offer' of land by the kulaks, in the majority of cases, resulted in the dissolution of the farm, most working peasants merely reduced their land holding to bring themselves into a less progressive compulsory quota category.⁽¹⁴⁹⁾ The kulaks, and the working peasants, had also lost land in favour of collectives by the repeated 'commassation'.

Those who had the assiduity and courage to resist and attempt to cling to their land for a while, despite the increasingly intolerable burden of 'normal' taxation, high compulsory delivery quotas at low prices, and monetary fines, affecting all strata of peasants, but the kulaks most heavily, of course, were at the mercy of party officials, narks and spies, the Security Police and the County Penal Councils, which passed heavy sentences, including to 'forced labour camps', and often death, with the greatest of ease. By now, large scale persecution of kulaks had become a major feature of the period and was particularly intense at

harvesting campaigns. Instances of penalties imposed on kulaks, who failed to comply with regime 'laws' appeared continuously in the press. There is no need, perhaps, to dwell here on the brutality with which the kulaks were handled during the period 1951 to 1953. But it is perhaps pertinent and sufficient to cite a few individual cases, by way of examples, from the party daily, Szabad Nép, which recorded the following sentences imposed on kulaks during the summer of 1952, for threshing without permission, keeping grain from the state and failing to complete harvesting on time:⁽¹⁵⁰⁾

1. László Kovács owner of 27 cad. yokes has been sentenced to 4 months in prison and a fine of 3000 Forints for taking home 21 sheaves of rye and feeding it to his animals ...
2. János Kardos: was sentenced to 8 months imprisonment and a fine of 2000 Forints for threshing rye without permission...
3. Ernő Horváth: was sentenced to 7 months in prison, a fine of 1000 Forints and the confiscation of 2000 Forints (property) on the charge that he had not completed harvesting on time (often, kulaks were given 3 days to harvest 8 cad. yokes, which was impossible; even the strongest man could do no more than 1 cad. yoke per day).
4. Gyula Szabó: owner of a mill and 28 cad. yokes, who, it was stated, since his release from prison has been trying to cause more damage by harvesting too late, when the crop was over-ripe ... he was denounced and fined 3000 Forints, sentenced to 10 months in prison and the partial confiscation of his property.
5. József Pandur: owner of 28 cad. yokes, while the industrious village people were enthusiastically harvesting, it was stated, this kulak sought to cause damage by resorting to base schemes ... after having cut his wheat, growing along the road, he reported that he had completed harvesting. The toiling peasants, however, discovered that in the fields further away from the road the crop had been left unharvested and that the loss in grain exceeded 5 per cent ... he was immediately denounced ... and sentenced to 15 months imprisonment, fined 3000 Forints and had his property confiscated.

Thousands of similar examples could be cited from this period, in addition to the examples given earlier of how the kulaks were persecuted and used as scapegoats for damage of various types they allegedly caused. Many of them, and their families, were often simply taken away, usually at midnight, by the Secret Police. For example, one kulak, years later, had this to say:

they (i.e., the secret police) came with lorries at midnight and had taken us to the train. If somebody spoke out of order to the police, generally, the punishment was that they did not allow one to take one's belongings. They did not behave to badly with us: they allowed us to take 2 beds, 4 chairs, we were even allowed to load our sowing machine; in our personal bags we packed 4 plates, 4 spoons, bedding, clothing and some smoked meat we prepared for the winter. The house was then locked and the key handed over to the local council. The police fed the animals we left behind.⁽¹⁵¹⁾

By the first half of 1953 some 280,000 legal proceedings were recorded against kulaks, on average, four per kulak.⁽¹⁵²⁾

The overall results of the continued campaign can best be seen from the changes in the numbers of individually owned farms and their area under cultivation, according to farm categories, between 1949 and 1953, in Table 8.2 on p.529).⁽¹⁵³⁾

It can be seen from the table that significant change occurred in the bigger and especially the kulak farm categories. While in 1949 the number of individually owned farms at and above the 25 cad. yokes category was 47,200, by mid-1953 their number was reduced to 10,500 and their area of land under cultivation from 1,926,200 cad. yokes to 336,300 cad. yokes. Almost 37,000 kulaks in this category had, in the overwhelming majority of cases, surrendered their land to the state and ceased to exist altogether. Although their numbers and their area declined from year to year, even at the end of 1952, however, the 'kulak list' registered 71,600 kulak families: of these, 21,900 were already without farms, 36,300, including many village store owners, traders, etc., owned a farm below the official 25 cad. yokes limit and only some 12,800 had more than this.⁽¹⁵⁴⁾

Table 8.2: Changes in the numbers and area of individually owned farms between 1949-1953
(mid-year data)

Year	cadastral yoke holdings										Total	
	1 - 5		5 - 10		10 - 20		20 - 25		over 25			
	agrarian semi-proletarians		small peasant		medium peasant		kulak					
	number	%	number	%	number	%	number	%	number	%	number	%
1949	664,700	46.1	458,000	31.8	240,300	16.7	30,600	2.1	47,200	3.3	1,440,800	100
1950	638,800	45.9	452,400	32.4	234,000	16.8	33,700	2.4	34,000	2.5	1,392,900	100
1951	601,100	45.9	436,500	33.3	224,500	17.1	23,400	1.8	25,000	1.9	1,310,500	100
1952	567,400	47.0	399,600	33.1	207,700	17.2	17,700	1.5	14,000	1.2	1,206,400	100
1953	553,500	53.2	317,400	30.5	143,800	13.9	14,200	1.4	10,500	1.0	1,039,400	100
Year	Total area											
	Area cad. yoke		Area cad. yoke		Area cad. yoke		Area cad. yoke		Area cad. yoke		Area cad. yoke	
	%	%	%	%	%	%	%	%	%	%	%	%
1949	2,146,700	18.4	3,488,000	29.8	3,417,500	29.2	716,300	6.1	1,926,200	16.5	11,695,700	100
1950	2,057,500	18.8	3,467,800	31.7	3,346,400	30.5	799,300	7.3	1,279,600	11.7	10,950,600	100
1951	1,827,000	19.6	3,163,300	34.0	3,009,200	32.2	518,800	5.5	810,400	8.7	9,338,700	100
1952	1,724,200	21.2	2,851,200	35.0	2,637,600	33.7	389,100	4.8	433,400	5.3	8,136,500	100
1953	1,764,400	35.5	2,439,800	35.2	2,057,400	29.7	330,500	4.8	336,500	4.8	6,929,400	100

Source: see m. 153, p. 590

The ritual twice yearly collectivisation campaign - before the spring agricultural works began and after the harvest was collected - had resumed on 3rd August. As usual, the campaign was opened amid much fanfare of trumpets by a peasant delegation, composed of some 200 members, returning from the Soviet Union and long editorial leaders in glowing terms urging the peasants to join the collectives and to show significant increase in collectivisation to celebrate the forthcoming 'Constitution Day' on 20th August 1951.⁽¹⁵⁵⁾ During August and September many more largely medium peasants were forced to join the collectives. The most advanced Type III collectives held no attraction for the medium peasants as life there was miserable. The regime for this reason allowed the continued formation of Type I and II collective farms, where peasants just managed somehow. For the regime the continued development of Types I and II collectives was a pre-condition to maintain momentum and to extend the cooperative movement. The central leadership, however, instructed local officials that 'we must see to it that their members will voluntarily ask for permission to convert themselves later into Type III collective farms'.⁽¹⁵⁶⁾ Thus, during 1951, besides a number of Type III collective farms, Type I and II were formed by the hundred. While at the end of 1950 there were only 30-40 Type I & II collective farms, by the end of 1951, 1890 Type I and 80 Type II were formed, most of them at the beginning of the year.⁽¹⁵⁷⁾ More than 50 per cent of their membership were medium peasants, who had joined under pressure and in the hope that it would not drastically alter their position and they could continue to farm more or less as independently as before.⁽¹⁵⁸⁾ Their hopes, at least in the short run, were fulfilled. One of the complaints of the party leadership was, indeed, that many of the collectives were only established 'on paper' and that their members continued to farm independently.⁸¹⁵⁹⁾ Local officials were 'blamed' for the continued 'offer' of attractive concessions to induce the peasants to join. In their recruitment campaigns they often told the peasants that by

joining their position would not radically change, that the only difference would be to enjoy the numerous benefits and privileges handed out by the state.⁽¹⁶⁰⁾ About 10-12 per cent of these Type I & II collectives, i.e., 244 in 1951 and 140 in 1952, in fact, existed nominally, 'on paper', but failed to operate even as 'inferior' Type I or II collectives. A number of them were later wound-up, while others did begin to operate. Furthermore, many of the Type III collectives, some 600 in 1952, failed to reach the organisational level to enable them to prepare reports and accounts on their farming or other economic activity.⁽¹⁶¹⁾

Another principle feature of the collectivisation campaign during this period was the continued and rapid establishment of 'Cooperative Towns and Villages' (Szövetkezeti Városok és Falúk). In the first few months of 1951 only 36 towns and villages had been established, places where the majority of peasants worked in the collectives. They were mainly in the Transdanubian region and mostly in villages where only 30-40 families lived altogether. During 1951 their numbers had increased to 352, a trend which had continued to the end of the period.⁽¹⁶²⁾

The excessively rapid expansion of collectives, especially in the first few months of 1951, created many problems and tensions within the cooperative movement. Despite some not inconsiderable efforts by the regime to resolve them, they remained an almost permanent feature of collectives during this period. While in December 1951 the Ministry of Agriculture proudly announced that the total number of collectives had increased to 4625, their membership to 311,000, working on a total arable land area of 1,742,6000 cad. yokes, Rákosi, at the same time, revealed that the majority of the peasants joined early in the year, under extreme pressure and 'worked very little and badly'. He admitted that in many collective farms 30-40 per cent of the members were absent at the time of most urgent agricultural tasks and that many members simply left collectives without even taking the trouble to give notice of their intentions to

the management.⁽¹⁶³⁾ A further complaint, concerning production, was made soon after by András Hegedüs, who stated that because of bad work organisation and serious lack of labour discipline output and yields in 'several' collectives (he could have said almost all) were significantly lower than those of individual peasants in the same region.⁽¹⁶⁴⁾ Medium peasants forced into the collectives tended to lack drive and vitality and often paid more attention to their private household plots than to work in the collectives. Furthermore, while 35,000 families joined the collectives during the winter of 1951/1952, and their arable land area had doubled from 9 to 18 per cent, their livestock had increased by only 62 per cent. One would expect a difference, Hegedüs said, but this was significantly more than acceptable.⁽¹⁶⁵⁾ Unquestionably, cattle breeding suffered, perhaps, the most under collectivisation. The peasants, in a pre-emptive move, slaughtered or sold their livestock before entering the collectives. Also, many had wasted away because of poor livestock care in collectives. Hegedüs, like many before him, called for the further strengthening of the collective movement, in parallel with its numerical expansion. It was vital for the regime that peasants should bring their livestock in with them. To ensure this, it was proposed that those who slaughter their livestock illegally should, in addition to 'normal' fines, be forced to contribute 15 per cent of its value to the comunal funds.⁽¹⁶⁶⁾

To remedy the prevailing problems in collectives a Council of Ministers Decree, published on 8th July, 1951, radically revised the system of distribution of incomes in Type III collectives.⁽¹⁶⁷⁾ The reason for this, it was said, was because up to then income distribution had been in monetary terms, either on the basis of 'equality' or the number of hours worked by each member, with the result that 'payment in kind' was made inequitably, not in accordance with the amount of work done and results. This undermined labour discipline. Accordingly, the Type III collectives adopted the 'socialist principle of

distribution' for both monetary and 'in kind' payments, based on the number of 'working-day units' (munkaegység) and production results.⁽¹⁶⁸⁾ Members who worked more efficiently and exceeded the production targets were to be rewarded with bonuses. Another step taken to improve labour discipline concerned the size of private household plots. It was claimed that in many places their size exceeded the legal limits and distracted labour from the collectives, since members tended to spend more time on their plots. Private household plots were not to exceed the legal limit of $\frac{1}{2}$ - $\frac{3}{4}$ cad. yoke set by the Model Statues.⁽¹⁶⁹⁾ It was proposed, and after a lengthy debate accepted, that the minimum number of 'working-day units' be increased from 80 to 120 for adult members, instead of the 150 proposed, and to 80 for mothers with young children.⁽¹⁷⁰⁾ But all these were only part, perhaps even a small part, of the real problems relating to labour relations. In most collectives there was simply not enough work for the members, especially during the winter months. A survey revealed that in the 6 months between 1st November 1951 and 31st March 1952 25 per cent of members, i.e., about 64,000, had no work at all, while 15 per cent had done less than 10 working-day units in total, at a time when by law 120 working-day units were prescribed. Also, about 10-15 per cent of the members had only signed the agreement to join the collective but never in fact worked in it.⁽¹⁷¹⁾

Later in the year a long communique was published, after the meeting of the Politbureau in September 1951, which again stressed the urgent need to improve labour discipline and to strengthen the cooperative movement both organisationally and politically.⁽¹⁷²⁾ What little effect these repeated calls produced can be seen from the fact that the same theme was taken up yet again by Rákosi at the 'National Conference of Vanguard Workers of Collectives and Machine Tractor Stations' (Termelőszövetkezetek és Gépállomások élénjáró dolgozóinak Országos Tanácskozása), held on 27th-28th December 1951. In a

long speech, almost entirely devoted to the questions of labour discipline and the tasks of strengthening and consolidating the collectives, Rákosi castigated both collective farms and local state and party officials for their selfish and 'opportunistic' attitude towards the collective movement, in the following words:

comrades, when you talk about discipline you should remember citizens' discipline towards the state, of which the fact that the collectives should discharge their duties towards the state is an integral part.(173)

But, he said, in the sphere of discipline there was much to be desired, because

a striking feature of the attitudes of our collectives is that many of them want only to receive from the state without recognising the fact that they also have duties towards the state.(174)

Many local state and party officials, he declared, had greater experience in the quantitative development of collectives than in how to strengthen and consolidate them, which was also made more difficult by the attitudes of comrades who often only thought

that periodically, at one stage the numerical development of collectives is on the agenda, to be followed by a stage calling for their strengthening which in turn is followed by another stage calling for their numerical development yet again.(175)

Underfulfilment of the Plans for crop production and, especially livestock breeding followed from this mistaken view, since state and party organs failed to concern themselves with the production tasks of the collectives nor with the strengthening of work discipline there.(176) The Plan, it was re-emphasised, was the fundamental and basic law of the economy. Its fulfilment was compulsory for every collective and Machine Tractor Station. In reality the consolidation of collectives was significantly hampered by their lack of economic independence.

Procurement agencies were free to prescribe, without due regard to local conditions, what they should produce and in what quantities and even the MTSs had the right to intervene in their production plans. Furthermore, the Banking system issued instructions on how they should distribute their income and investment.⁽¹⁷⁷⁾

During the winter of 1951 the collectives were reorganised. While paying lip-service to 'internal democracy', a Council of Ministers Decree was passed on 11th November 1951 which regulated the tasks of managers and their remuneration and increased the power of chairmen, by instituting a 'Control and Disciplinary Committee', composed of active party militants. Managers were authorised to impose sanctions on undisciplined or 'fraudulent' members, ranging from fines to expulsion from the collective, after two disciplinary actions had been taken against them.⁽¹⁷⁸⁾ After May 1952 members had to obtain permission from their Chairman to take on outside work.⁽¹⁷⁹⁾ Moreover, collectives became subject to greater tutelage and stricter control from local party organisations and central government offices. Members of the collectives were grouped into permanent work-brigades, like those on State Farms, each brigade being made up of 15-20 workers in dairies and 50-80 in the fields, depending on labour input requirements. They were in charge of a given piece of land and a given quantity of equipment and livestock. Brigade leaders were made directly responsible to Chairman and were also given disciplinary powers, as in the Soviet Union when it adopted the system in 1932.⁽¹⁸⁰⁾

Because of growing disproportions which had developed in the economy, due to forced industrialisation, and in order to carry out its investment policy, the government introduced a price and wage reform at the end of 1951. The speech announcing the measures was delivered by Rákosi at the Central Committee Plenum on 30th November 1951 and published the next day.⁽¹⁸¹⁾ The need for the measures, the Party stated, was to prevent a black market and

speculation, reduce food shortages and the high free-market prices that had developed because of rationing, and to stop the deteriorating material position of workers and employees. The aim was to improve the supply of consumer goods to the population, to increase the share of national income going to wages and salaries and to provide greater incentives to increase agricultural production, since the restriction on free-market sales, especially of meat, resulted in larger peasant consumption instead of larger production. Finally, it was to increase the budgetary revenue of the government. The measures to secure the achievement of these goals, as announced by the government, were the abolition of rationing of most products and the introduction of free trade in many agricultural products, e.g., barley, cereals, flour, oats, but only after the compulsory delivery quotas were met and products on contractual deliveries were handed over to the state. Also, a drastic increase in consumer prices and wages was announced by the government. Rákosi described the abolition of rationing and the re-introduction of free trade in agricultural products in glowing terms to the Plenum, claiming that they proved that his policies were on the correct line and were working and that it was,

the latest glorious achievement of our People's Democracy and a new demonstration of its economic and political strength ... which will further promote the cause of the worker-peasant alliance.(182)

An important precondition to abolish rationing was the availability of sufficiently large stocks to meet the expected initial increase in demand by consumers. Owing to the low level of stocks because of the under-fulfilled deliveries of fattened pigs - and perhaps more importantly because of larger peasant consumption of meat due to the free market prohibition - rationing of meat and fats was only abolished on 1st and 18th February, 1952 respectively. Restrictions on trade in cereals, e.g., barley, grain, oats and maize, were lifted

only until 30th June, 1952 when the situation was to be reviewed in relation to the harvest results. ⁽¹⁸³⁾ In the event, certain restrictions on cereals trade were reimposed in June 1952. Ostensibly, those who delivered their quotas could now sell anywhere and to whom they liked. But only the state could purchase grain intended for resale. The ban on milling grain into cereals for payment in cash or kind was lifted. Permission was also given for free trade in potatoes, milk, eggs and dairy produce. The new measures, it was hoped, would encourage the peasants to produce more willingly and in greater quantity in the future. ⁽¹⁸⁴⁾ In order to generate higher levels of reserves, and because of the good harvest in 1951, the authorities changed in mid-1951 to a new system whereby compulsory delivery quotas were calculated according to the quality of soil, based on 'golden crown' net income which, coupled with the 'normal ritual yearly increase in delivery rates, doubled or even trebled compulsory deliveries in many instances. ⁽¹⁸⁵⁾ The 1951 and 1952 state procurement plans increased compulsory delivery rates drastically, and as the good 1951 harvest results unfolded, delivery rates were further increased in response to it, to get 'every single surplus grain to the procurement agencies'. In practice the increased procurement plan aimed at the confiscation of all surplus products. To achieve this, party and local council organs conducted a ruthless campaign against the entire peasantry. Furthermore not only were the compulsory delivery quotas raised, but the range of products subject to compulsory deliveries was also extended from 17 to 37. ⁽¹⁸⁶⁾ Cereals and the various root crops had to be taken to collection points within 8 days of threshing and gathering. Failure to comply with deadlines carried a 5 per cent fine, 10 per cent after 15 days of delay and, from April 1952, the peasants had to pay the free market price of the products plus a 20 per cent surcharge as a fine on all outstanding balances. In case of 'proven' deliberate non-fulfilment of delivery obligations a maximum of 5 years prison sentence could be given to offenders. The 1951 harvest was so good that

procurement plans were easily achieved. In the five months from June 1951 1 million quintals more of cereals were procured by the state than in the previous 12 months: wheat was up by 75 per cent, barley and oats by 50 per cent, maize by 100 per cent and sunflower seed by 50 per cent.⁽¹⁸⁷⁾

To bring prices closer to the free market level, the Government announced a drastic price reform, which almost doubled the prices of foodstuffs, raised the prices for clothing and textiles by 70 per cent and for other industrial consumer goods by 40-50 per cent. The increase in the prices for services, e.g., rented accommodation, was less.⁽¹⁸⁸⁾ At the same time, the wages of industrial and agricultural workers were increased by 21 and 15 per cent respectively, while those of white-collar workers increased by 15-18 per cent. Pensions and family allowances were also increased. As a result of the price reform the consumer price index, ignoring quality deterioration, was 38 per cent higher in 1952 than in 1951, 88 per cent higher than in 1949, and by 1953 had almost doubled.⁽¹⁸⁹⁾ The value of the Forint declined to 38 per cent of its former value, stabilized in 1946. The volume of retail trade, based on constant prices, had declined by more than 10 per cent.⁽¹⁹⁰⁾

In consequence of these measures, the per capita real incomes of wage earners in 1952-1953 were 20-22 per cent lower than when the Five-Year Plan commenced in 1950,⁽¹⁹¹⁾ and the income distribution had also changed. The price reform hit the peasants considerably more than the industrial workers. For the workers, the price increases had been, partially, offset by increased wages, but peasant incomes - because of the altered terms of trade, increased compulsory delivery quotas at nominal prices, and the extremely bad harvest in 1952, resulting in a 26 per cent lower total production than in 1951⁽¹⁹²⁾ - declined significantly, as can be seen from the table below.⁽¹⁹³⁾

The state obliged the peasants to deliver an increasing proportion of their production to state procurement agencies. In 1951, because of the

Per capita real personal incomes

Index: 1949=100

	Workers & employees	all peasants
1950	102.8	101.7
1951	97.8	117.8
1952	87.5	66.0

favourable weather and consequent increase in agricultural output there was a large harvest from which to procure. But in 1952, because of adverse weather conditions, the harvest was bad and in many places not enough was produced even for family provision. Despite this, compulsory delivery quotas were not reduced but further increased. If the peasant's production was insufficient, or the meat was not available to fulfil the prescribed delivery quotas, then according to a Council of Minister's Decree published in April 1952, both individual peasants and collectives were obliged to purchase the required amounts on the free market, at high prices, and fulfil delivery obligations in that manner.⁽¹⁹⁴⁾ Moreover, one of the most serious problems facing the peasants in respect of compulsory deliveries was that although the quota was fixed at, say 200 kgs. of meat, the peasant had to deliver a whole animal, because he could not 'cut' that amount of 'flesh' from an animal weighing, say 500-600 kgs. Alternatively, the peasant had to buy the whole quota on the free market, if he could, at free market prices. It was only later that two peasants were permitted to form a partnership and to effect a combined fulfilment of the meat delivery quota.⁽¹⁹⁵⁾

The result of the greatly reduced agricultural production, and the increased level of state collection of produce through the various channels, e.g. compulsory deliveries, free and contractual state purchases and the fees for the

various agricultural services, was that in 1952 more than 800,000 peasant families, including individual farmers and collective members, i.e., two-thirds of all peasant families, were left without adequate grain for the winter, bread and seed for the next year.⁽¹⁹⁶⁾ And József Révai, who in 1947 referred to 'rumours' of impending collectivisation plans as 'fairy tales', without substance, now acknowledged that the communist state was exploiting the peasants by taxation and compulsory deliveries to such an extent that hardly anything was left for them.⁽¹⁹⁷⁾ The shortage of grain in 1952 amounted to some 3.7 million quintals. In the same year, it should be noted, there was a net export of 2.1 million quintals.⁽¹⁹⁸⁾ There was an unprecedented shortage of bread and potatoes in the villages of Hungary and much hunger, and great scarcities in the cities too. During the autumn of 1952, since many villages were left without the necessary seed, local councils promised money to peasants in an attempt to elicit some seed grain to distribute for next year. For this purpose agricultural credits to the value of 300 million Forints were extended and 21 million Forints new credits were created to pay for seed-grain.⁽¹⁹⁹⁾ Many council officials travelled to distant 'better-off' counties in the hope of finding and purchasing seed suitable for sowing.⁽²⁰⁰⁾ Meanwhile, from peasant families without any surpluses the agencies confiscated every single grain the peasant managed to put aside for his own seed and ration requirements. Retention of even rations and seed became a crime in 1952. At the same time the kulaks were forced by the police to continue sowing. Many were imprisoned, but those family members who remained behind could not fulfil the delivery obligations. During these years some 400,000 peasants, about 10 per cent of whom were kulaks, went to court and were convicted, largely of offences relating to the public supply of food.⁽²⁰¹⁾ The number against whom the authorities started criminal proceedings for minor offences such as infringement of some administrative regulation relating to some phase of agricultural activity was considerably

higher. In addition, thousands of peasants were summoned, either by state or local authorities, because of 'alleged' compulsory delivery offences, or officials visited them in their home. The largest number convicted, some 120,000, was between the years of 1951 and 1952.⁽²⁰²⁾ Masses of working peasants were at the mercy of the authorities, through the compulsory delivery system. Peasants stood at attention, making deep bows, in front of party officials, humiliated worse than under the Horthy regime.⁽²⁰³⁾ Often this feeling of helplessness was intensified by the fact that individual delivery fulfilments were not recorded by the village council. The compulsory collections, therefore, went on blindly and the peasants did not know exactly their balances and arrears, but even if they had it would not have helped them since 'Settling Committees' (Elszámoltató Bizottságok), going from house to house, had mercilessly taken whatever they found, often from peasants who either had no surplus or had already fulfilled their delivery obligations. The peasants looked upon these 'visits' of the 'Settling Committees' with great hostility, they often barricaded the entrance gates to their houses and frequently chased the committees out of their villages. This was of no avail because in the end the authorities proved to be the stronger and the bailiffs moved in, with suitable police escort. Many of the more compassionate committee members resigned because they could not reconcile the methods of collection with their conscience, especially during the drought year of 1952 when, in many places, the committees had to be reorganised and 'reinforced' by industrial workers.⁽²⁰⁴⁾ By the beginning of 1953 some 330,000 working peasants 'owed' 164 million Forints of 'damages' to the state in connection with compulsory delivery arrears. This was, of course, only part of the burden inflicted on the working peasants. Between 1949 and 1953, tax obligations, calculated on one cadastral yoke of private land, increased threefold, resulting in hundreds of thousands of peasants being unable to pay or forced to accumulate tax arrears.⁽²⁰⁵⁾ In the event, many small and medium

peasant holdings were forced into liquidation or the peasant owner was made to join the collective. Peasant dramas were common occurrences in these years. One such a case is vividly described in Ferenc Sánta's book, entitled 'Twenty Hours', (Húsz Óra).⁽²⁰⁶⁾ The story is about Antal Balogh who, with his family and grandson, who was living with them, were starving in 1952. He recalled that it was a year when 300 grammes of bread was given to a peasant to last over a week and when the womenfolk were forced to collect nettles from the ditchside to cook and feed the family. One of Balogh's relatives, a railwayman from Győr, managed to obtain 30 kgs of flour and kindly sent it to Balogh as a gesture since the five year old boy living with them was his god-child. By noon on the morning the flour consignment arrived, the village party secretary, accompanied by Council members and a policeman, arrived at Balogh's house and demanded that Balogh should hand over the flour, because it was a crime 'to hoard' flour. Balogh cried out that 'as long as I can not feed my grand-child properly no-one should set foot in my house'. For this, he was accused of being an 'enemy of the people'. Balogh then grabs an axe, ready to kill anyone who takes the first step into his house, but his wife runs out of the house and restrains him. In his helpless, impotent rage, Balogh then hits his head against the wall and with a blood-covered head he runs amok through the village, shouting 'shoot here, communist policeman, shoot here'. The end of the story is that his flour was ultimately confiscated and a notice put on his gate saying that 'an agent of imperialism lives in this house' and the party secretary reported him to the authorities for 'incitement' and 'violence'.

The high compulsory delivery obligations would not, perhaps, have mattered had the state paid a reasonable price for the produce. But prices paid for compulsory deliveries were fixed at extremely low levels, often below production costs, and hardly increased over the years, so that in relative terms they actually declined as production costs and delivery obligations increased,

increasing thereby the tax nature of these prices. Prices paid by the state for purchases outside the compulsory delivery system, i.e., free state and contractual purchases, were higher than compulsory delivery prices and, in response to free market prices, increased over the years, in the case of some products considerably, but generally the increase was much less than that in free market prices. As compulsory delivery obligations were stepped up there was an increasing divergence between compulsory delivery and free market prices. But after compulsory delivery obligations had been satisfied, and the peasant's own consumption taken into account, not much remained for the free market, while free and contractual state purchases remained relatively small and tended to decline further over the years. Prices of industrial goods bought by the peasants, on the other hand, were set at high levels and increased over the years. The 'agrarian scissors' which began in 1950, had further widened: while the average price level of agricultural produce, by 1952, had declined by just over 10 per cent, because of the increased weight of compulsory deliveries in total peasant sales, the prices of industrial goods bought by the peasants increased by 37 per cent.⁽²⁰⁷⁾ The income-reducing effect of the 'agrarian scissors' was generally counterbalanced, at least until 1951, by the fact that the peasants were able, by hard work and favourable weather, to increase total and marketed production. But in 1952, because of the bad harvest, a serious burden was put on the peasants, and on agricultural capital accumulation, by the income-reducing and stockpiling efforts of the state. In the bad year of 1952 the level of state procurement was almost identical to that in the good year of 1951. It was not surprising then, that within a year the real incomes of all peasants had not only ceased to grow but suddenly declined greatly and in fact were almost halved compared with 1951. In effect, the wide differences between state prices and free market prices magnified the fluctuations in the peasantry's income: in a bad harvest year nothing remained for sale on the free market after compulsory

deliveries were fulfilled, whereas in good years the earnings were high. While compulsory delivery prices were low, hardly enough, often, to cover the various taxes, the state was selling to consumers through the retail trade network at 300-400 and often more than 500 per cent profit. In 1952, for example, the compulsory delivery price paid by the state for wheat was 60 Forints/quintal, while its free market price, at 240 Forints/quintal, was four times higher.⁽²⁰⁸⁾ All this, of course, did nothing to help food provision, since it probably impeded the growth of agricultural production. The steeply progressive quotas left little possibility for the peasant to adjust his production according to the conditions of his soil. The cereal production plan was significantly underfulfilled and, in the event, even exports of food had to be significantly reduced. In fact, from the autumn of 1952, as an emergency measure, much grain had to be imported from neighbouring 'friendly socialist countries' - as was revealed by both Ernő Gerő, at the Central Committee Plenum held on 29th November 1952 and Mátyás Rákosi at the meeting of the National Assembly on 15th December 1952 - to relieve the pressures on the collectives.⁽²⁰⁹⁾

Clearly, one important reason - as perceived by the regime - for the 'need' to redistribute incomes was the sudden rise in peasants' real incomes immediately prior to the price and wage reforms. This, of course, was largely the result of the good harvest in 1951. Because of this, the relative contribution of peasants to the industrialisation effort and defence expenditure had declined and was less than that of workers, although it should be noted, the absolute level of peasant real incomes was lower than that of workers. And this, in the view of the regime, needed correction. But it apparently failed to enter into the equation the the growing disincentive effects of its policies on agricultural production and obviously made no allowance for the possibility of a bad harvest due to variation in weather conditions. Brief reference should also be made to another, related, policy instrument which was employed by the government to

reduce the purchasing power not only of the the peasants but indeed the entire working population, to reduce the growing disequilibrium in the economy, by forced restriction on demand. This was the 2nd and 3rd Peace Loan subscriptions, introduced in September 1951 and 1952 respectively.⁽²¹⁰⁾ The Peace Loans were allocated from above to each village and finally distributed by the village council. While these loans were theoretically not compulsory, nevertheless, a 'voluntary pledge' of such loans was often a question of life or death since if the pledged amount was not forthcoming the peasant's belongings could be confiscated and he himself sent to prison. Often peasants would bargain for days with the Village Council to have the size of the loan reduced. A further method of extracting money from the peasants was in the form of 'crop insurance'. This was compulsory, but in case of total crop destruction the maximum compensation was only about twice the yearly premium. In addition, the assessors often cheated in their estimates of the damage. The collective farms were compensated at a higher rate than independent farmers.⁽²¹¹⁾

Apart from the independent peasants, a great burden was also put on the collectives, since lack of proper economic foundations due to undue haste and low compulsory delivery prices and high taxes adversely affected their development and their members, in a number of interrelated ways: first of all, the collectives were deprived of the opportunity to develop their own investment resources, reducing thereby their means to increase production, total and marketed which, in turn, reduced the incomes of members. Although average cereal yields in some collectives were better than in many individual farms due largely to the mechanised assistance provided by the Machine Tractor Stations, much of the resulting extra production was absorbed by the 'payments in kind' the collectives were obliged to pay for the MTS work. For other produce, e.g., vegetables and livestock, the production results of collectives were considerably below the national average of individual farms for many years to come. As well

as reducing the potential for growth in agricultural production, the low prices acted directly as a brake on marketed production, since they encouraged the collectives to distribute, after compulsory delivery obligations were fulfilled, and taxes and MTS fees were paid, an increasingly larger share of the residual product 'in kind' among their members, in accordance with the working-day units earned. This meant that the state, on the one hand, obtained less production from the collectives than it had hoped for and, on the other hand, the majority of members received little in cash payments. If they worked hard, their income 'in kind' obtained from the collectives and their income from the household plot, more or less, covered their food requirements, but their money incomes were inadequate to satisfy their other needs. In 1952 and 1953, however, even the increased share of 'in-kind' dividend represented a small quantity, primarily, because the income per working day unit had declined: while in 1951 the money value of an 'in-kind' working day unit was 8.91 Forints, by 1952 it had declined to 5.15 Forints.⁽²¹²⁾ Many collectives in fact had little or no money left at their disposal to pay their members. Many had to ignore even the payment of 'ground rent' to those of their members who had entered the collective with land. The 'Model Statutes' governing the operation of collectives stipulated that 10-20 per cent of collective income had to be distributed in accordance with the area of land contributed to the collective. Initially, this rule had applied to Type I and II collectives, to make it more attractive for the landowning peasantry, especially the medium peasant, to join the collective. The rule was later extended to cover Type III collectives. Most of the collectives, however, failed to observe the statute and paid no 'ground rent' to entitled members because, it was claimed, it would have offended members who joined without land. This, too, contributed to the resistance of the landowning peasantry to joining collectives.⁽²¹³⁾

Because of inadequate state support and the various economic burdens on collectives, their economic consolidation was seriously impeded. The high

compulsory delivery obligations, the unfavourable relationship between production costs and procurement prices, the land tax and the MTSs fee combined to place a great burden on the collectives. The compulsory delivery quota rates in many cases surpassed the levels established for many individual farmers, and their fulfilment was even more strictly enforced. Whereas in 1951 and 1952 individual farmers were able to sell 32.6 and 26.8 per cent of their total production respectively on the free market, the collectives, in the same years, were only able to sell 11.6 and 12.1 per cent.⁽²¹⁴⁾ Furthermore, the prevailing producers' prices were unfavourable for collectives. The prices of cereals were set, significantly, lower than the prices for livestock. But, collectives were engaged primarily in crop production, mainly grain and maize, and their livestock production was very underdeveloped. Thus, the prices established for cereals and livestock hit them twice, the first in their capacity as sellers, the second in their capacity as buyers. Coupled with the ever-increasing 'agrarian scissors' their effect was particularly depressive in the field of investment: since the prices of those materials and equipment which represented the major share of their communal investments increased the most. Under the circumstances, the procurement prices paid by the state represented almost the only source of income of collectives; these prices, however, were so low that, in many cases, they failed to cover even production costs. Consequently, the collectives had to rely increasingly on credits to carry out their most vital investments and it was not surprising that their indebtedness rose alarmingly, reaching a figure of 1800 million Forints by the middle of 1953.⁽²¹⁵⁾

High compulsory deliveries and low incomes for collectives gave rise, in many places, to intense dissatisfaction and bitter resentment among collective members. They expected much more favourable treatment and a better life after they had joined the collectives. Those who entered the collectives never forgot the promises made by the agitators, which did not materialise. The

resultant low work morale that obtained in collectives - in a number of places much of the harvest was left rotting on the land, potatoes remained underground, maize unpicked etc. - counteracted the efforts and propaganda campaigns of the state to improve the flagging work discipline and reduced the incentives for members to increase production. Because the main emphasis was on numbers during this period, the national average of total family incomes, i.e., both 'in-kind' and monetary, earned according to working day units, declined every consecutive year: compared to 1949, family incomes in collectives declined to 80.1, 55.7 and 30.8 per cent by 1950, 1951 and 1952 respectively.⁽²¹⁶⁾ Incomes in many collectives declined to such low levels, often below subsistence level, that members, risking imprisonment, ignored their delivery obligations altogether and distributed the entire production among themselves. The average per capita income of collective members was only 67.5 per cent of that of individual peasants.⁽²¹⁷⁾ While the decline in family incomes of members from collective work had, until 1950, been partially offset by incomes obtained from private household plots and/or by the fact that more and more family members took up work in industry, Machine Tractor Stations and State Farms, where the wages earned boosted family incomes, from 1951 onwards even total average family incomes had declined year after year.⁽²¹⁸⁾ Many young peasants turned their back on collectives, because of the difficulties of making a livelihood there, and moved to the towns, and many of the old ones devoted more and more attention to their private household plots. The large-scale move to industry, where higher earnings led to further migration from the villages, resulted in massive rural depopulation. The demographic erosion and natural and forced migration into urban areas left an increasingly ageing rural population. The 'flight to cities', naturally had many causes but the collectivisation drive must be considered as one of the most important.⁽²¹⁹⁾

In addition to the problems of declining incomes in collectives, severe food shortages also developed. This, to take the most obvious example, was indicated by the general shortages in bread, which became particularly acute during the winter of 1952/1953, and the recurrent pleas by collectives for supplies of flour and fats. It was no accident that during this winter there was an increased number of complaints that collective members were not given permits to slaughter their pigs, despite the fact that a large number of their livestock could not be kept through the winter because of fodder shortage, and pigs, sheep, cattle and horses perished by the thousand.⁽²²⁰⁾ Many peasants, both individual and collective members, risked imprisonment when, because of the food situation, they resorted to unlawful slaughtering and stealing wheat and rye from the fields, prior to compulsory deliveries. Peasants went to the fields at night on bicycles which they turned over on a large sheet and started threshing by torch-light, between the spokes of their bicycle wheels.⁽²²¹⁾ Also, because of the serious shortage of bread and bread-grains in particular, a careful if bizarre eye was kept on the peasants, or rather on their animals, to prevent them, not only from hoarding but from feeding grain to their livestock. Thus,

on early mornings, when the herd was driven out for pasture, council officials, with a briefcase under their arm and a stick in their hand, followed the herd and their stick probed into the droppings of animals to see if they could find any grain in them.⁽²²²⁾

If they did so, the owner of the animal was imprisoned for sabotaging the bread supply of the nation. Many innocent peasants were imprisoned for 1-2 weeks, often even for months, since their livestock could, in fact, have picked up the grain either on the stubble-field or simply on the road. People referred to these council officials as the 'muck-rakers' and hated them.

Despite considerable propaganda efforts by the regime, the low and declining trends in collective incomes, the problems of food provision, the general attitude and morale of the workers in the collectives, made their consolidation not only extremely difficult but also both weakened the cooperative movement internally and increased the resistance of individual working peasants to entering the collectives. News about the conditions of life inside the collectives, of course, reached the individual peasants and convinced them that, despite the coercion and growing economic burdens, they were better off staying out. Between the years 1951 and 1953 collectives in fact became weaker, both organisationally and economically, than before. This is illustrated by the fact that while the area under collective cultivation had grown by 274 per cent, mechanisation and especially the number of tractors in the MTS's, had grown by only 37 per cent. Moreover, while the total area in the collective sector was about 24 per cent of total arable land, their livestock represented only 9 per cent of the national total. Yields, too, were on average generally 15-30 per cent lower than the averages of individual farms. Also, the use of fertilisers on collective land declined over the period: while in 1950/1951 one cadastral yoke received 86 kgs. of artificial fertilizer, by 1953 this had declined to 29 kgs. The amount of natural fertilizer, due to the low level of livestock, would have made natural fertilization of their area possible only once every 9-15 years.⁽²²³⁾ Another important reason for their economic weakness was the shortage of efficient, competent managers, with experience in agricultural matters. Even the party's highest organ, the Politbureau, was forced to admit that,

at present, the consolidation of collectives is made difficult by the lack of politically reliable cadres, equipped with the necessary knowledge in agrarian matters.⁽²²⁴⁾

Kulaks, and other more efficient farmers were barred from entering the collective. The flight, deportation or imprisonment of former medium and large landowners in any case eliminated most experts. The few who remained at liberty were offered jobs on State Farms. Managers in the collective sector were inadequately acquainted with local conditions and largely without training in agriculture. At the end of 1952 the total number of agrarian experts with higher education was only 945 to service over 3,600 Type III collectives. The level of training of chairmen was particularly low. According to a survey conducted at the end of 1953, two-thirds of chairmen had no qualification whatsoever and only 4.4 per cent had middle or higher education.⁽²²⁵⁾ Village, district and county officials provided no concrete assistance and inexperienced leaders, and members, made mistakes upon mistakes. Transplanted urban people or explicitly industrial workers, often ignorant labourers, who were often not even good workers, and whose only credentials for the job were that the party trusted them, were sent to manage collectives. These people, unwanted by the collective members, were regarded by the peasants as 'aliens', 'vagrants' in the villages and were often referred to as the 'lumpenproletarians' and because of their lack of knowledge in agricultural matters earned no respect at all from the peasants.⁽²²⁶⁾ It was not only lack of expert leadership and mismanagement which made the collectives inefficient. Widespread intra-collective antagonism was also an important source of tension between members, which led to inefficiency. Hard working industrious and, initially, ambitious collective members were angered and demoralised by the fact that a large proportion of the membership, driven or lured into the collectives, did not work well and their work, too, had to be done by them.

It is not surprising then, in view of these trends and problems, that despite relentless campaigns throughout 1951 and 1952 the regime found it impossible to achieve its target of consolidating and strengthening the

collectives, to improve and generally to develop an internally strong collective system which, by its example, would have shown the way ahead and attracted the working peasants. This is conspicuously confirmed by the almost constantly recurring theme in the numerous statements by the regime throughout these years regarding the need to consolidate the collectives,⁽²²⁷⁾ a theme which was also the subject of a Council of Ministers Decree⁽²²⁸⁾ and, following the Soviet example, the main objective of the newly established 'Kolkhoz Council'.⁽²²⁹⁾ In an attempt to improve the financial position of collectives, the 'Kolkhoz Council's Conference' modified the 'Model Statutes' of collectives in November 1952. New entrants were required, from that time on, to put 30 per cent of the total assets which they brought into the collective into the common fund, not 15 per cent as before. This meant that peasants were compensated for only 70 per cent, rather than 85 per cent, of the 'estimated' value they had brought with them when they entered the collective.⁽²³⁰⁾ The 'estimated' value, however, was very often considerably lower than the market value of the assets.

The headlong rush to achieve comprehensive collectivisation, regardless of costs and in total disregard of peasant feelings, stiffened the resistance of individual farmers. The years 1951 and, especially, 1952 were critical years for all the peasants in Hungary and their mood, during these years, was particularly embittered. Collectivisation during 1952 was applied with considerable coercion and, in addition to economic devices relied heavily on moral and police pressure, visits from party activists, and very often on violence. Considerable use was also made of the special device of repeated land reorganisation and commassation to break the resistance and independence of the individual farmers and to compel them to join the collective sector. By this time, of course, the 'wealthy' peasants were already, largely, liquidated and as the coercion increased more and more small and medium peasants were forced into the collectives. Undoubtedly, many leading party members must have been watching the

developments in agriculture during 1952 and the early months of 1953 with great apprehension.

The process of organising collectives always began, not of course 'spontaneously' by the peasants themselves, as officially claimed, but by party and state representatives descending on a village and searching out and visiting agrarian proletarians, poor farmers and, in some cases, the politically most 'progressive' medium peasants known in the area. They then invited them to a meeting where they tried to 'persuade' them into agreeing to form a collective and to recruit, from their own circle of friends, the number of members required by law to establish a collective. If this method failed to produce the required result, e.g., the number of peasants, or the area was lower than that specified by the district's or county's collectivisation plan, passed down from the centre, then pressure was applied. This might take many forms. More often than not, economic blackmail, threatening the farmer with tax increases etc., was used. If that failed they threatened the peasant with beating or prison. Despite this, the number of peasants necessary to form a collective was often not reached. Officials would then 'discover' that a particular farmer was under the influence of kulaks and single him out for bad treatment, harrassment. The farmer was called in by the authorities to their offices where he was detained until he had 'agreed' to sign the entry papers. Emphasis, over the years, shifted, in fact, from group to individual agitation among peasants. There were cases when a known kulak would offer to recruit the required number of peasants, provided he was allowed to join the collective. Despite official policy not to allow kulaks to join collectives, there is evidence that in some places a compromise was reached. Theory and practice differed in different regions.

The most ruthless campaign of coercion began in the autumn of 1952 when incomes obtained in collectives would not even satisfy the poorest former peasant and, at the same time, the rapid development of industry offered almost

unlimited employment opportunities. Looking at the development of collectives over the period, however, what was remarkable was how unsuccessful the collectivisation drive had proved to be, despite all the pressures, intimidation and terror. The target of comprehensive collectivisation, set by the Second Congress in February 1951, was not achieved. Despite the considerable efforts by the regime the collectivisation drive reached its highpoint in early 1953. After this time it began to decline and by June 1953 it embraced 24.7 per cent of the country's arable land, or 26 per cent including the area of private household plots. Within this total the area occupied by Type III collectives was 20.3 per cent.⁽²³¹⁾ On average about one collective farm was operating in every fourth village. The degree of collectivisation in different regions of the country, however, varied more or less in direct ratio to the pressure employed. By the beginning of 1953, taking the socialist sector as a whole, i.e., collectives and State Farms, only about a third of the active rural labour force joined, 19.1 per cent in the collectives while two-thirds simply refused to give into the pressure by the authorities. The collectivised programme had not captured enough of the countryside to displace the independent peasant as the main supplier of farm produce. In 1952 the small and medium peasants, under extremely difficult conditions, still produced 70 per cent of the total grain crop and accounted for more than 60 per cent of the state's grain collection.⁽²³²⁾

The enormous efforts put into the transformation of agriculture by the regime had only partially paid off. The numerical development of collectives, their area, membership and regional distribution, according to counties for the whole of this period, is shown in the Tables 8.3, 8.4 and 8.5 on pp.555-556).⁽²³³⁾ As can be seen, the total number of collectives of all types, grew to 5224, of which 3768 were Type III. The total membership was 376,000, of which 300,400 were in Type III collectives,⁽²³⁴⁾ according to the Government's new programme in June 1953. The rate of expansion was the highest in 1951, when the largest number of collectives were formed, and the greatest annual increase in area was

Table 8.3: Development of Collectives between December 1950 and June 1953

Time	Number of Collectives		arable land area in 1000's cad.yoke	total area	as % of total area(a)	of which Type III(b)	average area in cad. yoke
	Type I & II	Type III					
1 Dec 1950	36	2149	627.7	772.0	4.4	4.1	353.0
30 June 1951	1640	2406	-	1471.3	13.2	8.5	363.5
31 Dec 1951	1999	2626	1449.7	1742.6	-	-	377.4
30 June 1952	1565	3068	-	2062.6	18.7	13.6	441.7
31 Dec 1952	1478	3632	2173.9	2610.4	-	-	511.3
30 June 1953	1456	3768	-	2817.4	26.0	20.3	539.1

Note:

- (a) including private household plot area
- (b) private household area not included (only land in common)

Source: see n. 233, p. 594

Table 8.4: Development of membership between December 1950 and June 1953

Time	total membership	of which in Type III		total number of families	of which in Type III	as % of total agr. employment
		total	number of families			
1 Dec 1950	119,527	118,206	76,887	76,107	1.6	
30 June 1951	260,111	171,546	168,100	107,612	-	
31 Dec 1951	310,536	202,189	206,035	126,368	5.7	
30 June 1952	322,277	243,639	228,550	164,278	-	
31 Dec 1952	369,203	290,761	282,847	214,814	15.2	
30 June 1953	376,088	300,370	293,550	225,869	19.1	

Source: see n. 233, p. 594

Table 8.5: Regional distribution of collectivised arable land area, according to counties, between 1950 and 1953

End of year data Arable land/cadastral yokes				
County	1950 (1)	1951	1952	1953
<u>Transdanubia</u>				
Baranya	47,442	128,035	123,752	88,862
Fejér	26,773	59,950	84,616	75,155
Győr-Sopron	29,640	52,317	64,492	56,407
Komárom	8,770	14,846	23,492	18,341
Somogy	26,823	56,120	117,291	58,734
Tolna	29,116	62,205	69,620	60,835
Vas	21,603	46,755	80,077	63,432
Veszprém	14,365	25,874	37,168	33,347
Zala	15,057	28,355	38,613	31,644
Together	219,589	474,457	639,121	486,757
<u>Plain</u>				
Bács-Kiskun	54,148	100,239	130,131	105,921
Békés	53,533	110,054	265,113	166,739
Csongrád	39,606	63,458	121,679	89,973
Hajdu-Bihar	60,445	105,621	172,021	133,892
Pest	(2) 37,405	115,075	124,913	114,170
Szabolcs-Szatmár	45,283	115,843	255,609	112,905
Szolnok	58,196	200,960	239,634	222,450
Together	(2) 348,616	811,250	1309,100	946,050
<u>North</u>				
Borsod-Abaúj-Zemplén	33,592	90,771	130,341	97,432
Heves	16,693	46,504	60,788	41,791
Nógrád	9,184	18,900	25,855	18,837
Together	59,469	156,175	216,984	158,060
Budapest	-	7,816	8,734	8,593
Total	627,674	1,449,698	2,173,939	1,599,460

(1) Data on December 1.

(2) Together with Budapest

Source: see n. 233, p. 594

achieved. 1952 was marked by an appreciable slow down in the rate of growth in the number of collectives and membership, although not in terms of area. This was due to the fact that from that year on the campaign was fully geared to pressure the landowning peasantry to give up individual farming and join the collectives. Because of this, the character of membership drastically changed. While in earlier years, as shown earlier, a great proportion of the members joining the collectives consisted of landless agrarian proletarians, by the end of 1952 the land-owning peasantry became by far the largest section of the members: their share in Type III collectives was 77 per cent and in the lower, Type I and Type II it was 95 per cent.⁽²³⁵⁾ Moreover, while at the end of 1950 only 19.7 per cent of members came from the medium peasants, by June 1953 their share had increased to over a third, most of them joining during the autumn of 1952 and early 1953.⁽²³⁶⁾ Because of this, the average size of the new farms admitted into the collectives, in 1952, was bigger than before. Hence, the total land area brought under the cultivation of collectives increased from 772,000 cad. yokes to 2,817,390 cad. yokes, in which the share of Type III collective farm area was about 2,200,000 cad. yokes. What can also be seen from the tables is that the regime, in establishing the collectives, favoured the more progressive Type III collective farms: the number of Type I & II collectives declined by 27 per cent during the 18 months after 1951 while that of Type III increased by 44 per cent. This was apparently because the party leadership changed its mind regarding the wisdom of having authorised the simpler forms; it now feared that rather than promoting large-scale production based on collectivised property they would simply represent protection for land-owners unable to evade the various pressures but seeking to pursue individual farming as long as possible within these simpler forms.

Behind these numbers lay much coercion, compulsion and terror. One of the main tools of coercion devised by the regime to extend the collective sector

was land reorganisation (földrendezés) and commassation (tagosítás).⁽²³⁷⁾ These, as noted earlier, were first employed as early as the autumn of 1949, affecting largely gentry and kulak land then. From that time on, in districts where collectives were formed it became, in a sense, inevitable that the scattered land should be reorganised and commassed, again and again, in succeeding years. The expansion in collective land area, numbers and membership was in fact linked at the same time to repeated land reorganisation and commassation campaigns. Apart from the fact that these coincided in time, this is also shown by the system of reporting which, as a rule, gave the development in the number of collectives and commassation together. Both land reorganisation and commassation were a special sort of forced exchange of land plots, which were then reorganised and/or commassed into a large continuous parcel of the Collective or State Farm. Land reorganisation or commassation did not mean, however, the exchange of a particular plot for land of identical quality. Rather, it meant that the best land of the resisting small or medium peasant, within the designated area, was taken away forcibly, if the peasant refused to join the collective, and in exchange he was 'compensated' with other land of much worse quality which was, also, generally more distant from his home than his original land. An official statistical survey, based on a sample of 400 holdings in four counties, showed that in exchange for their original land the individual private farmers had received land which, in case of reorganisation was 20 per cent and in case of commassation 15 per cent poorer in quality (expressed in net income equivalent) and respectively 92.9 and 41.7 per cent further from their home.⁽²³⁸⁾ All of these 'exchanges' were, of course, accompanied by considerable harrassment, coercion and human tragedies. Under these circumstances working peasants, nationwide, were faced with three choices: they could enter the collective with their land, carry on individual farming on the poorer land, they received in exchange, or the third option, which was taken up by many, 'offer

voluntarily' their land to the state, abandon farming altogether and take up work in state-owned industrial or agricultural enterprises. This last was not an entirely undesirable development from the regime's point of view. Under the second option, however, the farmer could expect to face a second or more commassation procedure, on each occasion receiving poorer land. The full extent of these land reorganisations and commassations can be appreciated when the areas affected by the Land Reform of 1945 and land reorganisations and commassations, over the whole period of 1949 and 1956 are compared: while under the Land Reform the total area of land redistributed was 5.6 million cad. yokes, under reorganisations and commassations the total affected area was about 9.0 million cad. yokes, in which the share of land reorganisations was 5.12 million cad. yokes.⁽²³⁹⁾ And what is, perhaps, even more revealing, regarding the scale of the operation, is that from the autumn of 1949 until 1953 land reorganisations were carried out in 70 percent of all villages, in more than half of them it was performed twice or more, and nearly 4.0 million cad. yokes were affected.⁽²⁴⁰⁾

The impact of the policy of land reorganisation and commassation, and the accompanying intensity of pressure for collectivisation on the individual peasant can be seen from the changes in the land area left fallow, shown in Table 8.6:⁽²⁴¹⁾

Table 8.6: Changes in Agricultural Land left Fallow

Year	cad. yokes	Index
1949	76,625	100
1950	66,790	93
1951	76,244	111
1952	133,058	193
1953	97,508	142
1954	71,404	104
1955	105,567	153

Source: See n. 241, p. 594

The data shown in the above table indicate a correlation between the intensity of collectivisation in the area left fallow. According to an official survey carried out in 1952, investigating 400 plots accepted in exchange for the original land, as result of commassation, it was found that 6 months after the commassation was completed 70 per cent of the land was left fallow, uncultivated, by the individual peasant.⁽²⁴²⁾ And where commassation was repeated twice, or three times, the second and third times the individual peasant, generally refused to accept the land he was offered in exchange by the state for cultivation.⁽²⁴³⁾ Land reorganisations and commassations created great tensions and conflicts amongst individual peasants and collective peasants. The repeated reorganisations and commassations, inter alia, upset the balance of agricultural production and disrupted the normal life pattern of farming. The absence of proper compensation reduced the will of the individual farmer to produce.⁽²⁴⁴⁾ Because of the constant danger of reorganisaton and commassation the individual peasant was disinclined to invest and reluctant to use the necessary quantity of fertilizer on his land. Both the increase in the area left fallow and the reduced investment and use of fertilizer adversely affected the productivity of individual holdings. The intensity of land reorganisation and commassation, and collectivisation, shows a high correlation with the changes in wheat yields and livestock numbers.⁽²⁴⁵⁾

The increasing employment opportunities in industry, the systematic and repeated land reorganisations and commassations, the increasing economic burdens, the harassments and coercion, all, to varying degrees, contributed to the progressively increasing 'land-offers' and migration from the land by the individual peasants. When an individual peasant refused to enter the collective with his original land, and did not accept the land offered in exchange for his original land, the only option that remained open to him was to 'offer' his land to the state and opt out of farming altogether. At the earlier stages of

collectivisation such 'offers', as noted earlier, were made by the 'wealthier peasants' and by working peasants who by 'offering' part of their land reduced the size of their holdings so as to move into a lower category to escape or reduce the burden of taxation. As time passed, however, the number and amount of land offered gradually gained momentum. What actually happened can be seen from Table 8.7:⁽²⁴⁶⁾

Table 8.7: The number of holdings and the total land area offered to the state, between 1 June 1949 and 31 March 1953

Categories of farmers	Number of holdings offered (in 1000's)			Total	Total area offered and taken over by the state in cad. yokes ^(b)
	1 June 1949-31 Dec 1950	1 Jan-31 Dec 1951	1 Jan 1952-31 March 1953		
working peasants	14.8	16.2	37.0	68.0	350,608
'Amphibious' ^(a) workers	0.4	4.9	61.0	66.3	295,652
kulaks	12.4	16.0	11.2	39.6	963,478
Legal persons	0.8	3.9	13.1	17.8	213,913
Total	28.4	41.0	122.3	191.7	1,823,651

(a) 'Amphibious' workers (kétlaki): worked both in industry and agriculture or industrial workers, originally peasant farmers offering their land from their place of industry.

(b) converted from hectares into cadastral yokes by the author.

Source: see n. 246, p. 595

At first, the 'amphibious' worker-peasants began to 'offer' their land and, as can be seen from the above table, the numbers of such offers steadily increased from 1950 onwards. This was because of a Council of Ministers Decree which regulated the 'land-offer' of industrial and transport workers, published on 10th December 1950.⁽²⁴⁷⁾ Due to administrative pressure and intense propaganda campaigns, by the spring of 1953 a total of 66,300 'offered' nearly 300,000 cad. yokes of land to the state. Approximately 60 per cent of them were originally working peasants. Many of them, first, went to work in industry, and it was from their new place in industry that they 'offered' their land, because they could then be much more certain that the state, under these circumstances, would be willing to take it over from them.⁽²⁴⁸⁾ It should be noted, however, that by law land had to be cultivated and those who left land fallow faced monetary fines. After 1950, and especially in 1952, however, the working peasants, too, began 'to offer' their land to the state in numbers and moved into state industrial and agricultural occupations. This 'migration' was in essence a desirable development, and in accord with government plans announced in the revised Five-Year Plan in 1951, which envisaged the transfer of some 650,000 people from the rural areas, beginning with the landless agrarian workers and followed by the land-owning peasantry. This is confirmed by looking at the reduction in the number of holdings of or gainfully employed in private agriculture in 1951-1952, which, for the single year, was twice as great as in the previous two years. During the four years a total of 363,500 producers moved from agriculture to, mainly, industrial locations, the majority of which occurred during the last two years.⁽²⁴⁹⁾ Some such migration was needed in Hungary to syphon off the surplus agrarian population, but this rate was excessive.

The trend in 'land-offers' by the working peasants can be seen in Table 8.8:⁽²⁵⁰⁾

Table 8.8: Land 'Offers' by working peasants

Time	Number of holdings offered	Area in cad. yokes
2nd half of 1949	1,000	11,000
2nd half of 1950	13,700	70,000
2nd half of 1951	16,200	91,000
2nd half of 1952	34,000	163,000
1st quarter of 1953	2,700	15,000
Total	68,000	350,000

Source: see n. 250, p. 595

By early 1953 taking the 'amphibious' workers (kétlaki) and working peasants together a total of 134,300 had 'offered' nearly 650,000 cad. yokes. It can also be seen from the above table that while the peak of the 'offers' made by the kulaks and wealthier peasants was in 1951, the offers made by the working peasants continued to increase in 1952, when almost half of the total 'offers' were made.

The programme of land reorganisation and commassation, in addition to the growing economic burdens and political pressures, was a major influence on the flow of these 'offers'. From the regime's point of view, however, the rapid increase in 'land-offers' also had undesirable results, apparently unforeseen by the government. So whereas the communist leadership had campaigned earlier to break the power of the 'rural capitalists', to release land for the collectives, and welcomed the flow of 'land-offers' to the state with great enthusiasm, now the leadership suddenly realised with dismay that many of these 'land-offers' and the mass exodus from the land represented an 'undesirable and unhealthy process' in as much as it completely shattered the peasant's attachment to land and ruined a significant share of traditional production capacity of peasant farming. It soon became clear that much of the land on 'offer' to the state could not, in

fact, be absorbed profitably by the socialised sector, i.e., by either the Collective or State Farms. As a consequence, much of the land had to go into the 'State Land Reserve Fund, where it remained, for shorter or longer periods, uncultivated. From the point of view of cultivation the situation was greatly complicated by the fact that these 'reserve land areas' did not grow gradually but in 'waves', coinciding with the peaks of collectivisation and commassations. In 1952 the 'State Reserve Lands' suddenly increased from 350,000 cad. yokes, in January, to 820,000 cad. yokes by the end of the year.⁽²⁵¹⁾ In the second half of 1952 alone more than 400,000 cad. yokes was abandoned and consequently in certain industrial areas, agriculture became totally depopulated.⁽²⁵²⁾ By 1953, the 'State Reserve Lands' area reached 10 per cent of the total arable land of the country. Much of this abandoned land became waste land.⁽²⁵³⁾ The 'land offers', en massé, created almost insoluble problems for the state, in respect of the control of production and land use. This, in a sense, is confirmed by a statement, indicating the nature of the growing problem. Thus,

only at the beginning could the large-scale socialist production units make use of the land reserve areas. Later, because the pre-conditions for large-scale farming were lacking - primarily because of the low level of mechanisation, investment and labour shortages - the reserve lands could only be used and cultivated, intensively, to a very small extent.⁽²⁵⁴⁾

The problem, however, was not so much the question of 'intensive cultivation' but how land utilisation could be secured at all. In reality, some of the lands confiscated even from kulaks were not fully used. Now, with the repeated land reorganisations and commassations the problem became considerably more acute. In 1952, for example, one third of the total 'land offers' for the whole year was taken over by the state at the time of the summer commassations. While a large proportion of the land given 'in exchange' was 'offered' or simply

abandoned immediately after the commassation.⁽²⁵⁵⁾ Thus the most important factor of production, land, became a burden for both: it was a burden for those who left it and it became, essentially, useless for the socialist sector, where the goal was to establish large-scale farming by the very action of repeated partial or general commassations. Since the 'state reserve lands' were beyond the socialised sector's utilisation capacity, these lands became superfluous.⁽²⁵⁶⁾ Thus, while in earlier years the main problem was lack of land for the socialist sector, now the main problem was a land-glut. Ever since collectivisation began the regime, using every means of pressure available, forced the peasants to 'offer' their land to the state. It took land away from the kulaks, the 'amphibious' worker-peasants, the railway men and workers who were born in the villages. Within a few years, under the guise of 'land-offers' the regime managed to amass some 2 million cad. yokes of agricultural land, and then it did not know what to do with it. By 1953 an estimated 3 to 3.5 million cad. yokes of land was abandoned, without owners in the country.⁽²⁵⁷⁾ This was the same, if not more, than the amount of land redistributed under the Land Reform of 1945. While after the land reform the peasants' attachment to land was strong, by 1952 they were glad to get rid of it. And what was even more disturbing from the regime's point of view was that soon even collectives began to 'offer' land to the state, and members too began to leave the collectives without permission, to join the flow of independent working peasants out of agriculture.

In sum, taking collectivisation as a whole, it was not surprising that under these circumstances: (i) despite great efforts by the regime the numerical expansion of collectivisation, first, slowed down, then stagnated and finally, between March and June 1953, when the number of new entrants no longer matched the number leaving the collectives, began to decline and further collectivisation became impossible, (ii) because of the large agricultural areas that were left fallow, the low returns of collectives and the restriction and

harassment of the individual farmers, whose productivity began to decline, the agricultural production index dropped to a dangerously low level. These aspects, together with the role the State Farms and Machine Tractor Stations played in the collectivisation process, will be discussed below.

8.3 Stagnation, decline and collapse, January-June 1953

The late autumn of 1952 witnesses the beginning of a new, if brief, stage in the process of collectivisation. By then, as a result of rapidly mounting intra-collective problems the further extension of collectivisation became, in practice, impossible. The failure of the agricultural policies pursued by the regime, especially after February 1951, the kulak persecution, the coercion of working peasants, the incompetent management in collectives, the compulsory delivery quotas - combined with the effects of the bad agricultural year of 1952 - all unavoidably pushed the country towards disaster, both human and economic. As the agricultural output had declined and economic burdens on all strata of the peasantry had increased, incomes in the collectives continued to decline rapidly, to reach a level where an increasing number of collectives could no longer guarantee even a meagre livelihood for their members. The reduction in agricultural production, a consequence of collectivisation, as well as of bad weather, also became an obstacle to further collectivisation. Despite this, the leadership, paying no attention to the fact that even the harshest methods would fail to produce further results, continued without respite between the autumn of 1952 and the spring of 1953 to force the numerical, extension of collectives, relying exclusively on terror and compulsion. What had been achieved up to then was apparently considered by the regime to be on the whole a qualified success, justifying the forced continuation of collectivisation. This is confirmed by the fact that the regime planned to increase the rate of growth of collectivisation by a further 30 per cent during 1953.⁽²⁵⁸⁾ This, however, was not to be.

During these months the number of collectives unable to pay the 'labour-day' dividends earned by their members had grown rapidly. Collectives, relying on government credits, had moved further and further into debt. Mounting debts, low incomes or losses, and increasing discontent among members, quickly

led to a process of ferment and disintegration within the cooperative movement. Members, in many places, spontaneously dissolved and/or simply left the economically weak collectives. Dissolutions continued despite the proclamation of a new, more severe, law which was passed to prevent 'fluctuations' in membership. Accordingly, members deciding to leave the collective could not withdraw their assets for three years.⁽²⁵⁹⁾ Initially, the leadership continued to argue, in an extensive propaganda campaign, that the underlying causes for the basic weaknesses of many collectives were slack labour discipline, underdeveloped internal organisation of work and the weak leadership prevailing in many collectives.⁽²⁶⁰⁾ If these were overcome, the leadership appealed, then the resultant process of consolidation of the cooperative movement would lead to a greatly improved material life for all of its members. The 'appeal' evidently made little impression either on the number of members leaving the collectives or on the growing number of collectives drifting towards a state of bankruptcy and subsequent dissolution. In an attempt to slow down this spontaneous dissolution process, which clearly worried the regime, the government passed a financial bill in December 1952 which allocated 350 million Forints subsidy to loss-making collectives, 54 million Forints of which went directly into payments of 'labour-day' dividends earned by members.⁽²⁶¹⁾ The bill also rescheduled existing loans of collectives. This enabled the regime to slow down but not to stop the dissolution process. This was evidenced by the continued 'land-offers' made by collectives.

The scattered information available, and the lack of monthly figures, do not permit a precise formulation on the scale of flight of members and dissolutions. Official Hungarian sources give the number of collectives and the size of their membership as 5110 and 369,203 and 5224 and 376,088 at the end of 1952 and in June 1953 respectively. The figures are given, in both instances as the net balance of new recruits less members leaving the collectives. But,

curiously, on 15th December 1952, Rákosi delivered an address to the National Assembly on the pace of collectivisation in the country in which, as an interim figure, he gave the total number of members as 446,900.⁽²⁶²⁾ Undoubtedly, during the following months forced collectivisation continued and the number of collectives and their membership increased. As a result, it is reasonable to assume that a collectivisation peak was reached sometime during the beginning of 1953. During this time the relative growth rate of collectives continued to decline to reach a point where the number of people leaving the collectives just matched the number of new recruits. After a brief spell of stagnation an absolute decline in collectivisation set in from March/April to June 1953,⁽²⁶³⁾ when increasing peasant resistance and withdrawals from collectives reduced the number of new recruits below the number of peasants leaving the collectives. At that point all rationale for numerically increasing collectivisation was lost. At its peak, it would seem, the number of collectives was 5315, or more, with an active membership of approximately 500,000 to 515,000.⁽²⁶⁴⁾ The real decline must be measured from these figures. It must be remembered, however, that peasants had always left the collectives. But this had begun to happen on a larger scale during 1952, especially in the latter part of the year, and the first few months of 1953, when approximately 10,000 to 15,000 members left the collectives every two to three months, and went to urban industrial occupations.⁽²⁶⁵⁾ More than 100,000 people left the collectives up to the middle of June 1953.⁽²⁶⁶⁾ Those who left were, in the main, landless and young family members. Heads of families, on the whole, tended to remain in the collectives. Many families, so to speak, 'kept two irons in the fire', some family members remained in the collective, others left for work in industry. This can be seen by looking at the development of members per 100 families:⁽²⁶⁷⁾

1 December 1950	155 members/100 families	5.2 cad.yokes/member
31 December 1951	155 members/100 families	4.7 cad. yokes/member
31 December 1952	131 members/100 families	5.9 cad. yokes/member
30 June 1953	128 members/100 families	6.3 cad. yokes/member

The relative decline in the number of members increased the area to be cultivated per member. Moreover, in 13 per cent of collectives the area of land per member reached 13 cad. yokes.⁽²⁶⁸⁾

The National Production Conference, convened by the Council of Ministers, on 23rd-24th February, 1953, clearly marked the defeat of the Party's agricultural policy. The conference was attended by leaders and top workers in State and Collective farms and Machine Tractor Stations, working peasants, with good production records, leaders of responsible agricultural agencies and experts in agronomy.⁽²⁶⁹⁾ The fact that, in addition to the above list, six ministers were present gave special importance to the meeting. These included Ferenc Erdei, Minister of Agriculture, András Hegedüs, Minister of State Farms and Forests, both of whom were sharply criticised by the main speaker at the Conference, Imre Nagy, now Deputy Prime Minister and formerly Minister for Crop Collection (until 16th November 1952), who had apparently taken over the direction of agricultural policy in the Politbureau and whose return may already have meant a tacit recognition of the failure of the agricultural policy of Rákosi. In his address to the Conference, Nagy said that,

as a result of the unusually bad weather conditions this spring, and the blunders of responsible elements, we must face exceptionally great problems in our agriculture. It is a well-known fact that the late spring frost, followed by drought, caused serious damage to our crop, which made itself felt as a food shortage and as an adverse factor in production ... the new year also began discouragingly with

excessive rain fall. This situation was aggravated by negligence and mistakes committed by leading agricultural agencies, the Ministry of Agriculture and the Ministry of State Farms and Forests, as well as organisations responsible to these Ministries.⁽²⁷⁰⁾

In summarising the errors, Nagy concluded by saying that,

one of the gravest mistakes was the delay in autumn ploughing. The other, equally grave error, was the delay in autumn sowing. The situation was further aggravated by the fact that unreliable reports were submitted, deceiving the government. This increases the guilt of the leading personalities in agricultural matters.⁽²⁷¹⁾

Thus, the combination of bad weather, governmental mishandling of agriculture, the silent resistance of the individual peasantry and the great majority of peasants in the collectives, sabotaging and slowing down collective work, to which they had subscribed only under great pressure, brought about an agricultural crisis in Hungary. The struggle which, in the first instance was fought between the state and individual peasants, attached to their smallholdings, was now fought within the collectives themselves. It is, of course, extremely difficult to measure peasants' resistance as a social force. It can show itself in many forms and disguises, both in open revolt and passive resistance. This is, perhaps, because peasant feeling rarely expresses itself in an organised form, but more commonly in individual economic acts, e.g., by ceasing to invest in their farms, reducing production and marketing, reducing the quality of their work, slowing down or even sabotaging their work, reluctance to use the necessary amount of fertilizer on their land, etc., etc. In modern history, governments have found it difficult to elicit fanatical loyalty from the peasant, whether in East or West; at best he is obedient. Rarely are peasants drawn into organised revolutionary movements.⁽²⁷²⁾ Hence the awakening peasant feelings, expressed in demonstrations in Hungary, as will be shown, were witness to the

extremely bad circumstances there. It has been shown in the foregoing, that since 1948 the HWP had been engaged in an open struggle to collectivise agriculture. Its unwillingness or, perhaps, more accurately, inability to root-out the individual farmer as ruthlessly as Stalin did in the Soviet Union had been one of the key weaknesses in its agricultural policy. The other fatal mistake the Party had made was that it allowed the rapid increase in living standards between 1946 and 1949, arousing higher expectations. There were, of course, other reasons too for its failure. The low priority given to agriculture by the government, its subordination to the excessive industrialisation programme and the flight of labour, attracted by the expanding industry, left the countryside deprived of resources. In addition to the geographical (with its vastness), historical (e.g., the Russian peasants were perhaps more submissive than their Hungarian counterparts and had some tradition in collective farming), and population density differences that existed between the Soviet Union and Hungary, these factors, perhaps, explain why the HWP could not successfully emulate the Soviet example.

Imre Nagy also revealed at the Conference that the 1953 crop would again be poor, since it was seriously threatened, among other things, by a grave seed shortage. Because of the continued insistence by the regime on forced deliveries etc., without regard to the disastrous crop situation, seed stores were so seriously depleted that the government was forced to pass a decree, in January 1953, to the effect that both individual and collective farmers had to secure their own seed:

agricultural cooperatives and individual farmers must obtain their own seed for sowing.⁽²⁷³⁾

This measure, however, had proved to be unsuccessful and Imre Nagy revealed at the Conference that seeds for spring sowing had to be supplied by the Soviet Union. Thus,

our government was successful in obtaining the necessary seed for spring sowing from the Soviet Union.⁽²⁷⁴⁾

This 'aid' was provided 'in exchange for other products' and Hungarian farmers were deprived of their reserves of oil and fibre plants.

By early 1953 the tax and forced delivery backlog was so great that it proved impossible to fulfil it. Chronic shortages existed in the towns and in the countryside, which had been swept bare by forced deliveries. Conditions there were such that the peasants themselves were nearly starving. In an attempt to alleviate the urban situation, in April 1953 the Council of Ministers decreed that those peasants who fulfil deliveries for the first half of the year by 30 June were to be exempted from payment of the previous year's tax debts.⁽²⁷⁵⁾ Moreover, confronted with the situation in which farmers continued to 'offer' their land at a time when there was no one to cultivate it, the regime declared through the Council of Ministers that,

those individual farmers who leave their land and do not perform all the necessary agricultural tasks must be punished by up to three years imprisonment.⁽²⁷⁶⁾

And when this proved ineffective the Council of Ministers went still further and adopted a resolution on 5th March 1953 according to which privately owned land could not be offered to the state, and the state refused to take over the land, until 1st September 1953.⁽²⁷⁷⁾ With this measure the collectivisation programme pursued by the Rákosi regime between 1949 and 1953 was, in effect, brought to a temporary halt. This, of course, was by no means a change in policy, at best it was a change of tactics, forced upon the regime by the rapidly deteriorating general economic situation in the country; everything was getting out of hand.

This happened at the very moment when Stalin died. His passing from the scene brought about a turmoil in the Hungarian political system that went deeper, perhaps, than in some other East European countries. Whilst Rákosi's political position at this time appeared to be unshakable, the appearance of strength and stability of his regime, however, was somewhat deceptive. Intra-party dissent over policies had been successfully silenced by Rákosi and while Stalin was alive the disagreements that undoubtedly remained within the top party leadership could not surface and affect the stability of the regime. Stalin's death on 5th March 1953 disturbed this 'idyllic' situation and opened the way to change. Stalin's successors introduced changes in the existing power structure by separating Party and Government positions and in Hungary too, on Soviet demand, Rákosi's centralistic, one-man rule was to be replaced by a 'dual-leadership'. This, unwittingly, reopened the old unsettled policy issues, perhaps even personality problems, without, as will be seen, allowing them to be resolved fully on a new basis.

It is important to note that, even before Stalin's death, Moscow was fairly dissatisfied with the way Rákosi was running Hungary's economic affairs. The leadership in Moscow was aware of the crisis situation in Hungary, from reports submitted by the Soviet Embassy in Budapest, and was becoming visibly more and more impatient with Rákosi. This is indicated by the harsh criticism Nagy was 'allowed' to deliver at the Conference in February, prior to Stalin's death, on the economy as a whole and, especially, on agricultural policies. The economic and social situation in Hungary and the general distress, in the spring after Stalin's death, had become so acute as to cause great concern in the Soviet Union, and it also rekindled past disagreements over policy even within the leadership of the HWP. It was, of course, by now clear to everyone that Rákosi's over-ambitious industrialisation programme and his disastrous agricultural policy had ruined the country's economic life. Industrial unrest, resulting in strikes in a

number of industrial centres, as well as spontaneous mass peasant demonstrations, because of Government exactions, especially on the Great Plan and 'Viharsarok' (Stormy-Corner),⁽²⁷⁸⁾ the country's granary, were the most visible signs of growing popular discontent in the country. This situation may not have presented a threat to the party's rule, but it must have made the Russian leaders, grappling with the problem of succession, very apprehensive. The gravity of the crisis must also have impressed the Soviet delegation which arrived in Hungary in April 1953 to survey and report on the situation. Significantly, on 15th April, 1953 Malenkov had already advised the East German regime to adopt an NEP-like 'New Course', mitigating the rigours of forced collectivisation, in order to end the acute economic crisis there.⁽²⁷⁹⁾ Since the same applied to Hungary, similar instructions were given by Malenkov to Rákosi, in early May 1953, to take remedial measures to avert a complete economic collapse, and, in keeping with the new orthodoxy of separating the leadership of the party and government, to appoint a new prime minister.⁽²⁸⁰⁾ But Rákosi deferred action and, apparently 'unable' to propose a candidate docile enough to take instructions from him and acceptable to the Russian leaders, largely ignored the 'requests' and instead of following the Kremlin edict fully, planned to embark on a new Five Year Plan, that pursued the same ambitious goals in industrialisation and collectivisation as its predecessor. His only concession was to acknowledge some of the mistakes that had been made, in the details rather than the substance of agricultural policy. These can be deduced from the speeches he made during the pre-election propaganda campaigns. Elections were held in Hungary on 17th May 1953, some six weeks after Stalin's death. At a mass meeting in the big square in front of the Parliament building in Budapest, Rákosi, painting a 'rosy' picture of the situation in Hungary, credited his government with success in launching the building of socialism, the recent industrialisation and the new collective farming. After another such Five-Year Plan for which reserves, he said, existed in the country,

Hungary would surpass much of the advanced capitalist countries in every field of activity.(281)

These achievements were closely linked, the newspapers said, with the name of Rákosi and his name was extolled throughout the propaganda campaign, the length and breadth of the country. On 17th May, the single list of members to the National Assembly was approved by the obligatory 98.2 per cent of voters.(282)

On 26th May 1953, Imre Nagy, rising rapidly as the main critic of Rákosi's policy and spokesman on agriculture, delivered his inaugural lecture at the 'Hungarian Academy of Sciences' entitled 'Economic Problems in the People's Democratic Countries during the Transition from Capitalism to Communism'.(283) In this lecture Nagy expressed his views on socialist economic development, under specifically Hungary conditions. With regard to agriculture Nagy, without naming names, attacked Rákosi's policy of forced collectivisation and spoke about the significance of crop collection in the people's economy. He stated that during the period of transition the production of consumer goods rested decisively with the independent smallholders and not with the socialist sector.(284) Rákosi, in reply, while refusing to take full responsibility for the failure of his agricultural policy, in a speech in May went as far as declaring that,

during the advance towards the consolidation of farm units, which is inevitable if the large-scale organisation of agricultural production is to be achieved, the authorities have often lost sight of the interest of the working peasantry. On several occasions, during the socialisation of a village, we have noticed that generally speaking not enough consideration was given to the peasants who worked on their own account and who, after all, make up the greater part of the rural population.(285)

Rákosi also admitted that,

we have made errors in our policy towards the peasants. The organisation of delivery norms is lacking in simplicity and the changes which have been made almost every year prevent the working peasantry from managing their land with full knowledge of the situation for they are not aware of their future obligation.⁽²⁸⁶⁾

This was a cautious and insubstantive admission regarding the implementation of policy details, rather than an admission that his entire policy with regard to both individual and collective farmers had ended in failure. In 1949 Rákosi coined the slogan 'for everything that happens in this country, we communists are responsible'.⁽²⁸⁷⁾ This is, of course, largely true, with one serious qualification: it was the Rákosi-led 'foursome', and their Soviet mentors, who were the most responsible. This, however, was slight consolation for the sufferings of the Hungarian people. It was indeed time for Rákosi and his colleagues to take full responsibility for the consequences of their policies and allow others, such as Imre Nagy, to take corrective measures. Had this responsibility been willingly and genuinely taken by Rákosi, not only could much further suffering have been avoided but so might even the uprising in 1956.

The acute tensions that had developed throughout Eastern Europe demanded urgent remedial measures from the Soviet leadership. Their sense of urgency was increased by the riots in Plzen on 1st June and later by the outbreak of open uprising in East Germany on 17th June, 1953. Before the events the new Soviet leadership still, apparently believed in the possibility of a slow, gradual introduction of the new policy line in Hungary. This can be deduced from the preparatory work associated with convening the newly elected National Assembly and, also, from the corrective measures already introduced, or were being introduced, in some other socialist countries. At the meeting of the Party Secretariat, held on 3rd June, 1953, after the discussion of the item on the agenda 'Convening the National Assembly and the formation of the Government', the Secretariat passed the resolution stating that,

the level and rate of investments in the country is so high that because of it we cannot develop sufficiently those branches of the economy which directly serve the increase of living standards of the working masses.⁽²⁸⁸⁾

The Secretariat thought it necessary that the Party's Central Committee, scheduled to meet on 15th June (in the event the meeting did not take place), should instruct the National Planning Office (Országos Tervhivatal) to review its plans for the coming years, including if possible plan year 1953, with a view to finding ways to significantly increase the quantity and quality of consumer goods production and the construction of new housing in order to improve the standard of living of working people. The resolution also referred to the thorny issue of separating the posts of General Secretary of the Party and Prime Minister on Soviet lines, and instructions, and recommended, interestingly, that Rákosi, holding both posts, should relinquish the first while retaining the second.⁽²⁸⁹⁾ While the resolution raised some interesting new points its importance, however, should not be overrated. Apart from certain personal and limited organisational changes it recommended a reduction in the volume of investments only and said nothing, at this stage, about the urgency of re-assessing the entire political direction of the party.

After Berlin, however, there was no time for gradualism, for hesitation, for partial solutions. The new Soviet leadership in Moscow was anxious to prevent similar happenings in Hungary. In view of the rapidly worsening economic situation there and the beginnings of industrial unrest and peasant demonstrations this looked all too possible. But, whatever the demands of domestic circumstances, the signal for change always came from the Soviet Union, and now was no exception. On 13th June,⁽²⁹⁰⁾ two weeks after the Plzen uprising, Rákosi was summoned to Moscow with the utmost urgency. He was told by the Soviet leadership to bring with him Ernő Gerő, the only member of his Muscovite 'foursome' (Révai and Farkas were not invited), and, rather ominously,

Imre Nagy, as well.⁽²⁹¹⁾ In Moscow, during the discussions lasting two full days,⁽²⁹²⁾ the Soviet leadership told Rákosi that he had brought the Hungarian economy to the point of collapse: he had given no consideration to Hungary's basic resource possibilities and, over a period of several years, had subjected the country to a pace of industrialisation, especially in heavy industry, that nothing could justify. The once famous agriculture of Hungary, he was accused, had come to a standstill. The collectivisation of agriculture was carried to extremes: the recalcitrant peasantry was coerced into collectives and class warfare in the countryside assumed inadmissible characteristics, and under the pretext of liquidating the kulaks, his regime had introduced a number of measures which caused many thousands of working peasants to leave the land. The abandoned farmland, referred to in Rákosi's report as 'reserves', amounted to 10 per cent of Hungary's arable land. The mistakes in economic policies were, above all, due to the fact that Hungary was governed by a 'clique', the Russian leaders said, and a 'personality cult' had grown up. The mistakes committed by the Rákosi-led 'foursome' had pushed the country towards a precipice and unless radical changes were introduced the people could, at any moment, rise against their leaders.⁽²⁹³⁾ Of course, both accused and accusers knew very well that neither the excessive industrialisation, nor the zealous collectivisation, nor the personality cult, nor the assumption of both Party and State power, nor the commitment of the series of illegalities against the people, were specifically Hungarian inventions. All these measures were 'approved' or indeed ordered by the Soviet Union, even if Rákosi was anxious to 'overfulfill' the orders of his master. Why then this reversal in the attitudes of the Soviet leadership? One reason, obviously, was Stalin's death and the subsequent succession struggle. But, more importantly, the drastic change in Soviet attitudes was due to the events in East Germany and Czechoslovakia, which were viewed by the Soviet leadership not as isolated cases but as danger signals, since in Hungary too there were

already wildcat strikes and peasant demonstrations. The Soviet leadership was fully aware that these events were not set in motion by 'imperialists' or 'foreign agents', but were simply caused by the widespread discontent of the masses, due to Stalinist policies. Also, the armistice in Korea reduced the need for the high defence budget and for the excessive Five Year Plan, which had provided for the expansion of military spending. The new Soviet leadership, under this political climate, had quickly agreed to a number of economic and political changes, not only in Hungary but in Eastern Europe as a whole. They ordered a radical revision in Hungary's economic plan and demanded a new political and economic course: to reduce the rate of growth of industry, strengthen agriculture, including giving increased support to individual farmers, and even to allow the dissolution of collectives which had been established by coercion. Rákosi at this point plucked-up enough courage to express some concern over dissolution, but Molotov told the Hungarian delegates that,

there must be no systematic dissolution of the collectives.
But do not restrain those peasants who are indicating their
desire to leave. This will not cause any harm.⁽²⁹⁴⁾

Then the Hungarian delegates were told that two men from Rákosi's 'foursome', Mihály Farkas, Minister of Defence, and József Révai, Minister of Culture, must be replaced and Rákosi himself must renounce his position as Prime Minister, but that he would be allowed to retain his position as First Secretary of the HWP, thereby giving him the opportunity to correct his past mistakes. With regard to Rákosi's successor as Prime Minister, the Soviet leaders proposed Imre Nagy since Rákosi 'had been unable to name his successor' since May, when Malenkov asked him. He was proposed by the Soviet leadership, if only because for five years, since 1948-1949, he had predicted that the policy of forced collectivisation would end in disaster. The HWP leadership had ignored his views

then and even labelled him an 'opportunist' and expelled him from the Politbureau. But time had proved that he was right. Thus, the Moscow discussions made it abundantly clear to the Hungarian leadership that there was no possibility for partial solutions, for vague organisational changes, for plan modifications only. But, that they had to introduce a radically different, new, political and economic course and review their methods of activities in practice and re-define their future tasks. Rákosi and all members of the Hungarian delegation received the Soviet proposal with silent approval and returned home.

Chapter 8

1. The draft plan was completed by March 1949; it was presented to the National Assembly on 8th December 1949 by Ernő Gerő and was launched on 1st January 1950
2. Iván T. Berend, Gazdaságpolitika az első ötéves terv megindításakor (1948-1950), Bp. Közgazdasági és Jogi Kiadó, 1964, p.13
3. For a Lasting Peace for a People's Democracy, 15th March, 1949, p.1
4. Ferenc Donáth, Reform és Forradalom. A magyar mezőgazdaság strukturális átalakulása 1945-1975, Bp. Akadémiai Kiadó, 1977, p.135
5. Decree 1950, XXV, tc. A Magyar Népköztársaság Első Ötéves Tervéről. (About the First Five Year Plan of the Hungarian People's Republic); see also Ernő Gerő, 'Az ötéves tervvel a szocializmus felé', Szabad Nép, 10th December 1949
6. L.D. Schweng, Economic Planning in Hungary since 1938, New York, Mid-European Studies Centre, 1951, p.48
Selected other targets set by the plan were as follows: (i) average yields to increase by 13% (since most yields were still below pre-war levels, this was not excessive); (ii) output of crops was to rise by 35% and numbers of livestock by 51%; (iii) use of fertilisers to be increased 4.5 fold (iv) irrigated land area, 26,000 ha. in 1949, to increase to 94,000 ha
7. Data on the original version of the Plan are given in 'A magyar Népköztársaság Első Ötéves Tervéről' op.cit.; also Szabad Nép, 4th December 1949, pp.1-4
8. Sándor Balogh and Bálint Szabó, A magyar népi demokrácia története, 1944-1962, Bp. Kossuth, 1978, pp.184-185
9. Kálmán Szakács, 'A Középparaszt Kérdés', Párttörténeti Közlemények, Vol. 4, December 1972, p.98
10. Sándor Orbán, Két Agrárforradalom Magyarországon, Demokratikus és Szocialista agrárátalakulás 1945-1961, Bp. Akadémiai Kiadó, 1972, p.88 (Az MDP Politikai Bizottság 3 Március, 1949, ülésének Jegyzőkönyve. P.I. Filmtár PB/834)
11. Ernő Gerő, Megjegyzések az ötéves terv alapvető kérdéseire, n.d. Institute of Party History Archives (hereafter cited as P.I. Archives) 2/8/9
12. Sándor Orbán, Két Agrárforradalom ... op.cit., p.73
13. Mátyás Rákosi, Beszéd a Magyar Dolgozók Pártja Központi Vezetőség 1949 Március 5-6 ülésén, (Rákosi's speech to the Central Committee, 5-6 March 1949, Plenum) in Mátyás Rákosi, Válogatott Beszédék és Cikkek (Selected Speeches and Writings). Bp. Szikra, 1950, pp.377-380

14. Ernö Gerö, Harcban a Szocialista népgazdaságért. Válogatott Beszédek és Cikkek, (Selected Speeches and Writings), Bp. Szikra, 1950, p.411
15. Mátyás Rákosi, A Békéért és a Szocializmus építéséért. Bp. Szikra, 1951, p.510
16. Dezsö Nemes et.al., A magyar forradalmi munkásmozgalom története, Bp. Kossuth, 1970, vol. 3, p.209
17. Imre Nagy, Falusi politikánk kulcskérdése: a középparasztsággal való szövetség, November 1949
Imre Nagy, A Szövetkezetek jelentősége a mezőgazdaság fejlődésében, December 1948
Imre Nagy, Vita a Középparasztsághoz való viszony és a falusi osztály viszonyok kérdésében (1948-1949), all in,
Imre Nagy, Egy évtized, Válogatott Bészédek és Irások, (A Decade. Selected Speeches and Writings), 2 vols., Bp. Szikra, 1954
18. András Zsilák, A magyar társadalom osztályszerkezetének alakulása a szocializmus építésének kezdeti időszakában és a Magyar Dolgozók Pártja Szövetségi politikája, in Henrik Vass, A Kommunisták Pártja szövetségi politikája 1936-1962, Bp. Kossuth, 1966, p.173
19. Whether or not his survival and rehabilitation were linked to the coincident rise of Malenkov, who was a personal friend, his influence in the party remained negligible until the climatic changes following Stalin's death
20. András Hegedüs remained in this post until 1951, when he became head of the Ministry of Agriculture, a post he held until 1953; at the same time, he became a Secretary of the Central Committee
21. The change in intensity coincided with the launching of the Five Year Plan and rapid industrialisation and also with the reorganisation of the Ministry of the Interior, when the ÁVO (State Security Department) of the Ministry was reorganised and upgraded into the ÁVH (State Security Authority) and made independent from the Ministry, responsible only to the highest state and party organs. Its political and economic sections contributed much to the increasing police terror, in the country generally and among the more prosperous peasants particularly.
22. Election propaganda plans distributed to rural party organisations instructed them 'not to put the fight against the kulaks into our election canvassing material'. P.I. Archives, 2/8/6
23. P.I. Archives, 176-10.k/24. Szervező Bizottság, A pártszervezetek feladatai a cséplés ellenőrzési és termény-begyűjtési kampány megszervezésében (Organising Committee, The tasks of party organisation in organising threshing and crop-collection campaigns). 9th June, 1949
24. Béla Fazekas, A mezőgazdasági termelőszövetkezeti mozgalom Magyarországon. Bp. Kossuth, 1976, p.72; The 'kulak list' was reviewed

at intervals, when a few were lucky enough to be released or exempted, but this very rarely happened. The lists were normally expanded to include more people when reviewed

25. Ibid.
26. Sándor Orbán, Két Agrárforradalom ... op.cit., p.96
27. This was reported in the minutes of the Politbureau meeting, on 16th December 1953, P.I. Filmtár, PB/1459
28. Sándor Balogh and Báling Szabó, A magyar népi demokrácia ... op.cit., pp.186-187
29. György Moldova, Az örség panasza, Bp. Magvető, 1974, pp.70-71
30. Ibid. and see József Hogyor, Nehéz út, Bp. Táncsics Kiadó, Bp. 1978
31. cf. György Moldova and József Hogyor. Interesting case studies can also be found in Gy. Faludi & Mária Tatár, Tragödie eines Volkes, Europa Verlag, Wien, 1957, p.90
32. Társadalmi Szemle, May 1949, p.331
At the official exchange rate prior to the devaluation of sterling in September 1949, £1 = 30 Forints
33. Szabad Nép, 10th December 1949
34. Szabad Nép, 17th June 1949
35. East Europe, 31st August 1950, p.32
36. Sándor Orbán, Két Agrárforradalom ... op.cit., p.96
37. Ibid., p.98
38. The limit was in fact set at 15 cad. yokes in 1948. Later it was considered dangerous to divide the middle peasants 'because it may put the middle peasant on the side of the kulak' and as an electioneering gesture, at the May General Election, farms below 25 cad. yokes were exempted. However, the concept of 'today's middle peasant, tomorrow's kulak' lingered on in the minds of the peasantry. Sándor Orbán, Két Agrárforradalom ... op.cit., p.100
39. Sándor Orbán, Két Agrárforradalom... op.cit., p.93
40. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.188
41. Ibid.
42. Társadalmi Szemle, February 1950, p.98
43. Társadalmi Szemle, March 1954, p.46

44. Ibid.
45. Szabad Föld, 19th March 1950 (an article under the title 'Az ellenség nem alszik')
46. Társadalmi Szemle, December 1953, p.1112
47. a Magyar Dolgozók Pártja II. Kongresszusának Jegyzőkönyve. (The Minutes of the Second Congress of the HWP). Bp. Szikra, 1951, p.46
48. Társadalmi Szemle, February 1951, p.112
Unfortunately, no figures are available to establish what degree of liquidation of kulak holdings this represented
49. Irwin T. Sanders (ed.), Collectivisation of Agriculture in Eastern Europe, Lexington, University of Kentucky Press, 1958, p.149
50. Statisztikai Szemle, Vol. XXVII, December 1949, p.397
While the comparison distorts somewhat the general picture due to war losses and subsequent recovery by this time to near the pre-war level, it nevertheless shows clearly the drastic underlying trend
51. The distribution of the 562 collectives by types was as follows: Type III - 401; Type II - 103; Type I - 58. The party complained about the uneven regional distribution of collectives, which was as follows: Trans-Tisza region - 304, North-Hungary region - 62, Danube-Tisza region - 91, and Trans-Danubian region - 105. Társadalmi Szemle, June-July 1949, p.460
52. Ibid., p.462
53. Ibid., p.467
54. Lajos Fehér, 'A szövetkezeti fejlődés kiszélesedése 1949 őszén', Társadalmi Szemle, November-December 1949, p.851
55. Ibid.
56. Társadalmi Szemle, June-July 1949, p.463
57. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.66
58. Mátyás Rákosi, Válogatott Beszédék és Cikkek, Bp. Szikra, 1952, p.334
59. Ibid., p.336
60. Sándor Balogh and Báling Szabó (eds.), A magyar népi demokrácia ... op.cit., p.186
61. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.66
62. Lajos Fehér, A szövetkezeti fejlődés ... op.cit., p.850
63. Ibid., p.849

64. Ibid., p.850
65. Ibid., p.851
66. Béla Fazekas, A mezőgazdasági termelészövetkezeti ... op.cit., p.67
67. Sándor Balogh and Báling Szabó (eds.) A magyar népi demokrácia ... op.cit., p.189
68. Sándor Balogh and Ferenc Pölöskei, Agrárpolitika és Agrárátalakulás Magyarországon (1944-1962). Bp. Akadémiai Kiadó, 1979, p.22
69. Lajos Fehér, A szövetkezeti fejlődés ... op.cit., p.851
70. Ibid.
71. Ibid., p.852
72. Ibid.
73. Ibid.
74. Mátyás Rákosi, Válogatott Beszédék ... op.cit., p.410; also see Szabad Nép 27th January 1950, p.1
75. One of these was the cessation of publication of the only continuous series still available, in the periodic statements of the Central Bank, giving the note circulation, bank reserves, savings, assets and current liabilities of nationalised industries
76. According to the statement, the wage bill in manufacturing industry increased by 24 per cent between April 1949 and April 1950, while the increase in real wages was even greater. Increases in other employment were smaller, but still considerable. As noted earlier, the Five Year Plan anticipated an overall increase in the standard of living of 35 per cent in five years. But, it was claimed, in the first four months of 1950, real earnings per capita in manufacturing industry increased by 18 per cent, tempered by some increase in productivity. Subsequent events, however would question whether such fast improvement in the standard of living was in fact achieved
77. György Kemény, Economic Planning in Hungary 1947-1949, Royal Institute of International Affairs, London, 1952, p.62
78. Társadalmi Szemle, November 1950, p.847
79. Personal recollections of the author
80. Bálint Szabó, A szocializmus útján, Bp. Akadémiai Kiadó, 1970, p.95:
András Hegeüs, as noted earlier, was included as a member at this meeting
81. Ibid., p.96

82. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., -65
83. Szabad Nép, 12th August, 1950, p.6
84. Ibid.
85. Bálint Szabó, A szocializmus útján ... op.cit., p.96
86. Eastern Europe and Soviet Russia, 7th September 1950, p.22
87. Szabad Nép, 20th August 1950, p.1
88. Mátyás Rákosi, A Békéért és a Szocializmus ... op.cit., pp.367-408 (Speech at the Central Committee, 27th October 1950); see also, Társadalmi Szemle, November 1950, p.846
89. Társadalmi Szemle, January 1952, p.28
90. A Magyar Dolgozók Pártja Politikai Bizottsága, November 10 - ülésének jegyzőkönyve, P.I. Filmtár PB/984
91. P.I. Archives, 276-10k/161. A Titkárság határozata az ipari üzemek patronázs munkájáról a termelő szövetkezeti csoportokban (The resolution of the Secretariat concerning patronage work by factories in producers' cooperatives). 6th November 1950
92. Szabad Nép, 14th and 31st January 1951
93. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.66
94. Szabad Nép, 14th and 31st January 1951
95. Szabad Nép, 13th December 1950, p.4
96. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.70
97. Ibid., p.65
Acreage figures are slightly different from those listed because of computational difficulties in converting from hectares to cad. yokes. The computational error is approximately 0.01
98. Társadalmi Szemle, January 1952, p.28
99. Közgazdasági Szemle, January 1955, p.21
100. United Nations Economic Survey of Europe in 1950, Geneva, 1951, p.141
101. A Magyar Dolgozók Pártja Politikai Bizottság, November 10 - ülésének jegyzőkönyve, P.I. Filmtár PB/984
102. Irwin T Sanders (ed.) Collectivisation of Agriculture ... op.cit., p.59
103. Szabad Nép, 4th February 1951

104. Henrik Vass (ed.), A mezőgazdaság szocialista átalakulása Magyarországon, (Tudományos ülészak, Turkeve 6-7 April 1981). Szolnok Megyei Lapkiadó Vállalat, 1981, pp.54-55 and pp.71-73
105. Magyar-Szovjet Közgazdasági Szemle, No. 3, 1951, p.256
106. Ibid., p.257,
The discrepancy compared with later figures arises from the fact that some of these collectives because of pressure, existed only 'on paper' and were later dissolved while other new collectives were formed
107. Viharsarok, 20th February, 1951
108. Szabad Nép, 28th February, 1951, pp.2-3
109. A Magyar Dolgozók Pártja II-ik Kongresszúsának Jegyzőkönyve, (see: Rákosi's full speech) ... op.cit., pp.17-25
110. Iván T. Berend, A szocialista gazdaság fejlődése Magyarországon 1945-1968, Bp. Kossuth, 1974, p.81
111. A Magyar Dolgozók Pártja II-ik Kongresszúsának Jegyzőkönyve ... op.cit., p.39
112. Ibid., p.36
113. Ibid., p.43
114. Ibid., p.44
115. Ibid., p.60
116. Ibid., pp.45-46
117. Ibid., p.58
118. Ibid., p.59
119. Ibid., p.63
120. For an exhaustive survey see: Béla Balassa: The Hungarian Experience in Economic Planning, Yale University Press, 1959, passim
121. For the full text and figures of the modified plan, see: Magyar-Szovjet Közgazdasági Szemle, No.4-5, 1951, pp.487-497; and Ernő Gerő's speech at the Second Congress, Az ötéves Terv első évének eredményei és további feladataink a Népgazdaságunk Szocialista építése terén. (The results of the First Year of the Five Year Plan and our future tasks in building a socialist economy), in A Magyar Dolgozók Pártja II-ik Kongresszúsának ... op.cit., pp.304-353
122. Hungarian statistical yearbooks, published during the first five year plan (1950-1954) do not cite any investment figure higher than 25 per cent of National Income because the statistics were based on artificially low

prices. After the 1956 uprising the Hungarian authorities attempted to adjust the figures to reflect real production values. According to these calculations, the investment rate was actually greater than 35 per cent. See, Adatok és Adalékok a Népgazdaság fejlődésének tanulmányozásához, 1949-1955. (Data and Additional Information on the Examination of the Development of the National Economy - 1949-1945). Bp. Központi Statisztikai Hivatal, 1957; also, during a lecture in West Germany, given before an audience in the Europa Haus at Bad-Marienberg on 29th August 1969, Iván T. Berend stated that the investment rate had been 37 per cent. See, William F. Robinson, The Pattern of Reform in Hungary: A Political, Economic and Cultural Analysis, New York, Praeger, 1973, p.4

123. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.191
124. A Magyar Dolgozók Pártja II-ik Kongresszusának ... op.cit., p.327
125. Ibid., p.325
126. P.I. Archives, 2/9 -286.2925
127. Iván T. Berend, A szocialista gazdaság ... op.cit., p.81
128. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.203
129. Béla Fazekas, A mezőgazdasági termelészövetkezeti ... op.cit., p.69
130. Iván T. Berend, A szocialista gazdaság ... op.cit., p.82
131. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.191
132. Béla Fazekas, A mezőgazdasági termelészövetkezeti ... op.cit., p.69
133. A Magyar Dolgozók Pártja II-ik Kongresszusának ... op.cit., pp.189-198
134. A Szocializmus építésének útján, A Magyar Dolgozók Pártja II-ik Kongresszusának anyagából, Bp. Szikra, 1956, p.335
135. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.189
136. Szabad Nép, 12th May 1951, p.1
137. Eastern Europe, 16th August, 1951, p.20
138. Szabad Nép, 12th May 1951, p.2
139. Eastern Europe, 21st June 1951, p.20
140. The population of some villages increased at a stroke by 20-30 per cent
141. Ferenc A. Váli, Rift and Revolt in Hungary: Nationalism versus Communism, Harvard University Press, 1961, fn.p.83

142. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.73
143. P.I. Archives, 2/8/262
144. Határozat a mezőgazdasági lakosság adókedvezményéről, 29th July 1953, P.I. Archives, 2/8/430
145. Tájékoztató feljegyzés a kulákság helyzetéről, n.d. P.I. Archives 2/8/514
146. Ibid.
147. Feljegyzés a kulákság korlátozásáról, 23rd June 1953, P.I. Archives, 2/8/441L
148. Tapasztalatok és példák a mezőgazdaság átszervezéséről megtartott vitából (Vas, Zala, Somogy), 9th January 1953, P.I. Archives, 2/8/418
149. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.74
150. Szabad Nép, 17th June, 13th July, 16th July 1952
11 Forints were equal to one US dollar
151. György Moldova, Az örség panasza ... op.cit., p.71
152. Feljegyzés a kulákság korlátozásáról ... op.cit
153. Mezőgazdasági Adattár, Vol I. Bpl. Központi Statisztikai Hivatal, 1965, pp.57-58
154. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.72
155. Szabad Nép, 17th August 1951
156. Antal Márczis, 'A termelőszövetkezeti gazdaságok megszilárdításáért', Társadalmi Szemle, January 1952, p.28
157. Ibid.
158. Ibid.
159. Szabad Nép, 28th August 1951, p.5
160. Antal Márczis, A termelőszövetkezeti ... op.cit., p.28
161. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.77
162. Antal Márczis, A termelőszövetkezeti ... op.cit., p.27
163. Szabad Nép, 29th December, 1951, p.1
164. András Hegedüs, 'Mezőgazdaságunk szocialista átszervezésének egyes kérdései', Társadalmi Szemle, no.4, April 1952, pp.303-304
165. Ibid.

166. Szabad Nép, 28th December, 1951, p.1
167. Szabad Nép, 18th July 1952, p.3
168. András Hegedüs, Mezőgazdaságunk szocialista ... op.cit., p.305
Although payments according to 'workdays', together with 'work-day' books, was adopted as early as the formation of the first Type III collectives, it was claimed due to the influence of the kulaks and other hostile, petty-bourgeoisie elements, the members did not want to distribute their communal income according to 'work-days' earned, but equally per member
169. Ibid., p.306
170. Szabad Nép, 24th April 1952,
Initially, many party members demanded that this should be increased to 150, but Rákosi warned that many collectives were unable to provide enough work to fulfil that requirement
171. Béla Fazekas, A mezőgazdasági termelészövetkezeti ... op.cit., p.77
172. Antal Márczis, A termelészövetkezeti ... op.cit., p.37
173. Ibid., p.29
174. Ibid.
175. Ibid., p.30
176. Ibid., pp.30-31
177. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.177
178. Antal Márczis, A termelészövetkezeti ... op.cit., pp.32-34
179. Szabad Nép, 24th April, 1952, p.2
180. András Hegedüs, Mezőgazdaságunk szocialista ... op.cit., p.300
181. Mátyás Rákosi, 'A jegyrendszer megszüntetéséről a mezőgazdasági áruk szabad forgalmáról az állami és munkafegyelemről'. On the abolition of rationing, free trade in agricultural produce, state and labour discipline). A report to the Central Committee Plenum on 30th November, 1951. Társadalmi Szemle, December 1951, pp.852-869; for the Government's announcement see, Szabad Nép, 1st December 1951, p.1
182. Ibid., p.868
183. Ibid., pp.866-867
184. 'Urgent problems of the National Economy in Hungary', For a Lasting Peace for a People's Democracy, 12th December, 1951, p.2

185. Péter Halász, A termelőszövetkezeti mozgalom története Apátfalván, Bp. Akadémiai Kiadó, 1975, p.24
186. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.193
187. Mátyás Rákosi, Válogatott Beszédek ... op.cit., p.551
188. Ottó Gadó, Az életszínvonal alakulása Magyarországon, Bp. Kossuth, 1978, pp.89-90
189. Iván T. Berend, A szocialista gazdaság ... op.cit., p.84
190. Mátyás Timár, Gazdasági fejlődés és irányítási módszerek Magyarországon, Bp. Közgazdasági és Jogi Könyvkiadó, 1969, p.43
191. Iván T. Berend, A szocialista gazdaság ... op.cit., p.84
192. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.73
193. 'Nemzeti Jövedelem és a lakosság életkörülményei', (National Income and living conditions of the population), Bp. Központi Statisztikai Hivatal, Időszaki Közlemények, Vol. 78, 1964, p.80
194. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.194
195. György Moldova, Az örség panasza ... op.cit., p.68
196. Iván T. Berend, A szocialista gazdaság ... op.cit., p.83
197. George Mikes, The Hungarian Revolution, André Deutsch, London., 1957, p.50
198. Béla Fazekas, Mezőgazdaságunk a felszabadulás után, Bp. Mezőgazdasági Kiadó. 1967, p.221
199. Társadalmi Szemle, December 1952, p.1025 and Szabad Nép, 11th November, 1952
200. Péter Halász, A termelőszövetkezeti mozgalom ... op.cit., p.83
201. Iván T. Berend, A szocialista gazdaság ... op.cit., p.83
202. Béla Fazekas, Mezőgazdaságunk a felszabadulás ... op.cit., p.220
203. József Hogyor, Nehéz út ... op.cit., p.94
204. Péter Halász, A termelőszövetkezeti mozgalom ... op.cit., p.29
205. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.194
206. Ferenc Sánta, Hús óra, Bp. Magvető Zsebkönyvtár, 1976, pp.95-106

207. Iván T. Berend, A szocialista gazdaság ... op.cit., p.83
208. Dezső Nemes, et.al., A magyar forradalmi ... op.cit., p.205
209. Szabad Nép, 30th November 19052, p.1 and Társadalmi Szemle, December 1952, p.1205
210. Szabad Nép, 30th September, 1951, p.1 and Szabad Nép, 27th September 1952, p.7
211. H.L. Coulter, The Hungarian Peasantry 1945-1956, The American Soviet and East European Review, December 1959, p.542
212. Sándor Orbán, Két Agrárforradalom ... op.cit., p.127
213. Közgazdasági Szemle, No.7-8, 1955, p.877
214. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.192
215. Ibid.
216. 'A magyar mezőgazdaság árútermelése és a mezőgazdasági népesség jövedelme', Központi Statisztikai Hivatal, P.I. Archives, 24/1953.61
217. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.195
218. Péter Simon, A párt agrárpolitikája a szocializmus alapjai lerakásának időszakában, in, Sándor Balogh and Ference Pölöskei, Agrárpolitika és agrárátalakulás ... op.cit.,p.25
219. Aspects of depopulation and the flight of young people are vividly described in the novel by György Moldova, Az őrség ... op.cit., p.158
220. According to a report prepared by the Central Statistical Office, some 6000 cattle, 3047 horses, 66,109 pigs and 16,965 sheep perished. Sándor Orbán, Két Agrárforradalom ... op.cit. p.127
221. József Hogyor, Nehéz út... op.cit., p.83
222. Ibid., p.260
223. Iván T. Berend, A szocialista gazdaság ... op.cit., p.82
224. A Magyar Dolgozók Pártja Politikai Bizottság 1952 Julius 17-i Jegyzőkönyve, P.I. PB/1125 Filmtár, p.1
225. Sándor Orbán, Két Agrárforradalom ... op.cit., p.115
226. P. Zinner, Revolution in Hungary, Columbia University Press, New York, 1962, p.122

227. See, for example, Dobi's Speech in Szabad Nép, 11th May 1952, p.1; and Rákosi's report to the Central Committee Plenum, Szabad Nép, 30th November 1952, p.1
228. Szabad Nép, 25th April, 1952, pp.1-2
229. Antal Márczis, A termelőszövetkezeti gazdaságok ... op.cit., pp.35-36
230. Szabad Nép, 16th November 1952, p.1
231. Sándor Orbán, Két Agrárforradalom ... op.cit., p.112
232. East Europe, November 1957, p.14
233. Adapted from Sándor Orbán Két Agrárforradalom ... op.cit., p.89; Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.76 and Mezőgazdasági Adattár, Vol.II ... op.cit., p.11, Statisztikai Évkönyv, 1949-1955, Központi Statisztikai Hivatal, Bp. 1957, pp.197-198
234. Sándor Orbán, Két Agrárforradalom ... op.cit., p.112
235. Ibid., p.11
236. Károlyi Garamvölgyi, Mezőgazdaságunk szocialista átalakítása, Bp. Kossuth, 1965, p.36
237. The conceptual difference between the two relates basically to the size of the affected area. 'Land Reorganisation' extends to the entire boundary of a village and may include several instances of 'Land Commassation', which relates to a smaller land area and may be referred to as 'partial reorganisation'
238. László Borbély, 'Az 1949 - 1956 évi tagosítások szerepe és hatásuk hazánk mezőgazdaságában', (The role of the 1949-1956 commassation of land plots and their impact on our agriculture). Statisztikai Szemle, no.4, 1957, p.456
239. Ibid., p.447
The 9 million cad. yokes is a cumulative figure and includes areas affected under repeated reorganisations and commassations
240. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.190
241. Statisztikai Évkönyv 1949-1955, (Statistical Yearbook 1949-1955), Központi Statisztikai Hivatal, Bp. 1957, p.179
242. Iván T. Berend, A szocialista gazdaság ... op.cit., p.83
243. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.75
244. László Borbély, 'Az 1949 - 1956 évi tagosítások' ... op.cit., p.457
245. Ibid., pp.452-453

246. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.74
247. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.196
248. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.74
249. Mezőgazdasági Adattár, Vol.II, op.cit., pp.4-5
250. Sándor Orbán, Két Agrárforradalom ... op.cit., p.109
The figures quoted refer to offers made and accepted by the state, not to total numbers of offers made; compared to the previous table, some discrepancy with regard to the area of 350,000 cad. yokes is due to rounding and recalculation
251. Sándor Balogh and Ferenc Pölölskei, Agrárpolitika és Agrárátalakulás ... op.cit., p.85
252. Adatok és Adalékok a népgazdaság ... op.cit., p.171
253. Közgazdasági Szemle, February 1955, p.228
254. Adatok és Adalékok a népgazdaság ... op.cit., p.171
255. Ibid.
256. The 'reserve lands' were overwhelmingly of lower value and quality, and were usually 'distant and neglected scattered strips of land. Because of this, inter alia, neither the collective nor the State Farms wanted them. Sándor Orbán, Két Agrárforradalom ... op.cit., p.113
257. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.196
258. Henrik Vass (ed.), A Mezőgazdaság szocialista ... op.cit., p.37
259. Ibid., p.38
260. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.195
261. Ibid., pp.195-196
262. Szabad Nép, 16th December 1952, p.1
263. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.193
264. cf. Ernst Helmreich (ed.), Hungary, New York, Praeger, 1957, pp.238-239; Paul Kecskeméti, The Unexpected Revolution, Social Forces in the Hungarian Uprising, Stanford University Press, Stanford, California, 1961, p.88; Irwin T. Sanders, Collectivisation of Agriculture ... op.cit., p.145; René Dumont, Types of Rural Economy (Studies in World Agriculture), Methuen, 1957, pp.486-487

265. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.76
266. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.195
267. Béla Fazekas, A mezőgazdasági termelőszövetkezeti ... op.cit., p.77
268. Ibid.
269. Szabad Nép, 23rd February, 1953, p.1
270. Ibid.
271. Ibid.
272. Satellite Agriculture in Crisis, Free Europe Committee Inc., F.A. Praeger, New York, 1954, p.127
273. Szabad Nép, 3rd February, 1953, p.2
274. Szabad Nép, 23rd February, 1953, p.1
275. Péter Halász, A termelőszövetkezeti mozgalom ... op.cit., p.30
276. Szabad Nép, 2nd February 1953, p.2
277. Szabad Nép, 5th March, 1953, p.1
278. Paul Kecskeméti, The Unexpected Revolution ... op.cit., p.127
279. Imre Nagy, On Communism: in defence of the New Course, Thames & Hydsen, London, 1957, p.45 and p.66
280. Tibor Méray, Nagy Imre élete és halála, Ujváry 'Griff' Kiadó, München, 1978, p.20
281. Szabad Nép, 11th May 1953
282. Bálint Szabó, (ed.), A szocializmus útján, Bp. Akadémiai Kiadó, 1970, p.122
283. Imre Nagy, On Communism ... op.cit., p.87
284. Ibid., p.490
285. René Dumont, Types of Rural Economy ... op.cit., p.485
286. Ibid., p.490
287. Robert Delaney (ed.), This is Communist Hungary. Chicago, Regnery, 1958, p.209
288. P.I. Archives, 276.f.54.246
289. Ibid.

290. Irodalmi Újság (Literary Gazette) Paris, No.3, 1985, Supplement p.1

Since it has never officially been revealed, even today, there is some uncertainty regarding the exact date of this visit - whether it took place before or after the East Berlin uprising. A range of approximations has been made, as can be seen from the following statements:

- (i) 'exactly ten days before Nagy's speech to the Assembly, on 4th July', i.e., on 24th June; Tamás Aczél-Tibor Méray, Tisztító Vihar, Adalékok egy korszak történetéhez, Big Ben Publishing Company, n.d., p.144
- (ii) 'in June, a few days after the Berlin uprising on 17th June', Tibor Méray, Nagy Imre élete és halála ... op.cit., p.13
- (iii) 'around the 20th-25th June, i.e., the week following the East Berlin events, Mátyás Rákosi was suddenly called to Moscow ...', Miklós Molnár-László Nagy, Reformátor vagy forradalmár volt e Imre Nagy?, A Magyar Füzetek Kiadása, Paris, 1983, p.24
- (iv) In his interview Hegedüs, a member of the delegation, gives the date of the visit, before the Berlin events: 'this transitional period, from Stalin's death to July, was interrupted by the Berlin demonstrations and the visit of some members of the Hungarian leadership to Moscow. The two dates were very close to each other, therefore my memory is not too clear. But if I think hard the visit must have taken place before the Berlin events because, as I recall, the events in Berlin formed no part of our discussions in Moscow'. András Hegedüs, Élet egy eszme árnyékában, (a biographical interview, prepared by Zoltán Zsille, the authors' private publisher), Vienna, 1985, p.189

The author believes that the most likely date of the visit was 13th or 14th of June - the Central Committee meeting, scheduled for the 15th was cancelled. It is also known that the party secretariat had already met on 17th June to discuss the situation that had arisen after the Moscow visit. The Moscow discussions lasted for two full days. It is therefore possible that the delegation was still in Moscow on 16th June, when demonstrations in East Berlin began, but was definitely not in Moscow on 17th June, when open uprising broke out in Berlin

291. It was only at the 30th anniversary of Nagy's new programme declaration, in 1983, that the Hungarian people were officially told that Nagy's speech to the Assembly, on 4th July, was preceded by the delegation's visit to Moscow. It was also then that, for the first time, the composition of the delegation was revealed: Mátyás Rákosi, Imre Nagy, Ernő Gerő, András Hegedüs, István Hidas, Rudolf Földvári, Béla Szalai and István Dobi

András Hegedüs, Élet egy eszme ... op.cit., p.195

292. Ibid., p.190

293. A deliberately vague summary of the Soviet leaders' denunciation of Rákosi is found in Imre Nagy, On Communism ... op.cit., p.66; a fuller account is given by Tibor Méray, Nagy Imre élete és halála ... op.cit., pp.19-21, on which the following account is largely based

294. Tibor Méray, Nagy Imre élete és halála ... op.cit., p.20

Chapter 9: The State Sector of Agriculture

9.1 Development and Role of State Farms in Collectivisation

A brief discussion is necessary to throw some light on the participation of State Farms and Machine Tractor Stations in the collectivisation process. On the pattern of Soviet agriculture, in accordance with Stalinist teaching, the socialist transformation of Hungarian agriculture, as elsewhere in Eastern Europe, did not result in uniform agricultural structure. Besides Collective Farms, two other main socialist agricultural institutions developed, The State Farms (Állami Gazdaságok) and the network of State Machine Tractor Stations (Állami Gépállomások), both playing an important role in agricultural production and the collectivisation drive.

To establish a viable agricultural sector capable of sustaining the ambitious efforts for rapid industrialisation outlined in the Five Year Plans, the Soviet leaders had to preserve a number of incentives, including a free market, which ruled out the immediate introduction of a form of agricultural organisation based exclusively on State farming. In terms of communist long-range planning, however, it is the State Farms, Sovkhozy, which remain, as in the past, the prototype of the Communist Party's ideal in rural organisation.⁽¹⁾ By the time the Soviet Union came to dominate the countries of Eastern Europe it had ample evidence that State farming could not, and should not, immediately be made the prototype of agricultural organisation. The regime in Hungary, as elsewhere, had to take into account the peasant's deep-seated love for his land and the communist leadership had learned that the individual peasants do not willingly become a rural proletariat, and that if this conversion is forced upon them, production suffers disastrously. In terms of long range planning the communist inability to pass an overall land nationalisation law meant that State Farms could only be created in specific areas which, on the whole, were not in

the procession of small and medium private farmers at the time the Party assumed power in 1948. The role and numerical extent of State Farms, at that early, has been discussed earlier.⁽²⁾ Up to 1948 the state's initiative in the field of agricultural exploitation remained centered, essentially, in the pre-war state-owned agricultural undertakings. Thus, in 1948 Hungary had 99 State Farms, extending over 70,932 cad. yokes, of which 43,470 cad. yokes were arable land, representing approximately 0.4 per cent of the country's arable land; the rest was pasture, vineyards, forests and land used for other purposes. Hence, up to the beginning of 1949 the state played a rather limited role in agriculture.

Parallel with the drive for collectivisation there began a drive for rapid extension of the area of agricultural land held by the State. This was closely correlated with the overall politics of agriculture: first the restriction, then the liquidation of kulak holdings, the neglect of security of agricultural production on individual farms and the emergency created by the rapidly increasing 'State Reserve Lands' area through growing 'land-offers' due to the forced tempo of collectivisation. State Farms were seen by the regime as important factors in the creation of the 'socialist base' in the reorganisation of agriculture. Rákosi defined their role as 'acting like an engine pulling the whole of socialist agriculture ... the forward bastions of the state in the villages.'⁽³⁾ The various tasks which the Party leadership assigned to the State Farms can be grouped, essentially, under three main headings:⁽⁴⁾

- (i) to become highly efficient, mechanised large-scale production enterprises contributing to the nation's food production and supply and helping to overcome the initial difficulties, which might arise, during the period of transition in agriculture, i.e., to secure some minimum amount of agricultural output for the state, in case of difficulties.
- (ii) to become exemplary model farms, capable of supplying agriculture as a whole with high-quality seed and pedigree livestock and to share with agriculture some of their equipment.

- (iii) last, but not least, to become school of modern large-scale farming, to teach the collectives the management methods of socialist large-scale farming and to demonstrate the individual working farmers the superiority of large-scale over small peasant farming, thereby, helping to convert them to communal farming.

As will be shown, the State Farms did not succeed in accomplishing any of these tasks within the period under consideration, and the hopes placed in them by the leadership were disappointed. Some of the reasons for this were outside the farms' control

The new era for the State Farms opened on 1st January 1949, when the 'Supreme Economic Council' (Gazdasági Főtanács), which had pressed for the regularisation of their position since 1947, set-up the 'State Agricultural Centre' (Állami Mezőgazdasági Központ), entrusted with the task of organising the old State holdings and the scattered lands already in the hands of the state into proper state enterprises.⁽⁵⁾ Under the management of this new institution, from the beginning of the year, the acreage of state holdings expanded rapidly - chiefly, as discussed earlier, due to the effects on the peasants of the system of compulsory deliveries and the associated administrative measures - and State Farms were formed in numbers. By the end of 1949 State Farms accounted for three times more arable land than in 1949 and represented approximately 1.2 per cent of arable land in the country. Later, some time in 1950, all State Farms came under the management of the Ministry of Agriculture, whose control over individual farms was put into effect through a line of supervision reaching from its 'Chief Department' (Állami Gazdaságok Főigazgatósága) level down through a highly organised administrative machine in charge of farm management, the structures of which were altered frequently. The whole set up was patterned on the methods of control exercised over industrial enterprises. The managers, chief accountants and agronomists were appointed by the central government and were civil servants. Work was organised at the level of brigades, with farm

labourers being wage earners paid by the state. In terms of political control of the countryside, one 'sovkhov' was regarded as worth much more than one 'kolkhoz'. Whereas the party had to 'infiltrate' the collective by trying to place party men in key administrative and supervisory posts, and while the whole collective farm structure necessitated establishing state machinery centres and organs of political control and domination, the sovkhov, as a state creation could be fashioned from top to bottom in accordance with the party's needs. The essential difference lay in the fact that in forming collectives the communists had to deal with what already existed: they had to handle a group of formerly independent farmers who, almost by definition, were opposed to the party's aim. With State Farms, on the other hand, there was no such difficulty. They can be staffed with people of the regime's choice and these state employees can be dismissed.

Most of the land expropriated from kulaks and recalcitrant peasants, land previously privately owned by richer peasants - whom the regime had made bankrupt - 'State Reserve Lands', offered or simply abandoned by small and medium peasants, and fallow land put under cultivation, went to increase the holdings of the state. In general, small and medium private farms were not directly converted into State Farms. After the beginning of the second phase of collectivisation, from 1949 to 1953, but especially during 1951 and 1952, at the time of mass 'offer' of land to the state, much land came under state management and was allocated to the State Farms already established. Many of these were still operating under great difficulties and could not, in fact, take all the land 'offered' and/or available in state reserves, under their management. The numerical development of State farms is indicated in the in Table 9.1⁽⁶⁾

Table 9.1: Development of State Farms between 1949 and 1955

Time mid-year	arable land area in 1000s of cad. yokes	as percentage of of total arable land
1949	113.2	1.2
1950	462.7	4.8
1951	684.5	7.1
1952	1049.8	10.9
1953	1300.0	13.6
1954	1257.1	13.3
1955	1228.7	13.1

Source: see n.6, p. 648

As can be seen from the above table, in terms of acreage State Farms were essentially set-up between the years 1949 and 1953. Their arable land area at their peak in the middle of 1953 was 1.3 million cad. yokes, a figure which, in fact, had exceeded the target called for by the Five-Year Plan. On this area, which was 13.6 per cent of the country's arable land, 489 State Farms operated.⁽⁷⁾ Their number decreased later, because of mergers, to 466 at the end of 1956, but their acreage essentially remained unchanged.

The State Farms in Hungary met with the greatest of difficulties from the very outset. The rapid increase in their land area was, first of all, not accompanied by an increase in other factors of production. Indeed, for a number of years, even their land area was unsuitable for rational large-scale agricultural production and farm management. The reason for this, inter alia, was the scattered, strip, nature and, in the early years, frequently poor quality of their land. Later, as more and more land was 'offered' the state, State Farms had the opportunity to choose among the land that became available and they tended to keep the better quality land and were frequently able to exchange low for high quality land.⁽⁸⁾ For example, in 1950-1951, 20 per cent of State Farms operated on land which was in more than 50 separate parcels.⁽⁹⁾ The remedy for this, as in the case of collectives and individual farms, was in repeated partial or general

land reorganisations or commassations. Between 1950 and 1954 there were four significant commssations. As a result, the average size of parcels increased from 47 to 197 cad. yokes. But even after this almost 40 per cent of parcels were still less than 10 cad. yokes. In 1953 the total land area of the 489 State Farms was 8,600 parcels.⁽¹⁰⁾ It must, however, be noted that commassations were primarily carried out to satisfy the interests of the collectives and land was often 'commassed away' from State Farms by zealous local officials in villages where the interest of the collective demanded it. The neglect of the interests of State Farms, in favour of collectives, aroused many complaints and in the autumn of 1952 State Farms were given the 'right of veto' in all cases of commassation, which enabled them to defend their own interests more effectively.⁽¹¹⁾ The number and type of farms, by social sector, and the area of their land affected by commassations and land reorganisations between 1949 and 1955 is shown in Table 9.2.⁽¹²⁾

The number of farms and total land area affected by commassations and land reorganisations between 1949 and 1955

Type of farm	number of farms affected by		Total number of farms	Total area affected by commassations in 1000s of cad. yokes
	partial commassations	general		
State Farms	1.438	581	2019	1,732.2
Collective Farms	4.181	3023	7204	3,420.8
Individual Farms	390,835	153,682	544,517	1,690.4

Source: See n. 12, p. 648

During the period many complaints were raised against the inefficiencies of State Farms. The causes of their shortcomings were many and varied. Like the collectives, they too were plagued with permanent shortages of labour, especially at high seasons, lack of labour discipline and personal commitment -

much of which was due to the inappropriate wage system and lack of incentives, low standard of management - much of it caused by the lack of qualified personnel; all these were frequently mentioned as the main sources of their low level of productivity and high costs of production.⁽¹³⁾

The extreme seasonality was not a new phenomenon. But, with the withdrawal of labour from the land owing to the forced industrialisation, and the decrease in mobility, when large estates gave place to small peasant farming, the seasonal peaks became a particularly acute problem, which, of course, mechanisation could have helped. While deliveries of machines lagged behind the plans - despite the fact that much came from the Soviet Union and other socialist countries, mainly from the GDR and Czechoslovakia - as can be seen in Table 9.3 on p.605.⁽¹⁴⁾ State Farms received a major share of most of the machines and especially of heavy machinery. As a result, the average arable land area per tractor was 320 cad. yokes, while the national average was 800 cad. yokes. Moreover, more than 65 per cent of total universal tractors worked on the land of State Farms.⁽¹⁵⁾ Even so, what was delivered to them was considerably less than they needed and the type of machinery they receive did not significantly reduce their acute labour shortage.⁽¹⁶⁾ Then there was the problem of labour discipline. Despite the strict labour code, stipulating that a worker could not leave his place of employment,⁽¹⁷⁾ many did so without permission or proper reason, even during the period of greatest seasonal demand. Workers who started work late, or left their place of work arbitrarily, in violation of their contract with the state, were guilty of an offence which was punishable by a fine of up to 3000 Forints, which represented about 4 months wages for a State Farm worker. Offences of a more serious nature, e.g., staying away from one's place of work without proper reason was considered to be a crime punishable by, e.g., 2 years imprisonment. 'Volunteer assistance', especially from 1951 onwards, composed of college and secondary school

**Table 9.3: Deliveries of Farm Machinery between 1949 and 1954
in 1000's**

	Plan (1951 version)(a)	Actual
Tractors	26.1	13.20
Tractor ploughs	17.3	12.20
Cultivators	6.8	4.90
Tractor drills	5.3	4.90
Potato planters	0.86	0.13 (b)
Reaper binders	9.1	3.60
Combine-harvesters	2.6	2.20

(a) the other two version of the plan did not give details of deliveries planned

(b) four years, 1949-1953

Source: see n. 14, p. 648

students and industrial workers, went to State Farms, often even on Sundays, to pick cotton or generally to help in agricultural works. This 'duty', in fact, could fall on anyone, both in town and country, at almost anytime but particularly during spring and summer seasons. Even this could not fully offset the labour shortage.⁽¹⁸⁾

No wonder, then, that the majority of farmers preferred to subsist on their meager earnings rather than enter into contracts with State Farms. The majority of State Farm workers had never owned land. Many of them belonged to the urban-tained clerical and mechanical staff, and a good proportion of the farm labourers were made up by the persons who were former tenants, agrarian proletarians of or farm-hands on large estates, now converted into State Farms. Others had worked for the pre-war regime on State property. Also, many people employed on State Farms worked there because no alternative employment was open to them, e.g., persons who were ordered by the regime to leave urban

centres, for political and economic reasons, or persons who had spent some time in concentration camps, used as 'forced labour' or 'freed' on condition that they joined a State Farm. Except for a minority of dedicated party men, then, the majority of State Farm workers had little reason to feel the slightest attachment, either for the land they worked on or to the 'boss', in this case the state they worked for. It was true that the 'free farmer' lost much of his sense of ownership on joining the collective, even though the land was not nationalised. The main difference in attitude and performance between Collective and State Farm worker was not exclusively determined by the ideological framework underlying the farms' statutes: their reaction, often, was a more immediate response to organisational features. Because the State Farm was, essentially, a 'land-factory' the worker had no control over the disposition of the fruits of his labour. Similarly, precisely because the collectives were not yet altogether in the hands of the state, the collective peasant was allowed to dispose, at least in theory, of part of his share of production. In practical terms this meant that the collective peasant had the incentive to produce as much as possible. The more that was left at the end of the year, after the state deliveries, taxes etc., were met, the greater the portion distributed among members for sale on the free market. But because of the high delivery quotas, discussed earlier, there was often nothing left for the free market. If the collective member was lazy or shirked work in any manner he robbed himself unless, which was often the case, he worked instead on his more lucrative private household plot. But, if a State Farm worker behaved in the same way, the chances were that he would cheat the state and not himself. For example, if the State Farm worker reported that he had done a certain amount of work, when in fact he had not, the brigade leader might discover it and the worker would then be paid only a percentage of the wage, proportionate to the percentage of the norm fulfilled. But the brigade leader might not discover the cheating, or might not want to know, for if his

workers overfulfilled their norms, he was entitled to a bonus. Very often, therefore, the whole State Farm, from the managers down to the common farm labourers, worked in collusion against the state. This was on top of collusion in the widespread theft from State Farms, which plagued the regime for a long time.

One of the main reasons why State Farm workers did not cooperate with the state, and displayed slack work discipline was undoubtedly the inadequate wage system and lack of incentives. The wage system introduced was, on the whole, on similar lines to industry although, curiously, official minimum wage rates did not apply. State Farm workers were paid both in money and in kind, but mostly in money. Wages were based on hourly time rates and piece rates based on the amount of work done in relation to an intricate 'categorised norm-bonus' wage system. Since private and collective farmers earned much less than industrial workers it would appear that, on the surface, State Farm workers, as state employees enjoyed a privileged position. This is true, but only in a limited financial sense. The average monthly pay of State Farm workers, in Forints in 1950, 1951, 1952 and 1953 was 402, 488, 617 and 714 respectively.⁽¹⁹⁾ Compared to industrial workers, their earnings, in corresponding years, was only 58.7, 66.6, 64.9 and 72.0 per cent respectively.⁽²⁰⁾ Since the incomes of collective farm members were lower still, this largely explains why more of the released agricultural population went to work in industry than either collective or State Farms. The piece rate wage system resulted in work of lower quality and disproportionate wage variation, due to differences, say, in soil conditions and in the 'help' forthcoming from the supervisor in evaluating performance. An evaluation based on yields would have been a considerably more realistic measure of performance and one which would have made the workers financially more interested. Official figures on total wages paid to State Farm workers were, often, misleading, i.e., based on highly paid categories and based on the

assumption that norms were fulfilled. In actual practice during 1950 and 1951, norms were set so high that few people could keep up with them for any length of time and many workers failed to reach a 100 per cent fulfilment of the norms. In such cases, workers who failed to fulfil the daily norms due to their own fault were paid wages at a percentage corresponding to the percentage of fulfilment. During 1952 and 1953 wage-norm adjustments had to be introduced and, in 1954, wages had to be raised significantly.⁽²¹⁾ Note should, however, be taken of the fact that, as in collectives, State Farm workers had the right to maintain their 'private household plot', and their food and lodgings cost them relatively little, thus, their real wages were, perhaps, not as far below those of industrial workers as indicated, but they were, nevertheless, significantly lower.

A further shortcoming of State Farms was the shortage of personnel qualified in agrarian matters. Political considerations played a greater role in the selection of managers than in industry. Agricultural specialists who had worked on large estates before, were as a rule not employed. Local party officials, on the whole, tended to discriminate against qualified persons, looked upon them with suspicion and very often treated them as enemies, failing to help them in solving their problems. They often allowed their smaller or bigger mistakes to accumulate and then threatened them with fines and prison. All initiative was thus stifled.⁽²²⁾ Agronomists, trained quickly on short courses by the regime, with inadequate knowledge, assumed many of the leading positions. Frequent complaints were made that the principle of 'one-man management' (egyszemélyi vezetés) failed to operate in the majority of State Farms because 'cadres' selected, mostly, from urban trained people to manage the farms knew little about agricultural production problems and financial management.⁽²³⁾ Here Rákosi invoked Stalin, claiming that what Stalin said in 1931 was valid for Hungary,

often they ask us, why do we not have one-man management. There is not and will not be until they assimilate the techniques, until there are enough managers who know the techniques, the economic and financial questions of the farm. Until then, we shall not have one-man management.⁽²⁴⁾

In many instances managers in fact left the direction of production to the Chief Agronomist. In many State Farms the management team contained only a single 'expert', the majority of the staff was merely familiar with simple administrative work. In an attempt to improve the situation the regime constantly stressed that the 'right' kind of people ought to be sent to the State Farms. But the 'right' people were scarce, and the situation became worse as the number and area of State Farms expanded, for even good communists were not above robbing the state and many were found to be incompetent that even when they were honest, their management cost the regime huge amounts of additional investment. The Ministry of Agriculture's concern with this state of affairs was reflected in the high turnover of leading positions. The dismissal and replacement of managers and specialists was frequent and systematic. There were State Farms where the manager was replaced five times during 1951 and the Chief Agronomist, together with other leaders, such as brigade leaders, four times.⁽²⁵⁾ All this, of course, was hardly conducive to improved management. Managers, and other leading personnel, found it difficult, under these circumstances, to run their farms efficiently, since they had barely enough time to familiarise themselves with the problems and requirements of their jobs. Also, obviously, where the manager was replaced frequently he could not be blamed, in practice, for the mistake of his predecessor, not to mention the difficulty of checking a manager's work, since by the time a 'team of inspectors' had arrived he would be far away in a different position.

While communist economic organisations are invariably handicapped by a paralyzing amount of 'red tape', the State Farms were probably more heavily

bureaucratized than any other sector in government administration. This was so because the entire State Farm structure rested on the foundation that what could not be obtained through initiative from below had to be made up through centralisation and minute control from above. Furthermore, while this phenomenon was common to all state-owned and directed enterprises, State Farms, like State Machine Tractor Stations (SMTS), were in a special category because of the distance that separated them from urban centres of party control. Unlike the SMTS, however, State Farms covered great areas of land; the average size of a State Farm in Hungary, by 1953, was about 4,000-4,500 cad. yokes⁽²⁶⁾, and they were meant to be independent and self-contained. State Farms had to engage in a greater variety of functions than were performed in any other rural sector. The SMTS attended, inter alia, to the mechanical side of collective production, while the collectives attended to the other aspects of land cultivation; the State Farms combined all these functions, and also had to pioneer new methods, better crops and improved livestock production. Because it was completely under state control, a State Farm operated according to instructions, regulations, decrees, orders, plans and many other types of paper directives. For each facet of State Farm activity there was a special series of such directives. The size of the administrative staff on State Farms, therefore, was invariably out of all proportion to the number of people who actually worked the land. And yet, though their offices were over-staffed, State Farms were unable to cope with the paper work, the multitude of directives, often contradictory, that descended upon them from high echelons, day after day. This can be illustrated by a fairly typical example: December 1951 the Chief Agronomist of a State Farm revealed that they had collected all the circulars and directives received from higher authorities for the year and they came to more than 6000, though many, he confessed, were lost during the year.⁽²⁷⁾ State Farms were almost literally swamped under stacks of papers, much of which

remained un-read, and the more the regime attempted to control the operation of State Farms, through more and more edicts and repeated organisations of their hierarchical structure, the more perplexed farm officials became in trying to determine what they were supposed to do.

An integral part of this bureaucracy was a complicated system of book-keeping. Everything received, spent, bought and produced, every hour of the work of every worker, had to be recorded in minute detail. If a worker was engaged in ploughing it had to be determined whether he had done shallow, deep or very deep ploughing, whether he fulfilled or over-fulfilled his quota and to what extent, and so forth. The amount and type of production, for each State Farm, was minutely planned, at least on paper, in higher level administrative offices. The highly developed centralisation, involving a great amount of detailed planning and bureaucracy, left little scope for individual initiative.

The basic source of State Farm planning and supervision was the 'Chief Department for State Farms' (Állami Gazdaságok Főigazgatósága), within the Ministry of Agriculture. From there, orders went to 19 'County Centres' (Megyei Központok), each with about 50-60 permanent staff, supervising, in highly centralistic manner, the individual State Farms.⁽²⁸⁾ This was the administrative set-up of State Farm management with, of course, the usual linkage to the State Planning Office and its apex in the cluttered files of urban Party organisations, until the end of 1951. By that year it became clear that the State Farms, under this arrangement, had failed to fulfil the tasks the regime had set for them, and their economic performance was extremely disappointing in view of the not inconsiderable funds that had been spent on them. Clearly, they had failed to become the expected 'exemplary model farms' to stimulate the mass movement of peasants into the collective.

It was the extremely unfavourable results achieved by State Farms in 1950 and 1951, generating widespread and sharp criticism, which brought things

to a head and paved the way to significant changes in the administrative structure and supervision of State Farms. Rákosi, at the Central Committee Plenum held on 30th November, 1951, revealed some of the grotesque inefficiencies and anomalies which had grown up over the past two years, and in discussing their poor performance, he stressed that the reasons for this were not to be sought, solely, in the 'objective, external factors' but were primarily a reflection of the poor leadership, administration and management exercised over the State Farms, by the Ministry of Agriculture and its Chief Department of State Farms.⁽²⁹⁾ The accusations against them were many and varied and the more important points could be summarised as follows:

- (i) Lack of proper planning and supervision; for 1951 were merely formal documents, 'on paper', collecting dust, amongst other documents in the desks of officials and often could not even be found at the end of the year, resulting in incompetent management and haphazard production; e.g., failure to have the sowing plan ready, not only by February, but even by April; bad work organisation, harvesting and collection of crops too late, with much crop loss.⁽³⁰⁾
- (ii) failure to provide assistance to State Farms in the provision of politically and technically well trained and educated 'new cadres'.
- (iii) failure to initiate appropriate measures against slack, and deteriorating, labour discipline.
- (iv) issuing muddled, often, contradictory, directives to State Farms concerning production tasks, creating great and unnecessary confusion among the leadership and workers alike.
- (v) in the sphere of personal matters, irresponsible and far too frequent removal and replacement of farm managers, and failure to keep proper records of unfilled posts both in State Farms and County Centres; failure to appoint 11 Directors out of the 19 County Centres.

While the main thrust of the accusations was directed against the agricultural administrative organs, especially the Ministry of Agriculture, the influence of

'objective factors' affecting performance, like the scattered nature of State Farm land, making unified management, administration and supervision difficult as well as the inefficiencies inherent in State Farms, were also acknowledged. The Minister of Agriculture who was castigated was the 'fellow-traveller' ex-Peasant Party leader, Ferenc Erdei.

Following the Plenum's resolution, a Council of Ministers Decree on 6th January 1952 announced a new administrative order, which was to last until 4th July 1953. To make top leadership more responsive to the needs of production units, the Ministry of Agriculture was stripped of its policy-making and executive functions over the State Farms. At the same time, a new ministry, with regional subsidiaries, called the 'Ministry of State Farms and Forests' (Allami Gazdaságok és Erdők Minisztériuma) was established, headed by András Hegedüs, to provide more direct, specialised administration and supervision over State Farms. Five new regional 'Directorates' (Igazgatóság) and 26 'Trusts' (Tröszt), replacing the 19 old 'County Centres', were established to help the new Ministry in its work. In return, the 'Directorates' were assisted by the Ministry's branch and functional Chief Departments and Departments. But it was the combined responsibility of the 'Directorates', together with the 'Trusts' directly to manage the affairs of all the State Farms located within their territory. The main task of the 'Directorates' was to break-down the yearly plan among the Trusts and to supervise their plan fulfilment and to ensure that the directives of the Ministry were executed. Each 'Directorate' was headed by a Director who, in addition to his own 'Directorate', had jurisdiction over and supervised the work of each Trust Director. The final stage of reorganisation was at the Farm level, where a more effective form of management and organisation was elaborated and put into practice.⁽³¹⁾ The reform was presented as a move towards decentralisation, a 'victory over bureaucracy' and the introduction of an administrative structure, within which the principle of 'one-man management'

(egyszemélyi vezetés) could be made more effective, since the different areas of responsibility of each director, chief department, department and trust could be easily defined and demarcated. The actual work on the field was patterned on the organisation of labour in collectives, with the main difference that each State Farm possessed all the machinery it needed to the brigades in State Farms were actually an integration of personnel and functions found separately in SMTS and Collectives.

On the whole, it was a fairly impressive reorganisation, affecting, to differing degrees, the entire state sector of agriculture. While it yielded some success, in specific areas, it apparently contributed very little in practice either to reduction in bureaucracy or the efficient running of State Farms. With regard to the bureaucracy, complaints continued to appear constantly in the press long after the reorganisation. Typical of such complaints, as late as 1954, was the exasperation evident in the remark that,

soon there will be more persons sitting in offices, than there are persons working in the fields.⁽³²⁾

With regard to the actual economic performance and efficiency of State Farms, a general measure is whether they could justify the high expectations placed on them by the regime, and to what extent did they become 'ideal, highly efficient mechanised large-scale farms, contributing significantly to the nation's food production'.

One way of evaluating the State Farms as production units is to adopt Stalin's approach and see the crux of the problem in the relative amounts of produce extracted by the state from the various agricultural sectors. Seen in that light the State Farms were, indeed, 'ideal' in that everything that they produced was automatically and by definition state property. Consequently, in terms of state deliveries, a State Farm was, once again, more valuable than a

collective, even if its production per cadastral yoke was little or no better and more costly. In 1953, of the total amount of farm produce procured by the state, 22 per cent of wheat, 19.7 per cent of rye, 61.1 per cent of pigs, 26.3 per cent of beef-cattle and 20.0 per cent of milk was delivered by State Farms.⁽³³⁾ Thus, although the State Farms held only 13.0 per cent of total arable land in the country, their contribution to the state was proportionately much higher. This high rate of deliveries was made possible, not only because everything a State Farm had produced belonged to the state, but also because the internal rate of consumption was comparatively low, among other reasons because the number of people employed is proportionately lower than in the other sectors. Even if collectives and individual farmers delivered all their surplus produce to the state, without making use of the free market, the proportion of their marketable production would still be lower than that of State Farms. Hence, the government derived an advantage from the State Farms as a supply basis for the growing non-agricultural population.

Although State Farms employed fewer people per unit of arable land they were not more efficient than either collectives or individual farms. They ranked highest with respect to deliveries, but not total production or productivity. It has frequently been acknowledged by the regime that in spite of the tremendous advantages given to State Farms, in terms of constantly improving quality of land, financial assistance, amount and type of machinery, fertilizers, even trained personnel, etc., the returns from them were meagre and their economic performance mediocre.

Looking first at the investment of the First Five-Year Plan, it is clear that State Farms received the lion's share: almost 43 per cent of total agricultural investment went to them, although they held just over 13 per cent of the total arable land. The allocation of actual state investment between the various sectors is shown in Table 9.4 on p.616:⁽³⁴⁾

Table 9.4: The Distribution of Agricultural Investment according to Sectors between 1950 and 1954

Year	State Farms		State Machine Tractor Stations		Forestry		other State organisations		Collective Farms		Total for agriculture		Gross investment for the economy	
	mill. of Forints	%	mill. of Forints	%	mill. of Forints	%	mill. of Forints	%	mill. of Forints	%	mill. of Forints	%	mill. of Forints	%
1950	374.0	39.4	280.0	39.4	114.0	12.0	115.3	12.1	67.2	7.1	950.5	9.8	9664.9	9.8
1951	656.0	47.4	270.0	19.5	193.0	13.9	74.6	5.4	192.0	13.8	1385.6	10.6	13126.5	10.6
1952	875.5	43.0	386.0	19.0	206.0	10.1	84.0	4.2	484.5	23.8	2036.0	12.8	15953.0	12.8
1953	997.9	45.0	351.0	15.8	216.0	9.8	295.1	13.3	360.5	16.1	2220.5	13.1	16848.2	13.1
1954	1045.9	39.1	552.2	20.7	313.4	11.8	459.0	17.2	299.5	11.2	2670.0	22.7	11770.7	22.7
1950-1954	3949.3	42.7	1839.2	19.8	1042.4	11.3	1028.0	11.1	1403.7	15.1	9262.6	13.7	67362.9	13.7

Note: percentage figures added; all figures exclude land values

Source: See n. 34, p. 649

The high cost of production of State Farms is also evident from an analysis of the proportion of machinery devoted to State Farms, in relation to the machinery made available to the rest of agriculture. The table below shows this approximate relationship, with the relevant statistical data for 1953⁽³⁵⁾, this will be examined in more detail in the section dealing with the SMTS and Mechanisation of Agriculture.

Number of tractors in State Farms	% of total arable land serviced by State Farm machinery	Number of tractors in in SMTS	% of arable land serviced by SMTS machinery		
			Coll.	Private	Total
4000	13.6	10,000	24.7 ^(a)	61.7	86.4

Note: (a) excluding private household plots

The figures show that the State Farm-Collective Farm relationship with respect to machinery, it taken on its own, slightly favours the collectives. But this would leave the private sector denuded of all machinery. Actually although SMTS were primarily designed to service collectives, they had to take care of, at least, some of the needs of private farmers, and also help State Farms whenever necessary. Looking at SMTS ploughing work, however, it can be seen that in fact, little was done to help the private farmers who worked over 60 per cent of land especially in 1952 while the proportion of work done for State Farms steadily increased.

In attempting to evaluate further the actual performance of the state sector, the contribution of various agricultural sectors to the total value of agricultural production can be used to give some indication. This is shown in Table 9.5 on p.618, for the year 1954, expressed in current prices:⁽³⁶⁾

Table 9.5: The contribution of various agricultural sectors to the total value of agricultural production in 1954

Category	State Farms		Collective Farms		Individual Farms		Total
	in mill. of Forints	% of total	in mill. of Forints	% of total	in mill. of Forints	% of total	
Crops(a)	2521.8	11.6	2010.8	9.3	17,202.2	79.1	21,734.8
Livestock	1875.8	11.7	832.3	5.2	13,224.5	83.0	15,932.6
Other	43.5	21.0	10.2	4.9	153.5	74.1	207.2
Total:	4441.1	11.7	2853.3	7.5	30,580.2	80.8	37,874.6

Note: (a) crops include horticulture, orchards and vineyards, but excluding forests to get a clearer view of arable farming

Source: see n. 36, p. 649

Related to the respective shares of total arable land area, the figures clearly show the superiority of individual farms, both in the category of crops (overall) and in livestock raising, over State Farms, in that the latter's percentage share of total production was lower than their percentage share of arable land. The performance of Collective Farms, to be sure, was even poorer.

Another way to look at the productivity of State Farms is to analyse the average yields of the major crops in the different agricultural sectors. This is given in Table 9.6 (see p.620) As can be seen, State Farms tended to do somewhat better in cereals, but this was more than outweighed by the superiority of individual farms in labour intensive cultivation. It should be recalled, however, that the individual farmers, as shown earlier, achieved these results under extremely adverse conditions. With regard to livestock output, the measure to be used is the 'productive increase' (hasznosult szaporulat) in livestock operations, per 100 head of livestock. The figures for the years between 1950 and 1954 are shown below.⁽³⁸⁾

	1950	1951	1952	1953	1954
the number of production increase per 100 cows					
State Farms	74	77	77	82	88
Coll. Farms	60	67	80	37	56
Ind. Farms	64	65	70	51	61
the number of production increase per 100 sows					
State Farms	629	469	707	792	860
Coll. Farms	630	432	474	266	625
Ind. Farms	605	560	692	498	787
the average annual milk yield/cow in litre					
State Farms	2254	2212	2500	2336	2744
Coll. Farms	2000	1563	1285	1178	1500
Ind. Farms	1424	1578	1544	1485	1630

Table 9.6:
The average yields of major crops according to social sector, between 1950 and 1954

Crop	1950			1951			1952			1953			1954			Average for 1950-1954 for all farms					
	yield quintal/cad. yoke									1953			1954								
	SF	CF	Ind.	All	SF	CF	Ind.	All	SF	CF	Ind.	All	SF	CF	Ind.		All				
Wheat	9.8	9.4	8.7	8.7	9.9	9.8	9.7	9.7	7.0	7.0	7.2	7.1	10.5	9.1	9.8	9.5	7.0	6.2	6.9	6.8	8.4
Rye	9.5	8.5	7.3	7.4	9.0	8.4	7.9	7.9	6.3	6.1	6.1	6.1	9.1	7.6	7.2	7.4	6.5	5.8	5.9	5.9	6.9
Barley	8.1	6.9	7.2	7.3	10.0	9.7	9.2	9.4	7.1	7.3	7.6	7.5	11.7	10.8	10.5	10.7	7.9	7.5	8.4	8.1	8.6
Maize	11.0	9.9	9.0	9.0	9.2	13.0	14.4	14.4	4.4	4.8	6.7	6.4	6.4	7.2	14.3	12.9	11.1	10.3	12.4	12.4	14.2
Potato	35.0	30.0	27.7	27.8	35.0	55.1	59.6	58.1	33.1	30.6	29.8	30.0	42.0	48.0	57.0	55.0	46.7	48.6	48.9	48.6	43.9
Lucerne	18.5	18.5	18.0	18.0	20.0	26.0	42.9	38.1	15.0	15.0	15.0	22.0	25.0	31.0	27.0	17.7	18.7	25.4	21.7	24.9	23.3

Source: see n. 38, p. 649

These figures show that State Farms produced the best results in the livestock sector; this was largely because they were able to purchase the best breeding stock and conditions for animal husbandry were better on State Farms than on either Collective or Individual Farms. Livestock production on Collective Farms was even less successful than crop production. It is interesting to look at the crop structure for State Farms; in 1952 it was as follows: grains 50 per cent; maize 8.6 per cent; potatoes, 2.5 per cent; industrial crops, 7.5 per cent; lucerne, 20 per cent; beet, 2.3 per cent; rice, 3.1 per cent and oats, 6 per cent of sown area.⁽³⁹⁾ State Farms were also concerned with the production of grain seed and cattle of superior quality for distribution to collectives and, to a smaller extent, to individual farms as well. This aspect of State farming was particularly stressed in Hungary, together with the task of growing industrial crops. Thus, having perhaps learned a lesson from the Soviet Union, the Hungarian regime, as a rule, did not attempt to make State Farms over-specialised.

In conclusion, as can readily be seen from the foregoing, State Farms in Hungary were far from being 'models' for the other agricultural sectors. In no production category was their share commensurate with the agricultural land they held and the special privileges and advantages they had received, even over the collectives, in the allocation of credit, which was automatic if and when required; fertilizer, of which they received 4-5 times more than the national average; and machinery and investment in buildings etc., with the help of heavy subsidies. Despite these advantages their economic performance was often lower or only slightly better than that of individual farms. At the same time, their production cost per unit of output was significantly higher, i.e., they produced too little and at a high cost. The superiority of large-scale production was not proven during the period. This was acknowledged in the first year of the 'new course' programme, by András Hegedüs, by then Minister of Agriculture, and once Minister of State Farms and Forests,

the majority of State Farms are not yet model large-scale farms: their production averages, particularly for cereal crops, are very low and animal yields are unsatisfactory ... The State Farms have been unable to use the help offered by the state to exploit the possibilities of large-scale farming.⁽⁴⁰⁾

Furthermore, even Rákosi had to admit that 'the majority of State Farms operated at a loss'.⁽⁴¹⁾ There are no figures at hand, for earlier years but their deficit in 1954, at 1900 million Forints, should give some indication of the rate of losses during earlier years. Their financial position in subsequent years deteriorated even further and their losses in 1955 and 1956, expressed at 1954 prices, amounted to 1300 and 2600 million Forints respectively.⁽⁴²⁾

9.2 Development and Role of State Machine Tractor Stations and Mechanisations in collectivisation

Despite their rather prosaic title, the State Machine Tractor Stations (SMTS), (Állami Gépállomások) played a major role in the collectivisation of Hungarian agriculture. The first few were set up towards the end of 1947, before mass collectivisation was announced, and they were subsequently expanded and consolidated from the late spring of 1949 onwards.⁽⁴³⁾ The nationwide network of SMTS, patterned on the Soviet model, perhaps more than any other institution embodied the combination of political and economic considerations. They were intended to enable the state to exercise political and administrative control and supervision over the collectives and their management, to ensure compliance with party directives and adherence to state plans. The first clear statement of this conception of centralised agricultural mechanisation in Hungary emerged from high party circles in the spring of 1949. In a lecture delivered on 10th March, 1949 to students of the Party Academy, András Hegedüs, reflecting no doubt a consensus view reached among the leadership, came out in favour of the principle of state monopoly of the main machinery resources in the collectivised sector. He stated that,

the concept of the SMTS system originated from Stalin. And the essence of this concept was that the state should not 'throw-in' the machinery either into individual farms or even into the vacillating, shaky, collective farms, but was to establish a large-scale socialist enterprise in the village.⁽⁴⁴⁾

Thus, unlike State Farms, not only would Farmers' Cooperatives and, of course, individual private farmers not be allowed to purchase or own large agricultural machinery such as tractors, combine-harvesters, threshers, but neither would collectives.⁽⁴⁵⁾ Except for a small and declining number of generally obsolete pre-war agricultural machines and transport facilities, e.g., lorries, the state

assumed a complete monopoly over the ownership and operation of agricultural machinery, which was concentrated largely in the SMTS. In addition to the 37,700 two-team horse-carriages they possessed in 1953 the changes in the stock of main agricultural machines within the collectives is shown in the table below:⁽⁴⁶⁾

Year (Dec.31)	Tractors	Threshers	Lorries
1950	120	90	-
1951	200	92	190
1952	100	80	305
1953	48	68	323

Needless to say, this declining machine stock, even if two-team horse-carriages are included was far from sufficient for the work to be done.

In playing a prominent role in the 'socialist transformation' of agriculture, the SMTS were assigned important tasks in the 'political strengthening' of the collectives. The political tasks entrusted to them were discharged by the 'political deputy' (politikai helyettes), a functionary who was established in all MTS and who often fulfilled the role of Party Secretary also.⁽⁴⁷⁾ While theoretically the political deputy was the deputy to the Director of the SMTS, because he received orders from higher party authorities, usually the District or County Party Committees, and exercised great influence within the rural party structure as well as often having links with the Secret Police (ÁVO), he usually wielded greater power than the Director himself. The political departments of the SMTS and the political deputies came under the supervision of the political departments established at the District (Járási), County (Megye)

and National, i.e., Ministry (Minisztérium) levels.⁽⁴⁸⁾ The system of political departments, staffed by party officials, was designed to secure party control at all levels and to be the party's 'eyes and ears' in all spheres of life and work not only within the SMTS but also, and possibly even more, within the collective served by the SMTS as well as the State Farms themselves. In addition to supplying 'reports' on actual or alleged 'subversive' and 'fraudulent' activities at the various levels, which often serve as the basis for imprisonment of peasants, the political departments were called upon to conduct political propaganda and agitation, both among collective farm members and individual farmers, to 'visit' and 'persuade' them to join the collective. Because of their harsh and coercive methods of political agitation and their close involvement in the process of collectivisation the peasants hated the SMTS.

From the outset, it was assumed that the SMTS would play an important role in the process of collectivisation. A Government Decree⁽⁴⁹⁾ had specified that with their machinery and specialists they would:

- (i) assist, organise and develop collectives, by providing technical guidance and control of production and management
- (ii) be instrumental in the transformation of agriculture from primitive small-scale private farming into large-scale socialist farming
- (iii) participate in the preparation and execution of local production plans, in close cooperation with the collectives
- (iv) perform artificial-fertilisation and soil amelioration on collective arable land, transport produce and fertiliser and act as repair stations for the collective's machinery
- (v) become the cultural centre of the village and assist in the cultural, political and technical education of the working peasants

The principle economic role assigned to the SMTS, as 'vanguards of socialist industry in the countryside', was to provide the 'technical base' for the new collectives, to assist them to increase their output and reduce their costs. Their main task was to perform agricultural machinery work for the collectives within their localities. In return for their mechanical services and agro-technical guidance the collectives were obliged to pay the SMTS 'in kind' at rates fixed by the state as the first charge after compulsory deliveries to the state, thereby the state secure access to a significant volume of badly needed food supplies. The relations between the SMTS and Collective Farm were regulated by annual plans and contracts (szerződés) signed by the SMTS with each of its collectives.⁽⁵⁰⁾, which set out the production targets and the duties of both the SMTS and the collective. The national plans were drawn up in terms of total acreage for all collectives and for SMTS. In the process of planning this was disaggregated, at the various levels, and the individual SMTS and Collective Farms ultimately were given their own production plans. Needless to say, problems often arose over the coordination of the SMTS plan with those of the collective, because although both plans were derived from the same national plan the results in terms of acreage were usually different. The various agricultural organs, i.e., Agricultural Departments of the Ministry, County, District and Village, worked out the plans for each individual SMTS, prescribing in detail all the main agricultural tasks, e.g., total acreage of soft, medium-hard, hard, shallow and deep ploughing with subtotals for each type of tractor operation to be performed. The SMTS was then supposed to reconcile and coordinate its own tractor work plans with the production plans of the collective, using the contract to define in detail the amount, the sequence and completion date of the work for each collective farm within its locality. Under the contract it was the duty of the SMTS to assist the collective in the formulation of its production plan. In reality, the contract empowered the SMTS to intervene in all spheres of the

collective's operation to impose cultivation and production plans which, on the whole, tended to favour the SMTS even to the detriment of the collective which it was supposed to serve. This naturally created a major source of friction not only vis-à-vis the collective, but also with the District Agricultural Department (Járási Mezőgazdasági Osztály). But, because the SMTS operation was evaluated according to the fulfilment of its operational and financial plans, as much as on the volume of payments 'in kind' delivered to the State, the Director of the SMTS was under great pressure to give the collectives plans which made his station emerge in the best possible light. In practice, therefore the collectives had very little real control, either over the quality, quantity or timing, of the service provided by the SMTS, since these were fixed in the annual production plan and contract on which the SMTS had an overwhelming influence. It is important, however, to point out that in these manipulations the SMTS were not free to reduce state targets for compulsory deliveries and total procurements. In their conflicts with the District Agricultural Department the SMTS enjoyed an obvious advantage because of their direct involvement in the collectives' production processes. The SMTS were in a strong position to impose real sanctions on collective farm chairmen who 'refused to cooperate'. In addition to the overwhelming influence of the SMTS, many other agencies, such as the State Bank - which distributed capital and credit facilities - the State Procurement Agencies - which stipulated what produce they would accept - also intervened in the operation of collectives.

Although created primarily to service the collective network the SMTS, in principle, were allowed to provide services to individual, private, farms, provided their owners signed a contract with them and agreed to the prices fixed for the service by the government. In addition, if and when they could afford the time the SMTS were required to 'lend a helping hand' to the network of State Farms in their locality, if their services were needed.

The evolution of the SMTS network from its early beginnings into a central institutional bulwark of the collective farm system took place speedily, in a single phase, during with the early expansion of Collective and State Farms, and was basically completed by the end of 1950. This expansion, however, was not distributed uniformly throughout the country. Greater urgency was given, at the outset, to establishing SMTS sites in the four priority towns, i.e., Túrkeve, Karcag, Kisújszállás and Mezőtúr, selected to become the first 'Cooperative Towns'. Indeed, three fo the first 13 SMTS sites were located on the Great Plain, Trans-Tisza region of County Szolnok, in which these towns were located: an SMTS site was established in Kisújszállás in early May 1948, a month later in Mezőtúr and in Túrkeve and Karcag in January and March 1949 respectively.⁽⁵¹⁾ The SMTS located in these four towns enjoyed similar high priorities with regard to the supply of machinery. The tractor stock of Túrkeve and Karcag increased from 22 to 62 between January 1950 and 1951. In the summer-autumn of 1951 the tractor stock of Kisújszállás and Mezőtúr SMTS reported to have been 64 and 53 respectively. The average tractor stock of the SMTS in these four settlements was 53 compared to the national average of 29.⁽⁵²⁾ The same SMTS had enjoyed similar pririties with regard to the allocation of other agricultural machinery. Because of the advantageous position enjoyed by these SMTS in the supply of machinery, the mechanisation of field (tilling) work in the collectives served by these SMTS was further advanced than in other regions. As a consequence of 'high priorities' in was expected that the collectives located in these areas would be in the forefront of production campaigns and set an example to others. The criteria for selection of SMTS sites varied. Generally, if and when a town achieved the status of 'Cooperative Town' the SMTS in its region was developed quickly and its machinery stock grew correspondingly fast. Other criteria for selection of SMTS sites in a certain locality included the presence of grain, maize and cotton growing areas particularly suitable for

mechanical cultivation; rural population centres where the economic and political preparation for collectivisation by local authorities had been most thorough; the existence and expansion of collective farms in the area, enabling the SMTS to play a role in the further development of the collectivisation process itself and the availability of sufficient numbers of party and local government officials to apply pressure for collectivisation and against withdrawal.

The overall development of the SMTS network and the growth in the number of main types of agricultural machinery owned by the SMTS during the period between 1949 and 1953 is shown in Table 9.7 (see p.630). The data refer to the end of the year.⁽⁵³⁾ Although the network of SMTS had almost fully developed by the end of 1950 the level of agricultural mechanisation remained low and a significant proportion of the machine stock was made up of technically obsolete and often worn-out models.⁽⁵⁴⁾ The growth in machine stock failed to keep pace with the rapid growth in the number and area of Collective Farms and the rapid decline in the agricultural labour force. The total number of tractors was already just over 14,000 in 1948. During the next 4-5 years it failed to increase, and if anything declined slightly. While the land area of collectives increased from 316,700 cad. yokes in 1949 to 2,817,400 cad. yokes in 1953, an increase of 790 per cent, the increase in the number of tractors in the stations and their tractive power capacity measured in horse-power (HP) at the draw-bar, were 136 and 156 per cent respectively. The corresponding figures for 1951 and 1953, the time when the collectivisation process was stepped-up considerably, are even more revealing: while the land area of collectives more than doubled, the number of tractors and their tractive-power capacity increased by only 37 and 3.3 per cent respectively. Thus, the rapid collectivisation drive after 1951 resulted in a sharp, and continued, increase in the ratio of acreage cultivated per tractor. Hence the relative level of mechanisation in 1953 was considerably lower than in 1951.⁽⁵⁵⁾ Due to the decline and stagnation in the investment funds devoted to agricultural mechanisation (from 411 million Forints in 1950 to

Table 9.7: The change in the main agricultural machinery of SMTS between 1949 and 1953

Item	1949	1950	1951	1952	1953
1. Number of Tractor Stations	221	361	368	364	364
2. Total number of Tractors of which in SMTS	13,021 3,897	13,377 6,730	13,642 8,611	13,357 9,342	14,149 9,215
3. Total in tractor units its percentage distribution according to social sector ^(a)	12,341	12,708	12,982	13,428	14,308
State Farms	5.5	16.5	19.5	28.7	33.0
SMTS	31.0	51.9	66.5	69.3	63.1
Collective	0.7	0.9	1.5	0.7	0.3
4. Total tractive power in HP, measured at the draw-bar	50,668	97,978	125,853	128,371	129,996
5. Total number of Combine- Harvester of which in SMTS	7 -	25 3	160 51	764 180	1657 785
6. Reaper-binder in SMTS	-	38	929	1,547	1,968
7. Threshing-Machine in SMTS	1303	3175	6315	10,353	10,615

Note: (a) the percentage of the three sectors do not add up to 100 because part of the tractors, up to September 1951, were located in the Farmer's Cooperatives and later it went to Forestry and into the ownership of other enterprises.

Source: see n. 53, p. 650

310 million Forints in 1951) agriculture failed to receive even half of the planned new tractors targeted by the Five Year Plan. More than a quarter of the tractor stock had been manufactured during the pre-war or pre-plan periods, a high proportion being obsolete and/or unsuitable models.⁽⁵⁶⁾ The average age of tractors in 1950 was $6\frac{1}{2}$ years.⁽⁵⁷⁾ To sum up the typical level of mechanisation it is perhaps sufficient to mention that the total numbers of such indispensable machines as potato-planters and potato and beetroot harvesters owned by the SMTS were 43 and 32 respectively.⁽⁵⁸⁾ As can be seen from the table, the first combine-harvesters appeared in the country in 1949 and in the SMTS in 1950. Their numbers had grown from a total of 7 in 1949 to 1657 by 1953, but more than half of these scarce machines belonged to State Farms. Despite the fact that by 1953 the SMTS had reduced their mechanical services to individual farmers to a minimum (1.3 per cent) they were still only able to perform 75 per cent of the vitally needed tilling work for the collectives.⁽⁵⁹⁾ Thus, while the machine stock at the disposal of the SMTS enabled them to provide some assistance to collectives in their early formative years, by 1952 they could not alleviate the persistent scarcity of labour available for production in relation to acreage under the collectives. The capacity of accessory machinery was not adjusted to that of the tractors, further preventing the efficient utilisation of tractive power. The proportion of mechanical harvesting, hoeing and potato gathering, for example, in the collectives was 27.7 and 7.7 and 2.0 per cent respectively.⁽⁶⁰⁾ Mechanical grain harvesting, even on Collective Farms, remained fairly uncommon; much of the crop was harvested by scythe. Both individual and collective farm peasants worked with primitive tools and simple machines. The hoe and scythe were still indispensable tools of production.

Nevertheless, as the machinery stock of SMTS had grown, the total amount of work and, particularly, the share of tilling work within it, performed by the stations did increase continuously during the period, as the data in Table 9.9 indicate (see p.634).⁽⁶¹⁾

Compared with 1950, the amount of total machine work performed by the SMTS network had more than doubled by 1953. Their percentage share of tilling work, however, shows a relative decline because the stations' machine work was increasingly devoted to threshing and gathering in the harvest. The rapid expansion of the collectivised land area, especially during 1952 and the first-half of 1953, created increasing pressure, however, and the SMTS were unable to cope with the increased work load presented by the collectives, in addition to the growing demands of State Farms. Their work for individual farmers consequently declined rapidly. In 1952 the stations provided hardly any assistance in tilling-works or individual farmers. It was indeed not until the 'New Course' programme was announced, in June 1953 that the help for individual farmers was stressed. But even then, the tilling-work performed for individual farmers, just below 350,000 normal yokes (see note to table below), was half of the work done for them in 1951. In subsequent years their share increased again but it never reached its previous level. The distribution of SMTS machine tilling-work according to social sector is shown in Table 9.8 (see p.633)⁽⁶²⁾ Thus, in the year before the new government programme, the SMTS hardly provided any assistance to individual farmers, apart from threshing. In addition to the overload on SMTS the very steep ploughing fees, which had to be paid 'in kind' and 'in advance', made it almost impossible for many individual farmers to use their services.⁽⁶³⁾ The concentration of machines in SMTS and of machine-work on collectives left the individual farmers in a very difficult position. Because of the lack of consideration of the SMTS for the needs of the individual farmers, numerous complaints were levelled against them, further reducing their rapidly declining popularity among the peasants. Individual farmers were, on the whole, left to their own ingenuity. They continued to work under the most difficult circumstances and many, because of their uncertain future, had very little desire to invest and modernise. A special problem facing them was that after 1949

Table 9.8: The distribution of MTSs machine-tilling work according to social sector between 1950 and 1955

	1950	1951	1952	1953	1954	1955						
amount of tilling-works in												
	1000s normal yokes	% normal yokes	1000s normal yokes	% normal yokes	1000s normal yokes	% normal yokes						
Collective Farms	1128	42.4	2135	62.9	2758	77.7	4028	76.3	3191	67.0	3633	72.9
Individual Farms	1355	51.0	702	20.7	47	1.3	344	6.5	865	18.2	911	18.3
Others	176	6.6	588	16.4	743	21.0	910	17.2	703	14.8	422	8.8
Total	2659	100	3395	100	3548	100	5282	100	4759	100	4986	100

Source: see n. 62, p. 650

Table 9.9: The distribution of total work by SMTS between 1950 and 1955

Year	Total Work (tractor & motor work)		Total tractor work		Amount of tilling work in total tractor work		Share of tilling work, as % of total work
	in 1000s of yoke (a)	% increase	in 1000s of yoke(a)	% increase	in 1000s of yoke(a)	% increase	
1950	3846	100.0	3614	100.0	2659	100.0	69.1
1951	5474	142.3	5121	141.7	3395	127.7	62.0
1952	5992	155.7	5482	151.7	3548	133.4	59.2
1953	8704	226.3	8104	224.2	5282	198.6	60.7
1954	7829	203.6	7208	199.5	4759	179.0	60.8
1955	9546	248.2	8631	238.8	4986	187.5	52.8

Note: Normal Yoke (normal hold) is the common measuring unit for SMTS machine work. One normal yoke machine work is equivalent to the medium-depth ploughing of one cadastral yoke (0.5754 hectare) medium-hard soil

Source: See n. 61, p. 650

industry drastically reduced its production of small agricultural implements, e.g., ploughs, harrows and horse-drawn sowing machines. In 1951, for example, while the annual demand for ploughs by the private sector was approximately 30,000, only 3,500 were produced.⁽⁶⁴⁾ If and when old equipment became worn out and beyond repair, replacement was impossible. An indication of just how poorly individual farms were equipped, even with the most basic means of production, can be obtained from the following data: the equipment at the disposal of an average individual farmer amounted to no more than a horse-plough, a harrow and a roller. Larger, more sophisticated machinery, a horse-drawn threshing machine, a mower and a horse-drawn rake, for example, could only be found on one farm in every 1000, 300 and 200 respectively. The basic and universally used chaff-cutter and root-chopper was only to be found even where cattle and/or horses were kept, on every second farm.⁽⁶⁵⁾

Thus, because of the lack of the simplest tools and equipment, in addition to the general absence of adequate incentives for effort, the intensity of cultivation in the still predominant private sector of agriculture was considerably reduced. It should however, be pointed out that because of unrecorded, 'moon-lighting', work carried out by SMT tractor-drivers, the total amount of machine work done for individual farmers was slightly more than indicated in the above table (see p.633). Against the background described, it was not surprising that bribes of money, 5 litres of brandy and/or free drinks and meals were offered by individual farmers to tractor-drivers to obtain their services. Money payments went directly into the pockets of tractor-drivers who falsified their records, claiming that they had worked for collectives, which then had to pay for these services they had not received.⁽⁶⁶⁾ Furthermore, the above table, classifying the amount of tilling-work according to social sector, brings out very clearly the rapidly growing amount of work for 'others' - this can be identified as work performed predominantly for State Farms by SMTs.⁽⁶⁷⁾ A

trend developed whereby a growing number of SMTS fulfilled a significant part of their plan in State Farms.

In addition to mechanical field services the SMTS were also called upon to provide agricultural specialists and agro-technical guidance to the Collective Farms of the district they served. The relatively small number of specialists available were concentrated in the SMTS (and State Farms) and the agro-technical guidance was provided by a network of agronomists and brigade-leaders, headed, respectively, by the Chief Agronomist and Chief Engineer. The SMTS management divided the area of their district into smaller units, 'brigade-areas', which were headed by the brigade leader and his assistants, each of whom had several tractors and drivers in their team. Each tractor was served by four persons, generally two more experienced men and two 18-20 year old girls as assistant drivers.⁽⁶⁸⁾ The leading managerial personnel, the Director, the Chief Agronomists, the Chief Engineers and the Chief Accountants, were appointed and dismissed, in close consultation with party authorities by the Minister of Agriculture while the Deputy Director for the political section was appointed by central party authorities. The middle management, specialised and sector agronomists, repair-shop manager, sector mechanics and brigade-leaders and tractor-drivers were appointed, again in many instances with close party consultations, by the Director and/or the Chief Engineer and, as members of the SMTS, independent of the collective, together with other machine operators, were under the direction of the SMTS and were, until the end of 1951, paid by the SMTS - the drivers having enjoyed a special incentive scheme.⁽⁶⁹⁾

The rapid growth in the number of SMTS was accompanied by several negative features. In addition to the extreme scarcity of tractors and other machinery because of chronic under-investment in productive capacity, inexperience, shortage of competent directors, agronomists and skilled specialised production workers, and failures of the system of organisation and

administration all caused great difficulties for the SMTS. The result was continued conflict of interest between the Collective Farms and the SMTS in the utilisation of machinery, the quantity and quality of their service, as well as the agro-technical guidance provided by SMTS specialists. These were often a cause of chaos rather than order, a hindrance rather than a help. The political functions thrust upon the SMTS and the continued interference of party and higher administrative organs aggravated the situation further, because the SMTS were expected to interfere in the collective farm's affairs in situations when they were, more often than not, incapable of being useful. On the whole, the SMTS probably represented the weakest link in the triad of State Farms, Collective Farms and SMTS.

One of the most common reasons for the clash of interest between the collective and the SMTS was violation of contracts (szerződés). Despite much party and governmental pressure, there were complaints for years that the SMTS treated the collective as if they had done a favour for them with their work, or as if they were individual farmers. The SMTS were accused of violating and dishonouring contractual obligations, in terms of either the quantity or the quality of their work. Complaints of poor quality work, such as uneven or shallow ploughing, and failure to pay attention to the importance of specific operations, never really ceased during the entire period. Another complaint was that they failed to perform the various operations at the appropriate times, specified by the decree of the Council of Ministers.⁽⁷⁰⁾ Delayed work was most harmful to production. The SMTS often decided arbitrarily, which collective in its region was to be provided with machinery and which was not, very often it provided the machines too late, so a large acreage of crop was lost because it remained in the fields or because, for lack of transport, it was left rotting. Much of this was also due to shortage of machinery, but much, too, was because lack of proper maintenance, misuse or lack of spares rendered the machines unusable

when most needed. Moreover, as in the case of industrial enterprises, the SMTS were materially interested in the fullest utilisation of their machines and in fulfilment of their plan - expressed in tractor work units, i.e., the number of normal yokes of ploughing performed per tractor, which was by far the most important indicator, followed by fuel consumption - even at the expense of the quality of their work, e.g., by minimizing the amount of work by shallow instead of deep ploughing specified.⁽⁷¹⁾ Poor quality of work often led them into conflict with the collective, with each side accusing the other of bad faith and dishonesty. In practice, the tractor drivers could do whatever they wanted; they felt themselves above the law and society. Their principle concern was to over-fulfil their plan in quantitative terms, and frequent complaints were heard against them because they often recorded the whole parcel as ploughing work, e.g., even if, say, two-thirds of it was sown with maize.⁽⁷²⁾ Complaints about under-utilisation of equipment and lack of coordination between SMTS and collectives were ceaseless, indicating a low degree of efficiency. In 1951, for example, with a planned target of 991 normal yokes per tractor, actual fulfilment was only 754 normal yokes.⁽⁷³⁾

Combined with the low level of mechanisation, the low quality of SMTS service - due, largely, to their system of incentives and their monopoly of tractive power - and their high fees placed serious burdens on the collectives. The 912.5 million Forints of fees, in addition to the 100,000 tons of grain paid 'in kind', received by the SMTS, during the period 1950-1953, i.e., more than 1000 million Forints all together, was a heavy burden for the collectives. It was more than the total amount of investment credit allocated to them.⁽⁷⁴⁾ In fact, one of the major problems of SMTS administration was the very high cost of their operations. The main reason for this was their low productivity, waste of material and human resources and lack of proper maintenance of the machinery.⁽⁷⁵⁾ Another reason was disorganisation: work schedules of drivers

and tractors were irrationally compiled; both were sent to and from places in a disorganised manner. Often, even the Director of an SMTS had no knowledge where his drivers and tractor-brigades were working. ⁽⁷⁶⁾ With their slipshod, incompetent and unpunctual work the tractor-drivers turned the entire village population, especially the individual peasants, who disliked them anyway, against the SMTS. ⁽⁷⁷⁾ Owing to these deficiencies, it was not surprising that the more the collective system developed the greater were the losses, both financial and in terms of agricultural production.

One of the main problems in improving the performance of the SMTS, and the new collectivised sector of agriculture, was the recruitment of sufficient numbers of competent managerial and technical personnel. There was continual criticism of the quality of management and of the agro-technical guidance and assistance provided by the SMTS for collectives. It was fairly common, for example, that the Director or Chief Agronomist of the SMTS had been a cobbler or other similar artisan a year before and had no more than 4 years elementary school education. He obtained all his agricultural knowledge from a six-weeks training course, which hardly made him an expert on the organisation of large-scale production and management. But if he was able 'to use his tongue well' he was appointed, say, Chief Agronomist. ⁽⁷⁸⁾ Then, to avoid trouble, because of lack of expertise, such people tended to assume a passive attitude. Their maxim was to 'be careful and avoid being accused of any damage', 'with a passive approach you cannot be accused of harm, because whatever you do not do you cannot be accused of, they can not use it against you and it cannot be proved'. ⁽⁷⁹⁾ The Chief Agronomist, together with the network of agronomists, were primarily preoccupied with the collection and supply of statistical information to higher authorities and administrative organs, rather than the organisation of production. ⁽⁸⁰⁾

It was the brigade-leader, moving about usually on a bicycle, who maintained contact between the SMTS and tractor-drivers. The lazy brigade-leader could lead a fairly comfortable life since once in every 10 days he recorded the amount of work done by each tractor and, after obtaining a signature and stamp from the collective's office, he handed in the accumulated papers to the SMTS.⁽⁸¹⁾ The conscientious brigade-leader had to move fast from place to place, within his area but despite this was blamed for everything that went wrong. The reports presented at the SMTS conference were inaccurate and falsified. It was more important for the management to submit 'glowing reports' to higher administrative organs than to see that the actual work was done properly.⁽⁸²⁾

Thus the network of SMTS presented similar problems for the regime as the State Farms. Several efforts were made, throughout the period, to improve the operation and image of SMTS but with little success. In his report to the Second Congress of the Party, on 25th February, 1951, Mátyás Rákosi, summarising the future tasks of the SMTS, concluded by saying that,

The development of agricultural machine tractor stations has, up to now, only partially fulfilled the hopes attached to them. There are still a tremendous number of things to be done in raising the political level, work discipline, organisation, economy of materials and responsible individual leadership etc. We must solve these questions rapidly so that the state agricultural machine tractor stations can be suitable levers in the socialist construction of villages, especially, in the years of transition.⁽⁸³⁾

This appeal, which apparently made little impression on SMTS operations and efficiency, was followed by a meeting of the 'National Conference of Vanguard Workers of Collectives and Machine Tractor Stations' (Termelőszövetkezetek és Gépállomások Élénjáró dolgozóinak Országos Tanácskozása) held on December 27th-28th, 1951, at which the respective delegates strongly criticised each other

for the deplorable situation and poor relations between the collectives and SMTS.⁽⁸⁴⁾ In response to a Council of Ministers Decree, passed a few days earlier, on 24th December 1951, the Conference confirmed that one of the major shortcomings of SMTS operations was the loose, unsatisfactory relationship that had developed between SMTS and the collectives and discussed ways of improving these relations. Accordingly, the delegates demanded the restoration, in full, of the 'validity of contracts' between SMTS and the collectives they served, which, they declared, tended to become merely 'pieces of paper' because many of their points were completely ignored and the partners more often than not turned a blind eye to each other's mistakes, incompetence and negligence: it was admitted that, on the one hand, the SMTS overlooked the collectives' widespread failure to collect the crop from the field before ploughing had begun while, on the other hand, the collective accepted the incompetent, poor quality work carried out by the SMTS tractor-drivers.⁽⁸⁵⁾ It was far too troublesome and risky, because of retaliation, to go to court or to 'quarrell' with their SMTS.

In order to reverse these trends and to strengthen and improve the quality of relations, various measures were introduced by the Government. First, to make tractor-drivers more interested in the harvest results of the collective, in accordance with Soviet practice, a resolution was passed which made the tractor-drivers and mechanics, while still under the direction of the SMTS, members of the collectives and paid a share of the collective's income, in work-day units (munkaegység), in accordance with the quantity and quality of the work performed, but at a higher rate than ordinary members.⁽⁸⁶⁾ The regime hoped that this would make tractor-drivers more interested in increasing production by improving the quality of their work, because their income would depend on it. Second, as part of the strengthening of relations between the SMTS and the collectives, the Government decreed a full reinstatement of contractual procedures, placed greater emphasis on quality control, and introduced higher

penalties for shoddy or incomplete work by the SMTS.⁽⁸⁷⁾ Third, a resolution was passed which called for an improvement in the political work of rural party organisations. At the Conference, Rákosi had stressed that success in establishing healthy relations between the SMTS and collectives on the new basis depended greatly on the quality of political work by the respective participants. Thus,

one can state categorically, even without investigation, that SMTS and collectives are strong in places where the political work of the party organisations is good and, conversely they are weak and troubled with problems of discipline, where their work is faulty.⁽⁸⁸⁾

None of these attempts to improve the performance of the SMTS was successful. Throughout the period under consideration the exploitative image of the SMTS their poor performance and the mere 'formality' of the contracts remained a permanent feature. The regime was not prepared to sanction the radical changes that were necessary to give real meaning to the contract, to turn it into an effective guide to local practice and to make the SMTS and the collectives genuinely interested in fulfilling their contractual obligations and improving the quality of their work and their relationship. This is demonstrated by the fact that just over a year later because of the continued problems afflicting the relationship between SMTS and collectives, another Council of Ministers Decree had to be passed, in February 1953, which, like its predecessor, again called for improvement in the quality of work by SMTS and stressed that the contract signed by the SMTS and the collective it served must be observed.⁽⁸⁹⁾

While, strictly speaking, they do not come under the heading of mechanisation, a few words are necessary about the role of techniques other than mechanisation in the transformation from small to large-scale socialist farming and in increasing production. The situation regarding the modernisation

of animal breeding and husbandry was even less favourable than in the case of plant cultivation. The main problem faced by regime here was not only to replace the small-scale individual methods by more modern large-scale methods - for which the construction of modern buildings for animals was a pre-requisite - but there was also the immediate and desperate need to provide housing for the livestock brought into the collectives by the peasants.⁽⁹⁰⁾ Lack of building materials greatly hindered the construction of new, large-scale housing, and not much was built. In many villages the animals belonging to the collectives were housed, often for long periods, in the larger sheds of individual peasant farms. The peasant families forced to join the collective, brought land, implements, livestock and, of course, their labour with them into the collective, but not buildings etc. The growth of housing capacity failed to keep up with the pace of collectivisation, as in the case of general mechanisation. This was largely the reason why most collectives, during the period, concentrated on crop cultivation. While much new construction capacity was allocated to State Farm, even for them it was grossly inadequate and need far outstripped supply. Because the investment policy pursued by the regime favoured projects providing 'quick returns' much of the new construction was of cheap and inferior quality which did not last and the billions of Forints spent on new construction between 1949 and 1956 failed to result in the increased production that was hoped for by the regime.⁽⁹¹⁾

A similar situation prevailed in the important areas of soil amelioration, irrigation and the application of fertilisers. Although the last comes under current expenditure, rather than investment, its long-term effect on the productive power of the soil is, nevertheless, important. The regime's investment policy, favouring one-sided mechanisation in agriculture - although the actual targets were not achieved - discriminated against costly investment projects in the collective sector with the long amortisation period characteristic

of both soil amelioration and irrigation. Hence the neglect in the extension of irrigated and ameliorated areas by the regime, which is clearly shown by the figures in Table 9.10:⁽⁹²⁾

Table 9.10: Development in Irrigated and Ameliorated Land Areas between 1950 and 1953

Year	Irrigated area in 1000s cad.yokes		Ameliorated area in 1000s cad. yokes		% share of State & Collective Farms
	Collective	Total	Collective	Total	
1950	9.1	56.7	0.6	7.0	100
1951	14.0	74.7	2.9	16.8	100
1952	19.6	98.2	3.4	20.2	99
1953	40.7	150.3	3.7	26.0	100

Source: See, n. 92, p. 652

Since the total irrigated area represented less than 2 per cent and the total soil amelioration could only be expressed in thousandths of the total agricultural land, in the country, their insignificance, in absolute terms, is clear. Their relative insignificance becomes even greater if it is considered that during the same period the total agricultural area under the cultivation of the collectives had increased by more than five-fold.⁽⁹³⁾

Looking at the annual application of artificial fertilisers, both overall and by the collective sector especially, the picture is even more discouraging, as is shown in Table 9.11:⁽⁹⁴⁾

**Table 9.11: Annual Consumption of Artificial Fertiliser
between 1949 and 1953**

Year	consumption in 1000s tons			consumption in kg/cad. yoke		
	State Farm	Coll. Farm	National	State Farm	Coll. Farm	National
1949	-	-	119.0	-	-	12.4
1950	74.3	47.1	185.1	168.6	120.8	19.3
1951	105.1	72.7	247.3	175.2	89.2	25.8
1952	105.0	51.6	226.5	114.9	39.7	23.6
1953	123.9	55.9	231.4	104.1	28.9	24.2

Source: see n. 94, p. 452

The above figures clearly show that not only in relation to neighbouring countries - where the comparative total fertilizer utilisation in kg./hectare, taking the 1952/1953 average, was 45.2 in Austria, 34.2 in Czechoslovakia, while in Hungary it was 5.7⁽⁹⁵⁾ or in comparison with planned targets, but also in respect of absolute quantities, the rate of application in kg/cad. yoke began to decline significantly in the collectivised sector after 1951. By 1953 artificial fertiliser consumption per cad. yoke in the 'favoured' collectivised sector had decreased to almost the same level as the national average, which almost doubled during the same period. Its effect in the collectivised sector was negligible. In fact, the national average rate of artificial fertiliser utilisation per cad. yoke in Hungary had been 20.3kg in 1928.⁽⁹⁶⁾ This decline was only nominally compensated by the utilisation of natural fertiliser, which remained the most important form of fertiliser utilisation in the private sector, because of the considerably lower level of livestock in the collectivised sector. The share of artificial fertiliser utilisation in the predominantly private sector of agriculture declined from 50 per cent in 1949 to 19.7 per cent in 1952, which,

again, was the result of the Government's discriminatory measures against the individual peasant farmer.⁽⁹⁷⁾ In fact, apart from the nominal amount of artificial fertiliser allocated to them on account of their contractual crop cultivation, the supply to individual peasants, throughout the period, was virtually non-existent. Thus, much of the artificial fertiliser production must have been allocated to the State sector of agriculture. It must, however, be pointed out that not even this reduced amount of fertiliser all found its way onto the fields. Much of it went unutilised because members, mostly agrarian-proletarians, unacquainted with modern farming techniques, 'had no faith in the effectiveness' of artificial fertilisers and/or because giving priority to 'more important agricultural tasks' left no time to spread the fertilisers', mostly by hand, from the back of lorries, because of the lack of specialised machinery. Frequently, bags of fertilisers remained hidden away 'from the eyes of inspectors' to avoid either the withdrawal of special concessions or for fear of penalty payments if they were caught.⁽⁹⁸⁾

In conclusion, it can be seen from this short summary that the state sector was not successful. Taken together with the collectivised sector, the consolidation of small-scale farms into large-scale production units was not accompanied by an appropriate level of mechanisation of agricultural work. A framework of large-scale farming was being created which, poorly supplied with mechanical implements etc., had remained managed and operated by small-scale methods, traditional types of tools and equipment and old techniques. Notable progress was made only in the mechanisation of tilling work and, which must be mentioned, even if briefly, in the sphere of electrification of the villages. Before World War II only 39 per cent of villages in Hungary had electricity. By the end of the period two-thirds of all villages enjoyed the social and economic benefits of electrification.⁽⁹⁹⁾

Under these circumstances, it is little wonder that the rapid growth in production came to a halt soon after the process of collectivisation had begun in earnest. Hungarian agriculture failed to solve the task of increasing the volume of production parallel to the regime's 'socialist reorganisation' of agriculture. The development of agriculture was, in essence, characterised by stagnation and then decline. The main causes of the unfavourable development in agricultural production were the policies examined so far, the process of collectivisation, deficiencies in the state sector and the scanty supply of machinery, and means of production generally, and the low level of agricultural investment. Deficiencies in these areas resulted in the decline of agricultural production.

Chapter 9

1. The ideological justification and rationale behind State Farms and the SMTS are well known and have been discussed by many authors over the years. Thus, it is deemed unnecessary to cover the ground in any great detail.
2. See pp. 283-287
3. András Hegedüs, 'Mezőgazdaságunk szocialista átszervezésének egyes kérdései', Társadalmi Szemle, no.4, 1952, p.297
4. Lajos Koczor, 'Állami gazdaságaink helyzetéről és fejlesztéséről', Magyar-Szovjet Közgazdasági Szemle, Nos. 8-9, 1952, p.133
5. Béla Fazekas, Mezőgazdaságunk a felszabadulás után, Bp. Mezőgazdasági Kiadó, 1967, p.199
6. Statisztikai Évkönyv, (Statistical Year Book), 1949-1955, Központi Statisztikai Hivatal, Bp. 1957, pp.154-157. These figures do not include State Farms engaged in forestry
7. Ferenc Donáth, Reform és Forradalom: A Magyar Mezőgazdaság Strukturális átalakulása 1945-1975, Bp. Akadémiai Kiadó, 1977, p.128
8. Béla Fazekas, Mezőgazdaságunk a felszabadulás ... op.cit., p.116
9. Lajos Koczor, Állami gazdaságaink ... op.cit., p.137
10. Béla Fazekas, Mezőgazdaságunk a felszabadulás ... op.cit., p.115
11. Lajos Koczor, Állami gazdaságaink ... op.cit., p.138
12. Béla Fazekas, Mezőgazdaságunk a felszabadulás ... op.cit., p.75
13. Adatok és Adalékok a népgazdaság fejlődésének tanulmányozásához, Központi Statisztikai Hivatal, Bp. 1957, pp.227-228
14. The figures are drawn from Magyar-Szovjet Közgazdasági Szemle, nos. 8-9, 1954, p.722; Statisztikai Szemle, No.2, 1955, p.103; no.5, 1955, p.384; Magyar Statisztikai Zsebkönyv, Bp., 1956, p.124
15. Lajos Koczor, Állami gazdaságaink ... op.cit., p.135
16. Társadalmi Szemle, August-September 1954, p.98
17. As state employees, state farm workers came under the jurisdiction of the Labour Code
18. Közgazdasági Szemle, No.2, 1955, p.224
19. Mezőgazdasági Adattár, Vol.2, Központi Statisztikai Hivatal, Bp., 1965, p.31

20. Közgazdasági Szemle, No.2, 1955, p.224
21. Ibid., p.224
22. Lajos Koczor, Állami gazdaságaink ... op.cit., p.141
23. András Hegedüs, Mezőgazdaságunk szocialista ... op.cit., p.298
24. J. Sztálin, A Leninizmus kérdései, Bp. Szikra, 1951, p.426
25. Lajos Koczor, Állami gazdaságaink ... op.cit., p.141
26. László Oste - János Márton, A Mezőgazdaság Területei és üzemi Fejlesztése Bács-Kiskun Megyében, Bp. Mezőgazdasági Kiadó, 1966, p.184
27. Lajos Koczor, Állami gazdaságaink ... op.cit., p.151
28. Ibid., p.150
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30. Lajos Koczor, Állami gazdaságaink ... op.cit., p.148
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PART IV: SOCIALISED AGRICULTURE, 1953-1956:

THE PHASE OF DE-COLLECTIVISATION

The summer of 1953 witnessed a drastic change in the development of agricultural policy in Hungary. After Stalin's merciful death, concern with the troubled political situation in Eastern Europe (dramatised by the riots in Czechoslovakia and East Germany), the deepening economic crises in the whole of the Soviet sphere (precipitated by the growing imbalance in the area-wide economy), the failure of 'socialist' agriculture to keep pace with an expanding industry ⁽¹⁾ and in East European countries, but especially in Hungary, the tendency of an over-ambitious industrial programme to outstrip the natural resource base of the country, resulting in the drastic lowering of people's living standards, led Stalin's successors to search for compromise.

At the end of June, ten days after the East-Berlin revolt, major policy changes were announced at the closed session of the Central Committee Plenum ⁽²⁾ of the Hungarian Workers' Party (HWP), to underline the forthcoming break with the past. In accordance with the new Soviet line, the all-powerful communist party boss in Hungary, Mátyás Rákosi, was forced to relinquish his position as Prime Minister to his moderate, less doctrinaire, agrarian specialist, Imre Nagy. On 4th July 1953 Nagy proclaimed to the nation the 'New Course'; significantly, in the name of the government rather than the party, as in past practice. He also addressed himself to the 'working masses' rather than the 'working class', i.e., the industrial proletariat, theoretically, the true foundation of communist power.

The 'New Course', announced earlier and carried out faster and further, perhaps, in Hungary than in other East European countries, reflecting the milder policies announced later in the USSR by Georgi Malenkov, adopted greater tolerance and economic rationality. ⁽³⁾ During the following months several of

the mistakes made in the immediate past were corrected. Nagy's programme had particularly affected heavy industry and the countryside: the priority of heavy industry was abandoned in favour of light, consumer, industries and, especially, agriculture; the exploitation of the peasantry was halted and a period of careful retrenchment and retreat was ushered in. This was most apparent in the collectivisation programme and was reinforced by continued leadership speeches on agrarian problems. But the change was also clear from attempts to increase the proportion of national resources allocated to agriculture: physical, financial and human. Rákosi, who remained the party leader, now had to share responsibility, in the spirit of 'collective leadership', with his rival Nagy, who, over the next twenty months attempted to implement the liberalising political and economic policies of the 'New Course' - embodied in the 'June Resolutions'. Amidst much bitter contention with Rákosi, Nagy temporarily succeeded in decreasing the planned output of heavy industry, reversing collectivisation to some extent and releasing political prisoners.

But the 'Machiavellian', cunning Rákosi obstructed and sabotaged Nagy's programme until, in February 1955, exploiting the ongoing post-Stalin power struggle within the Soviet leadership, he finally regained influence in Moscow and succeeded in removing Nagy from all power and the progress of the 'New Course' came to an abrupt end. The new Prime Minister, picked by Rákosi, András Hegedüs, was instructed to modify the 'New Course' so that emphasis was again on the development of heavy industry and collectivisation.

Although Rákosi successfully eliminated his rivals and, by the grace of Moscow, again became the 'supreme master', his attempt to continue Stalinism in Hungary was only partially successful in 1955 and failed in 1956. International and Soviet internal developments moved in a direction which not only prevented him from restoring his former economic line and totalitarian methods in full but also tended to compromise his position. The Afro-Asian Conference, held in

Bandung, Indonesia in April 1955, where the Russians adopted the so-called 'Five Principles of Peaceful Co-Existence' (though far away) gave rise to hope that a new era of Soviet-East European relations was approaching. The 'Peace Treaty' with Austria in May and the subsequent withdrawal of Russian troops considerably softened the cold war atmosphere. The 'Sprit of Geneva' summit, in July, markedly eased international tensions. The limited Soviet re-conciliation with Tito, Rákosi's arch-enemy, in May-June sharply undermined his prestige even among his own followers and threatened his position.

The isolated, lonely, Imre Nagy - who after his expulsion from the party was in the process of composing his ideological defence of his 'New Course' - followed these developments with great interest. His 'New Course' had already planted the seeds of doubt and discord. Now, in response to the Yugoslav developments, disaffection within party circles spread and opposition -composed, largely, of party intelligentsia, students and farmers - slowly but inceasingly rallied around Nagy. He condemned the ideological dogmatism of his opponents and suggested that the Soviet-Yugoslav reconciliation allowed for a more nationally based version of communism, of 'socialist construction'.

Meanwhile, Rákosi was biding his time and tried to obtain a clearer picture of the struggle for power that was taking place within the CPSU - between the old Stalinist faction, which had now allied itself with Malenkov, and Khrushchev. Thus, while Rákosi ws trying to revive the red Stalinist line in Hungary, Khrushchev, in the Soviet Union, was trying to abolish Stalinism. Events then overtook Rákosi. At the closed session of the Twentieth Congress, held in Moscow in February 1956, Khrushchev exposed Stalin's crimes. It was one of the most dramatic moments of the communist movement and its impact on Hungary was devastating. The Congress did even more; it increased Yugoslavia's status among the 'socialist' countries. In the Stalin-Tito dispute, Tito had been right and Stalin wrong. Its immediate effect, in Hungary, was to galvanise and

intensify the determination of many leading communists to reverse the trend towards Stalinism and, in fact, demand de-Stalinisation. Khrushchev's anti-Stalin speech set off in Hungary a disintegrative process that brought Rákosi's reign to an end and culminated in an open revolt.

On Soviet instructions, surprisingly, Rákosi was replaced by his trusted deputy, Ernő Gerő, another staunch Stalinist, rather than by Imre Nagy or some other liberal communist leader, as everyone had expected. András Hegedüs remained the Prime Minister. Had, at this moment, Imre Nagy been selected to replace Rákosi the Hungarian revolution might never have happened. In fact, however, from July to October 1956 government policies were nothing more than a continuation of the old Rákosi line. At the Central Committee Plenum, held in July 1956 (which relieved Rákosi of his post), the resolution passed by the new leadership approved the direction of the Second Five Year Plan, towards heavy industry, and reiterated the government's policy of continuing with the 'socialist transformation', i.e., collectivisation, of agriculture. But the new, inflexible, party and government leadership was soon left behind. The rapidly articulating popular dissent and discontent which, on 23rd October, erupted in student demonstrations and led to a spontaneous revolution, returned Imre Nagy to power. Ernő Gerő was replaced, as first secretary, by János Kádár. As the party rapidly disintegrated, the revolutionary councils pressed for democratic reforms and the government responded positively to their demands. In the rural centres the transformation from communist to popular rule was, on the whole, accomplished without much violence. The peasants spontaneously made their decisions to disband their collectives, on a scale greater than under Nagy's first premiership, during the 'New Course'. The role of the peasantry during the revolution was a limited one. The rural population was not directly involved in the revolutionary events, apart from isolated instances. Politically, the peasantry rejected both Rákosi and Gerő, and did not trust Nagy, despite his

declared sympathy for the peasantry. This, however, did not mean that their role was completely passive. Much food was transported by the peasants themselves and distributed, without payment, among the urban needy.

But when Nagy proclaimed Hungary's neutrality, withdrew from the Warsaw Pact and announced his government's intention to hold free, multi-party elections, the die was cast. On 3rd-4th November 1956 Soviet armed forces invaded the country, crushed the revolution and established the new Kádár government. Had Nagy won in 1956, his Hungary, perhaps, would not have differed much from Kádár's Hungary. Only in that the peasants would not again have been coerced into collectives. Nagy, who had been promised safe conduct by the new Kádár regime, was seized by Russian military officers as he was leaving the sanctuary at the Yugoslav embassy in Budapest and eighteen months later was sentenced to death and executed.

After a long and prudent wait, followed by violent attacks against the peasantry, the final collectivisation of agriculture (a period outside the scope of the present study), launched by Kádár in 1959 and completed in 1961, was carried out successfully and without jeopardising agricultural production. On the contrary, over the years, Hungarian agriculture has become profitable; enhanced greatly by the successful integration of the 'private' into the 'socialist' sector. Many of the collectives prosper, others, at least, function reasonably well.

Chapter 10: The 'Nagy Era' in Agriculture, June 1953-

December 1954: collectivisation in retreat

10.1 'New Course': Imre Nagy and the June Resolutions

After the Hungarian delegation returned to Budapest from Moscow, with precise instructions from the new Soviet leadership, two meetings in quick succession were hurriedly called. On 17th June 1953, under the shadow of the East-Berlin uprising, the Central Committee Secretariat of the HWP met to hear Mátyás Rákosi's report on the critical situation which had arisen after the Moscow visit.⁽⁴⁾ Then, on the decision of this meeting, the Politburo was convened on 20th June to initiate, in response, a programme of action to review 'all the basic issues faced by the party and people's democracy'.⁽⁵⁾ Rákosi, speaking at this meeting, stressed the 'historic significance' of the event which, he said, represented 'the most decisive turning point in the party's history since the assumption of full power in 1948'.⁽⁶⁾ But it was, perhaps, József Révai who responded to the critical situation most sharply. He declared that

many crises have faced the party in the past. But, there is an important difference between a crisis facing an illegal party and a ruling party. While the former invokes hardly any national reaction the latter would be felt throughout the country. Nevertheless, we must face this shock ... we must not be afraid of the ensuing storm ... the serious mistakes which have been made in the past cannot be eliminated by covering them up with petty, partial measures.⁽⁷⁾

Imre Nagy stressed to the meeting the importance of Soviet advice on how to correct the errors committed in the past and the importance of comrade Rákosi's attitude towards the new policy line. He admonished Rákosi to make full use of the criticisms he had received in Moscow and pointed out that so far he had given no real evidence that he had identified himself with those criticisms nor that he had understood their importance and the pre-conditions required for the

successful correction of those errors.⁽⁸⁾ Rákosi promised that he would 'do all in his power to correct our political direction'.⁽⁹⁾

After these preliminaries, the meeting devoted its attention to the main business and adopted the following resolutions:⁽¹⁰⁾

- (i) to convene the enlarged Central Committee Plenum for 27-28th June
- (ii) that at the Plenum two reports were to be delivered, one by Nagy and the other by Rákosi, on each question regarding the errors committed and the new policy line
- (iii) a working party, composed of Rákosi, Nagy, Gerö and Hegedüs, was set up and entrusted with the task of drafting a resolution suitable for submission to the Central Committee Plenum on 27-28th June; the task of preparing a parallel document, based on the draft resolution, which was 'suitable' for publication, was assigned to Révai.⁽¹¹⁾

The Politburo was convened again on 25th June to consider the initial draft, as drawn up by Gerö, with the collaboration of the others. After a lengthy and at times acrimonious debate the draft resolution was finally approved with the comments, incorporated on the insistence of Nagy, that the following points were to be given greater emphasis:⁽¹²⁾

- (i) that the changes in policies to be introduced were primarily designed to strengthen the worker-peasant alliance
- (ii) that the Second Congress of the Party, held in 1951, had approved a completely erroneous policy
- (iii) that the responsibilities of the 'foursome' Rákosi, Gerö, Révai and Farkas, should receive greater emphasis
- (iv) that Imre Nagy was, from the very beginning against the excessive pace of collectivisation

The Draft Resolution was presented by Imre Nagy, in the name of the Politburo, to the Central Committee Plenum convoked for 27-28th June, in a tough speech that pulled no punches. In effect he called on the Plenum to rubber-stamp the Moscow decisions. The first report, however, was delivered by Rákosi. Almost

two weeks had now passed between the Moscow visit and the Plenum. This may be indicative of how difficult Rákosi must have found it to tell the Central Committee what, in fact, had happened in Moscow. In a closed session members of the Plenum, having received the draft resolution document only one hour before the meeting started, listened in numbed silence and with bated breath as Rákosi, followed by Gerö, Révai and Farkas - the 'leading foursome' - delivered their prescribed self-criticisms. The focus, however, was on Rákosi's speech. Not, of course, that the committee members had not known about the difficulties, the contradictions and the adversities, straining both the economy and society. During the first half of 1953 several reports were, in fact, submitted by the various party and governmental agencies to, and ignored by, the leadership. In March two reports were submitted on the problems of the peasantry and agricultural production alone. These had frankly warned that the kulak liquidation policy was in practice having a disastrous effect on the middle and, especially the upper middle, peasants, which significantly contributed to the mass abandonment of land. The fines imposed on the peasants for non-fulfilment of compulsory delivered had been so excessive that they were impossible to pay and the peasants had ceased to treat them seriously.⁽¹³⁾ There were other reports too. It was believed then, however, that the main reasons for the mounting problems lay with the local organisations which disorted the 'correct policy of the party', and with 'the enemies of the people', who allegedly increased their hostile activities against the regime. There was no mention of the erroneous political line pursued and the mistakes committed in over-all economic policy. This was clearly demonstrated by the Politburo resolution adopted as late as 28th May, which discussed the workings of the National Assembly after its 'victorious election'. The resolution categorically stressed that the victory was due to 'the correct political line of the party and the effective implementation of its policy in practice.'⁽¹⁴⁾ Thus, just two weeks before the delegation was summoned to

Moscow the effective leadership of the party was unable or unprepared to recognise the serious errors committed in overall economic and agricultural policy. Indeed, the same resolution adopted a policy of increasing the rate of collectivisation.⁽¹⁵⁾ A modest change in attitude, as noted earlier, began to emerge only after the meeting of the Party Secretariat on 3rd June. But, unlike the explanations given hitherto the disclosures about the real causes of the mistakes and their personal connections were totally unexpected. Rákosi, visibly shaken and with hurt pride (but, as was soon to transpire, without genuine repentance) was moderately self-critical for having departed from Leninist principles, for substituting his 'personal leadership' for 'collective leadership' for placing himself above the party and developing a 'cult of personality', for failing to respond to the sound advice given by his comrades, and for impatiently and arrogantly ignoring their warnings and repressing all valid criticisms. With regard to the economy, he admitted that early successes had led to complacency, which resulted in plans which were clearly 'adventurist' because they had failed to take into account the resource base potential of the country: over-industrialisation, striving for self-sufficiency, forced collectivisation and the neglect of agriculture were amongst the specific errors made in economic policies. Ernő Gerő, as the economic 'overlord', following Rákosi also accepted blame for underestimating the needs of the working class and for the mismanagement of the economy - where his economic policy of over-emphasising industrial, especially heavy industrial, investment resulted in a lop-sided economy and an alarming reduction in the living standards of working people. József Révai 'confessed' to serious errors of dogmatism in ideology and to the backwardness of cultural life. Finally, Mihály Farkas, somewhat ambiguously, spoke in vague generalities about the 'violations in socialist legality', the arbitrary interference in judicial enquiries, the political trials and imprisonments.⁽¹⁶⁾ The top leadership was followed by other, lesser, party

officials with their confessions and critical statements regarding their own roles and responsibilities in the errors committed. All speakers stressed the urgent need for corrective actions.

Following these, the key-note address was delivered by Imre Nagy.⁽¹⁷⁾ The main points of his speech, customarily, were incorporated in the Draft Resolution. But there were also great differences between the two texts. Nagy's speech at the personal level, in its attack on the party leadership was in its evaluation of the catastrophic economic situation in the country, was considerably less restrained, more detailed and penetrating than the text of the final Resolution. He placed prime responsibility for the mistakes committed on Rákosi, as the leaders of the party, and on Gerö, Révai and Farkas. The origins of the errors, he stated, lay in their ruling over the party and the country, their 'leaderism' and their 'cult of personality'. The rapid and successful elimination of the errors which, he said, went 'much deeper than it appeared at first sight ... is our primary task', and this had depended

on the extent to which comrade Rákosi and those who, together with him, were primarily responsible for committing them, comrades Gerö, Révai and Farkas, those who held the real direction of the party and the country in their hands, go along with complete uncovering of the mistakes ... (18)

But Nagy, in reminding Rákosi that progress till then had been far from sufficient, pointing out that

comrade Rákosi's speech today was the first time that he had expressed any serious reaction to the criticisms which had been applied to him personally and to his political activity.⁽¹⁹⁾

The Draft Resolution itself also exposed the errors committed, all be it in milder language, and it indicated the changes needed and, in general terms, the

measures required to correct the mistakes. It was a comprehensive and long document, even in its title 'The Resolution of the Central Committee of the Hungarian Worker's Party concerning the errors committed in the Party's political direction and in its practical work and the tasks related to their correction' (A Magyar Dolgozók Pártja Központi Vezetőségének határozata a párt politikai irányvonalában és gyakorlati munkájában elkövetett hibákról és ezek kijavításával kapcsolatos feladatokról).⁽²⁰⁾ As noted earlier, there were interesting differences between the text of the Resolution and Nagy's speech to the Central Committee. It is instructive to compare the two texts, especially in places pertinent to agriculture.⁽²¹⁾

The Resolution was divided into four main sections: the first dealt with the errors, the second analysed the origins of the errors, the third enumerated the measures required to correct the errors - and outlined the future tasks - and the fourth discussed the pre-condition necessary to eliminate the errors. The preamble of the document stated that 'the enlarged Central Committee Plenum of the HWP established that in recent years serious errors had been made in the party's political direction under the leadership of comrade Rákosi. These errors, it stated 'adversely affected the living standards of the working class, weakened the links between the party, the state and the working masses and caused serious difficulties in the economy'.

The first section of the Resolution enumerated and condemned the main errors in the economic policy pursued by the party leadership, especially after the Second Party Congress in 1951. Its main points were as follows:

Industry

The Resolution condemned:

- i) the policy of excessively rapid industrialisation, especially the rapid development of heavy industry as unsuitable and adventurist,

- ii) the attempt at industrial autarky pursued without due regard to the realistic resource position of the country, the needs of the working class and working people.

According to Nagy, going a step further in his speech, the essence of the errors was the fact that the economic policy, which aimed at 'building socialism', failed to take into account the basic economic law of socialism,

the constant raising of the standard of living of the population. On the contrary, the attempt to achieve the maximum development of heavy industry, which in plain words was megalomania, was accompanied by a fall in the standard of living of the workers,(22)

which, he said, was a deviation from marxism-leninism. The roots of the mistakes, according to Nagy, were

the excessive rate of development of heavy industry, the unfavourable trend of the ratio of sectors 'A' and 'B', the constant falling behind of agriculture, the growing indebtedness of the country and, as an overall result of all these factors, the fall in the living standard of the population.(23)

This also meant that,

instead of reducing the excessive rate of industrialisation and the investments allocated to it, we tried to solve the problem by increased exploitation of agricultural production and by putting greater burdens on the peasantry.(24)

This, he said, was not only economically, but also politically harmful as well, because it had led to a weakening of the worker-peasant alliance.

Agriculture

Serious mistakes had been committed in the field of agriculture. The Resolution blamed the party leadership for neglecting agricultural production and for the

policy of forcible and excessively rapid 'socialist transformation' of agriculture, i.e., collectivisation, pursued by the leadership. The Resolution had pointed out that,

- i) the neglect of agriculture was an inevitable consequence of the excessive rate of industrialisation which had left inadequate resources for the development of agriculture. As a consequence, the share of agriculture in total investments had declined in recent years - although, in absolute terms its value had increased every year during the five-year plan period.
The production of individual farmers was especially neglected.

Again, Nagy in his speech went considerably further and into greater details. He declared that there were two sides to the question of reduced investments for agriculture: (i) the general reduction in the development of the entire agricultural production - here, he blamed the leadership for thinking that they could have achieved socialism while reducing the standard of living of the population and (ii) the neglect of the production of individual farmers - here, he noted that scarcely anything had been done to help to raise their output despite the fact,

that the greater part of our agricultural production is provided by individual farms and that we could not do without them under any circumstances, particularly as we have no possibility of making up for their production from other sectors of agriculture.⁽²⁵⁾

- ii) The most striking admission, perhaps, of the Resolution was that a significant contributory factor for the inadequate agricultural production was the excessive rate of 'socialist transformation' of agriculture, for which there were no 'objective' political or economic conditions in the country.

Because of this, the Resolution stated, collectivisation had had to be carried out by force, with administrative pressures. Also, the complicated and ever-changing compulsory delivery system had created great uncertainty among the

working peasants and harmed the relations between the party and middle peasants. It had also prevented the consolidation of the collective sector, the improvement of collectives' economic position and the rapid increase in the welfare of their members.

And, because of the mistakes in these policies, individual working peasants, and even more so the richer peasants had neglected their farms, particularly long-term investments e.g., in orchards, vineyards and animal husbandry. At the same time, collective farms failed to achieve the level of yields of individual farms. Under these circumstances the majority of collective farms became indebted to the state and paid lower incomes to their members than the average individual farmer earned. Rather interestingly, referring his listeners to the text of the Resolution, Nagy said that

the party's policy was incorrect in the autumn of 1948, when the decision was taken to collectivise agriculture within a space of 3 to 4 years. The party later modified the pace ... but even the modified pace was an extreme one ... and had serious and harmful consequences.⁽²⁶⁾

One of the consequences, according to him, was the violation of the voluntary principle and the other was the direct or indirect application of economic or political force. The forced pace of collectivisation, he continued,

alienated from us, indeed set against us, broad strata of the working peasantry and, most of all, the element crucial to agricultural production, the middle peasantry, with whom it would have been better for us to have established a firm alliance ... and led to our isolation from the decisive masses of the peasantry and to an unsettling of the worker-peasant alliance, the future of which was put in peril.⁽²⁷⁾

According to Nagy, the large-scale and ruthless commassation of holdings entailed by the forced development of collectives and State Farms, the excessive delivery quotas, the measures against the 'kulaks' and the mass abuses of power

and violation of rights, which produced insecurity amongst the land-owning peasantry, resulted in the peasantry losing their productive will and led to them restricting or completely abandoning their production and offering up their land to the state or simply abandoning it to seek their means of livelihood elsewhere. The result was that the land area abandoned or offered to the state by the peasants dramatically increased and by the spring of 1953 had reached more than 9 per cent of the country's arable land area. Nagy pointed out that there had been clear evidence - which, he said, could be numerically demonstrated - that a connection existed.

between the excessive development of the collectives and the extraordinarily large-scale growth in the state reserves of uncultivated land.(28)

- iii) According to the Resolution, serious errors had been made with regard to the policy of 'de-kulakisation'. The policy of kulak limitation was soon turned in practice into a policy of liquidating them. This was clearly confirmed by the fact that within 5 years the total area under their cultivation declined to 30 per cent of its original level. Those who remained engaged in ruthless exploitation of the land without due regard to proper economic cultivation and curtailed livestock breeding. This was a grave error.

But an even greater error, according to Nagy, was the fact that about the same amount of land had been abandoned by the working peasantry as had been gained by the unlawful measures carried out against the kulaks. And this was one of the reasons, Nagy said

why we have seen in the recent past the evermore determined development in the villages of a form of peasant solidarity, a peasant unity, directed against the city, which could have dangerous consequences both for the worker-peasant alliance and for the entire people's democracy.(29)

- iv) Along with the collectives, the Resolution stated, the area under the cultivation of State Farms was increased too rapidly. This prevented their economic consolidation, the achievement of high yields and profitability

and their development into 'Model Farms'. It was wrong of the party leadership to attempt to secure central food requirements in animal products primarily through the State Farms and state undertakings.

This section of the Resolution concluded with a criticism of the leadership for neglecting the basic needs and the living standards of the population and for increasingly supplanting political education with administrative practices and arbitrary judicial and police procedures against the population.

Section two of the Resolution, in line with the self-criticism of Rákosi et.al., discussed - less sharply than Nagy in his speech, but more sharply than Rákosi's own cautious self-criticism - the reasons for the mistakes. Briefly, it blamed the party, or rather the situation that prevailed within its leadership, for the mismanagement of political and economic policies: the incorrect method of leadership and cadre policies, the inappropriate relations between the party and government leadership and the serious weakness in the ideological work of the party. Lack of 'collective leadership', the substitution of personal for collective leadership, accompanied by 'cult of personality' and restriction of party democracy, were named as the main reasons for the errors. For these the Resolution made Rákosi, Gerö, Révai and Farkas responsible. The Resolution deeply condemned the 'adventurist' policies pursued by the four leaders, which had brought the country to bankruptcy and severely damaged the party's link to the masses, which was also shown by the fact that the narrow party leadership failed to respond to signals of growing illegal acts by the police and state security organs against the people.

A series of recommendations (based, of course, on Soviet advice) were outlined in Section Three of the Resolutions, to change radically the economic policies of the party - to strengthen the badly shaken worker-peasant alliance, to establish a friendly relationship with the working peasantry and to restore their confidence in agricultural production. The following measures connected with

agriculture were intended to alleviate the problems created in the previous period:

1. - a reduction in the rate of industrialisation, especially in the growth of heavy industry
- a serious examination of the economic development plan and its relation to the size and direction of investments. The growth of industrial production and investments was to be reduced already in 1953 and the planned increase in industrial production in 1954 was to be only 8 per cent.
- proportions of investment between light and food industries and heavy industries to be radically revised; greater emphasis was to be given to light and food industries and, especially, to agriculture, where the lag was the greatest - while maintaining the principle that the growth of the means of production should be relatively greater than of the means of consumption.
Investment in 1954, compared to 1953, was to be reduced even in absolute terms and in the next five-year plan was to be set at a level which corresponded to the capabilities and availability of resources in the country.
2. - concerning agriculture, capital investments, productivity and yields as well as farm output were to be increased and the numerical development of Collective and State Farms was to be slowed down. In line with this overall policy it was proposed that:
 - a) substantial assistance be given to individual as well as collective farmers to help them to develop their economic activity to enable them not only to fulfil their compulsory delivery obligations and pay their taxes to the state but, in addition to increase personal consumption and leave a surplus for sale on the free market; individual farmers were to be enabled to use the services of Machine Tractor Stations to a greater extent than before; and be allowed to buy artificial fertilizers, at official prices, on the free market to a greater extent from the autumn of 1953; veterinary services were to be made available free of charge to all agricultural producers
 - b) the coercive nature of the 'free' contractual system be terminated and the system made more attractive to the peasants by providing a larger quantity of industrial consumer goods
 - c) while the collective would remain the road to 'building socialism in the countryside' the immediate task was not their numerical development but the economic strengthening of existing collective farms to increase their productivity and yields
 - d) compliance with the principle of voluntary joining of collectives was to be ensured consistently; it was to be made possible for anyone who wished to leave the collective to do so at the end of

the economic year; and the dissolution of collectives was also to be allowed where that was the wish of the majority of their members; new collectives were only allowed to be formed on the recommendation of the local councils and approved by the Ministry of Agriculture

- e) along with increased support for individual and collective farmers further relief was to be given through the re-examination of outstanding debts (about 200 million forints) and where claims were deemed not legitimate, rightful, or could not be proven or recovered, they were to be cancelled. Fines imposed on both individual and collective farms for failing to complete their compulsory deliveries (approx. 400 million forints) were to be abolished
- f) in the interest of increased agricultural production, land from state reserves was to be allowed to be leased or rented on a five year rather than one year basis and the policy of commassation was to be halted; the state should not accept any more land 'offers'
- g) a new compulsory delivery system, simpler than the existing one, was to be introduced from 1954 and reduced delivery quotas were to be left unaltered for several years ahead.

Here, in his address, Nagy was more critical than the Resolution. He said that the size of compulsory deliveries, the plans imposed on the peasantry,

were so great that they hindered production and reduced the productive spirit, undoubtedly contributing to the offering up of land and the increase in state reserves, and opening up, perhaps, the widest possibilities for the illegalities committed against the peasantry and the kulaks.⁽³⁰⁾

Nagy admitted that he, too, was responsible for this 'because I should have ensured the unconditional observance of legality'.⁽³¹⁾

- h) the persecution, harrassment and the policy of liquidating the kulaks was to be stopped, but the policy of their restriction continued; the 'kulak list' was to be abolished; and the compulsory delivery quotas and tax burden of kulaks was to be eased.

According to Nagy, the grave consequence of the 'kulak list' was that the local organs completely misinterpreted the concept of kulak and classified as kulak and put on the 'kulak list' whoever they had felt like putting there, anyone who

may have laid himself open to personal animosities and vendettas. The 'kulak list', Nagy said

was a blunder from the very beginning, had a harmful influence on our policies towards the peasantry and played a significant part in shaking the confidence of the working peasantry ... this is why we must recommend the abolition of the kulak list and return to the only correct policy in the present period, that of restricting the kulak.⁽³²⁾

Finally,

- i) the Resolution specified that in addition to increased total investment in agriculture, its direction and distribution had to be changed: greater amounts were to be allocated to assist the more economical and profitable production, to help farmers to improve their land and to plant orchards and vineyards.

The section concluded with a statement regarding the commitment radically to improve the level of material well-being, primarily of the working class but also of the peasantry and more generally the entire population, by introducing appropriate measures to raise their living standards.

And, very briefly, the final, fourth, section of the Resolution indicated the important preconditions necessary to accomplish all the above tasks:

- a) 'collective leadership' and an end to 'personality cult'
- b) elimination of backwardness in the ideological and theoretical work of the party
- c) improvement in the selection, training and promotion of cadres and,
- d) improvement in relations between party and state leadership.

Finally, the Draft Resolution, in accordance with the Politburo decision at its meeting on 25th June, also acknowledged Imre Nagy's opposition to the introduction of rapid collectivisation in 1948/49 by putting it on record that

the exaggerated tempo of socialisation in agriculture was an error aggravated by the fact that within the party comrade Imre Nagy opposed this policy, but instead of adopting these views the party leadership improperly called them 'opportunist' and subjected comrade Nagy to party discipline.⁽³³⁾

Fully aware that Rákosi and his associates were acting on instructions from Moscow, the large majority of the Central Committee members were not too eager to participate in the discussion that followed the main speakers. Most of those who contributed to the discussion focused their attention on the origins of past mistakes rather than on the tasks ahead, perhaps, understandably since most members came to the meeting totally unprepared and were, indeed, ill-equipped to analyse and propose solutions to those tasks. Only one voice was heard, cautioning the Plenum against allowing the dissolution of collectives. István Dobi, a former farm worker and 'fellow-traveller', knowing the sentiments of the peasants and the unpopularity of collectives, feared, in the event correctly, that if this were allowed many of them were likely to be dissolved.⁽³⁴⁾

The Plenum also deliberated on important organisational and personnel changes. The precise details of Imre Nagy's proposed reorganisation of the government were omitted from both the text of Nagy's speech to the Central Committee and also from the Resolution. This might not have been completely unintentional. It is possible that, in fact, the changes initially proposed were more radical than what was ultimately announced to the Hungarian Parliament a week later on 4th July. Nevertheless, the following changes were made. First, the Plenum elected a new and smaller Politburo which was now composed of Mátyás Rákosi, Imre Nagy, Ernő Gerő, András Hegedüs, István Hidas, István Kristóf, Rudolf Földvári, Lajos Ács and Mihály Zsofinyecz - with candidate members István Bata and Béla Szalai. While Rákosi had been dropped from the Government he remained First Secretary of the Party (in line with Soviet practice, a change from his former title of General Secretary).⁽³⁵⁾ The

mistakes made in the past, however, demanded scapegoats and Mihály Farkas, the Minister of Defence, was temporarily dropped from the Politburo⁽³⁶⁾ along with József Révai, the Minister of Culture, and four other members. Apart from being subordinated to the Politburo, the Party Secretariat was completely transformed because Gerö, Farkas, Révai, Nagy, Hegedüs, Kristóf and Hidas were dropped and only three secretaries were appointed: Rákosi, and two inexperienced men, pushed in by Rákosi, Lajos Ács and Béla Vég, both Rákosi's men who could not, even if they wished, stand up to Rákosi as equal partners.⁽³⁷⁾ Second, the Plenum decided on the re-establishment of collective leadership and appointed, on the recommendation of the Politburo, Imre Nagy as Chairman of the Council of Ministers (i.e., Prime Minister), with first deputies Ernő Gerö, who was further given the key position of Minister of the Interior, and András Hegedüs, who also took over the Ministry of Agriculture from Ferenc Erdei.⁽³⁸⁾ His career during the next three years reached its peak as Prime Minister in 1956.

The changes in personnel might at first sight appear significant. Closer examination, however, leads to a different conclusion. Rákosi's group was checked but by no means crushed. Rákosi, as party leaders, still had the party machinery behind him, the Politburo and the Party Secretariat (of which Nagy was not a member) remained in his sphere of influence. His former deputy, Gerö, remained in charge of the party's economic policy, and in addition he gained an important post in the new government as Minister of the Interior. Béla Szalai, also a Rákosi man, in the Politburo as a candidate member, was put in charge of the National Planning Office (Országos Tervhivatal), replacing Zoltán Vas, who was moved to another field of work.⁽³⁹⁾ Essentially, the June Plenum failed to create the preconditions necessary for a radical change - for that Rákosi and Gerö should have been dropped from the leadership, and Nagy should have appointed some of his own adherents to important positions. In effect,

those primarily responsible for the grave errors committed in the past, Rákosi, Gerö and - apart from a brief spell - Farkas, remained in the top leadership, where they had undiminished scope to manipulate and shape future politics. By accepting this new set-up, Nagy had already begun to dig his own grave, while Rákosi, behind the scenes, began to rearrange his own lines. Nagy, at this stage, as far as can be seen from the composition of the top leadership, failed to bring in any of his men. It would appear that at the June Plenum Nagy was genuinely pleased to see the changes and corrections in the party's policies. He was fully aware, of course, that Rákosi and Gerö and those near to them would try hard to bring about his downfall. But, naively, he put his trust in the Central Committee which had unanimously endorsed his June Resolution. He failed to take fully into account the changeability of the Central Committee, the power of Rákosi and his associates (well trained in intrigues) and the resistance of the party apparatus. Had he been able to foresee his future fate, perhaps he would have taken a stronger line in both personnel and political questions. He even took Farkas back, the very person who, together with Rákosi, was most responsible for the illegalities committed in the past.

The 'June Resolution' unanimously endorsed by the Central Committee Plenum, as usual, was a powerful condemnation of Rákosi's misrule in Hungary. It was highly critical, embarrassing and humiliating to Rákosi personally and to his leadership, something he was unlikely to forget. Rákosi, having retained the leadership and hold over the party, still had the power not only to 'guide' the Central Committee away from any inquiry into the purges but also to prevent the publication of the damaging Resolution, which, had it come into the open, would have made it considerably more difficult for the majority of the old leadership to remain in office. As noted earlier, the Politburo, at its 20th June meeting, had agreed on publication and appointed Révai to prepare a suitable document - based on the Draft Resolution. This agreement, apparently, still

prevailed on 27th June, the first day of the Plenum. On that day, in his address to the Plenum, Rákosi proposed that the resolution adopted should be made known to all party members and published in the press. But, on the one hand, probably encouraged by the unofficial news about the arrest of Beria⁽⁴⁰⁾ - whom he had considered his principle enemy, most vehement critic and the main instigator of the new Soviet policy - in the days before the Plenum met, Rákosi believed that the power struggle in Moscow had moved in his favour. On the other hand, perhaps even more importantly, having seen the shock the previous day's revelation caused amongst the Central Committee members, Rákosi anticipated even greater problems and reversed his recommendation that the June Resolution be published in the press. When the Central Committee Plenum entered its second day, 28th June, Rákosi modified his earlier proposal and asked the Plenum to approve, instead, that:

- i) there would be no publication in the press but a political version of the Resolution would be announced to the forthcoming session of Parliament and that,
- ii) the newly elected Politburo would be authorised to decide how, when and in what form it wished to use the Resolution.

Introduced by Gerö from the chair, the modified proposal, the first point on the agenda for 28th June, was unanimously passed by the Plenum and, at the same time, it authorised the Politburo to 'finalise' the text of the Resolution.⁽⁴¹⁾ In the event, of course, neither the Resolution nor the speech made by Nagy were published until very recently; and Rákosi's speech remains unpublished to date.

Consequently, party branch secretaries and higher party officials were not only not informed in depth about the reasons for the changes but learned about them only when Nagy had announced the new programme of his government, on 4th July. Even the news about the Plenum meeting itself was severely restricted. A vague attempt, however, had been made to prepare the

rank and file membership for the impending changes. On 30th June a brief editorial in the party daily newspaper, Szabad Nép, noted that the Central Committee had met and on the basis of reports by comrades Rákosi and Nagy appropriate resolutions had been adopted by the Central Committee Plenum, which had also introduced personnel changes in the leadership. The article also emphasised that 'party leaders are not infallible' and that 'every party member and citizen of the country have the right and duty to criticise the party leadership'.⁽⁴²⁾

The newly constiuted Politburo met on 2nd July to accept formally Rákosi's resignation from the premiership and to draft 'final version' of the Resolution. According to official sources, the most significant departure, with respect to agriculture, was the insertion of the word 'main' in the sentence dealing with the future of the collective system. This now read 'the collective system remains the main road to building socialism in the countryside'.⁽⁴³⁾ And this 'final version', which became available in the West (and, of course, in the Party Archives) still remains, officially, unpublished in Hungary; even today, but certainly at the time, was available only to a narrow circle of top party functionaries.⁽⁴⁴⁾

The new National Assembly, elected on 17th May 1953, was convened for the first time on 3rd-4th June 1953 to hear the newly elected Chairman of the Council of Ministers, Imre Nagy (in accordance with the directives given by the Soviet Union), present 'New Course' policies to the nation including the main direction of economic policy.⁽⁴⁵⁾ The announcement of a reorganisation of the government in a sense appeared as a 'normal' sequel to the May parliamentary elections. But the appointments to the Council of Ministers created a sensation. The political content of Nagy's inaugural speech, on the whole, followed the outline of the June Resolution. But in important aspects it also deviated from it - and even more from his speech to the Plenum. It was considerably less severe

condemnation of Rákosi and, notably, he omitted to denounce the party leadership by name. The crimes of Rákosi and his entourage were not exposed to the public; this later permitted him to regain his influence. The new programme was drafted by a working group of the Politburo and the events in East Berlin must have influenced its final structure. Apparently, Gerö himself played an important role in the drafting.⁽⁴⁶⁾ The programme, of course, ran counter to all his policies but he, too, had to accept the necessity of change. After all, it did not represent a total break with the Stalinist state administration model. The main elements of this continued, all be it in a modified form. A measure of agreement seems to have existed within the Politburo regarding the content of the programme. The main disagreement was not so much about the content - which, of course, was more or less handed down from Moscow anyway - but about the tone in which it was presented to the public. Nagy wished it to be presented in much tougher language. In the event, his speech became a greatly toned-down version of the June Resolution, and even more so compared to the speech he had delivered to the Plenum. Since up till then all deliberations about the impending changes had been conducted in complete secrecy, Nagy's speech caused not only a national but, being the first revisionary announcement, an international sensation. At home it had a liberating effect on the public, with especially great reactions amongst the peasants, but it resulted in confusion, alarm and fear among the party apparatchiki.⁽⁴⁷⁾

In the life of the nation Nagy, seemingly, announced nothing new. He promised a constitutional government, in which parliament played a greater role, to 'consolidate legality' by liquidating internment camps, to grant an amnesty for criminals 'whose guilt was not grave enough for their release to endanger state security', to review the sentences of people who had been treated unjustly, to increase the security of the individual by a radical change in police methods, separating the police from the judiciary, and to ease restrictions on the free

practice of religion. In making these promises, however, he stressed that despite the regime's 'spirit of clemency' not an inch of space nor a minute's respite would be granted to enemies of the regime. In the field of politics Nagy, above all, wished to change the prevailing structure of power by making the Council of Ministers the responsible organ for directing the affairs of the state instead of the Communist Party or its leaders. This, he declared, would take the country a long way on the road to the democratisation of national life. He promised to return to Leninist principles, collective leadership, self-criticism and intra-party democracy in the party's day-to-day activities. He spoke as an orthodox Leninist - and, curiously, he omitted any mention of Stalin's name from his speech.

The main emphasis of Nagy's 'New Course' was, however, on economic rather than political reforms. The basic thrust of his new programme departed radically from Rákosi's practice. But it was a statement of intentions rather than a carefully developed, internally co-ordinated and consistent programme of political and economic reforms. For that Nagy had neither the time and the information nor, as will be seen, the political power. Under the ensuing power struggle between Rákosi and himself - characterised by an environment of political intrigue, administrative obstruction and, often, sabotage - the implementation of his programme turned out to be random and incomplete. And the most prominent feature of this well intentioned regime was, chaos, indecisiveness and inability.

In announcing his economic programme Nagy promised workers, peasants and the intelligentsia greater consideration and better living conditions. He declared that fundamental changes in the policies of the Rákosi government were needed in every field. He promised more to the people than any other East European leaders have pledged subsequently. To begin with, he said, the nation's future economic programme would be based on a slower pace of industrialisation and a shift of emphasis from heavy and military industry to light and food

industries and agriculture, with the aim of raising living standards, increasing consumer supplies and relating the whole economic programme to what the nation could afford. He declared that the attempted industrialisation was far beyond the country's capacity. Thus,

in dealing with problems of our economic policy I wish to emphasize that the government will conduct this policy in accordance with the directives, realistic programme and resolutions of the Central Committee of the Hungarian Workers' Party. This means that in developing our people's economy the government will always take into consideration the country's economic resources and will not set itself tasks for which the economic preconditions indispensable for their realisation are lacking ... or can be realised only at the expense of the living standards of the people ... we have to note, and we have to state frankly before the whole country that the objectives of the augmented five year plan are beyond our strength. Its implementation is greatly overtaxing our resources; it is hampering the country's welfare and has recently resulted in a decline in the standard of living.⁽⁴⁸⁾

He then announced the measures that were necessary to remedy the situation, measures to implement the changes in economic policy and improving living standards. Thus,

the development of socialist heavy industry cannot be an end in itself ... the main tasks facing the government in carrying out its economic policy: an overall and significant reduction in the speed of development of the national economy and of the investment programme in conformity with the capacity of the country ... The general direction of economic development must also be modified. There is no justifiable reason for an exaggerated industrialisation and striving for autarky, all the more since Hungary does not possess the necessary raw materials ... we shall ... substantially slow down the rate of development of those branches of heavy industry which are manufacturing means of production ... and put a much greater emphasis on light and food industry, which will enable us to satisfy the growing needs of the population ... one of the basic principles of the government's economic policy will be the constant raising of the working people's living standards.⁽⁴⁹⁾

The basis of these measures was, of course, not his own. It was given to him and the Hungarian party leadership in Moscow. Nagy's own individuality was reflected, perhaps, more in his policies towards agriculture. His intention here was to appease the angry peasantry and, in particular, to abandon the accelerated pace of collectivisation and persecution of individual farmers.⁽⁵⁰⁾

His programme in agriculture was, all intent and purposes, the 'NEP' programme he advocated and offered the party earlier during the debates of 1948-49. Nagy had believed then, and still believed, that in the transitional period from capitalism to socialism the main task of the communist party was to lay the economic foundations of socialism, for which NEP was the fundamental instrument,

the NEP is the specific means and form of building socialism and is absolutely necessary in every country where there is a significantly large number of small peasants.⁽⁵¹⁾

Accordingly, the relations between the working class and the peasantry must be based on a market exchange of commodities between socialist industry and private agriculture and restrictions on the output of individual farmers must be removed and all productive capacity, including capitalist capacity, must be utilised for the sake of economic expansion. Here, Nagy called Lenin to his help. Lenin himself, he said, had emphasised that the building of socialism would initially be tied in with the growth of individual farms, and by advocating 'NEP' he was merely following Lenin's example. During the years of super-industrialisation, from 1949 to 1953, he said, the principles of 'NEP' were violated, a stage of the revolution was jumped over and production became unbalanced. As a result, socialism in Hungary was brought to the verge of a catastrophe which could only be averted by re-evaluation of the methods of building socialism, as provided by the June Resolution, and by getting right the

balance between the production of industrial goods and the production of consumer goods.⁽⁵²⁾ The weight of Nagy's authority and political impact was, of course, considerably greater now because time, and the Moscow leadership, by giving him this mission, had completely vindicated him and his earlier stand.

The specific details of Nagy's announcement concerning the explosive issue of agriculture also conformed reasonably closely to what was outlined in his speech to the Plenum and the Resolution. While the industrialisation programme was 'exaggerated', he said, efforts to improve agriculture had been wholly inadequate, with disastrous results. Thus,

agricultural production has been stagnating and during the past few years its growth has been hampered by the meager investment, which has been reduced in the past few years, by the lack of support for individual farmers and, finally, by the rapid numerical development of collective farms which is neither economically nor politically justifiable and which has made the peasant's work insecure.⁽⁵³⁾

Agricultural output was to be raised, he said, firstly through the increase in state investment;

the government regards it as one of its foremost duties substantially to increase agricultural investment, while simultaneously reducing investment in industry in order to ensure a speedy and large-scale increase in agricultural output.⁽⁵⁴⁾

Secondly, by giving more support to individual farmers for increased efficiency and making it possible for them to use MTS services and enabling them to buy artificial fertilizers on the free market in significant quantities.

Although, he stressed, agricultural production was still based mainly on individual farming the government not only did not help them but persecuted them. Thus,

it is well known that our agricultural production rests, to a decisive extent, on individual farms whose produce is not only indispensable to the country but whose productive development is in the general interest. The government, therefore, regards it as its foremost task to help individual farmers and to provide them with the means of production, fertilizers, quality seed and the application of mechanised services and modern techniques in production.(55)

With regard to increased production, he went on to say, another powerful disincentive for individual farmers, the uncertainty of property ownership which had resulted from the frequent complete and partial commassations, must be removed. For this, he said

the government wishes to reinforce the security of peasant holdings, their property rights and their production by every possible means. To protect the peasants' holdings the government will prohibit, as of this year, the commassation of land, which usually takes place in the autumn - a procedure which diminished the peasants' desire to produce more.(56)

Next, in a crucial passage of his address, he declared that the regime had treated the peasants harshly:

during the collectivisation programme much bullying was practised. This not only offended the peasants' sense of justice but also caused serious harm to our economy and played an important part in bringing about the present state of affairs.(57)

and that the brutal and widespread violation of the principle of free choice, of voluntary collective farm membership, for the sake of exaggerated collectivisation by intimidation and financial pressures and by punishment and other lawless procedures, had created unviable collectives and great dissatisfaction and unrest amongst the peasants. He stressed that, henceforth, collectivisation must be based on voluntary acceptance by the peasants. And in one of the most striking assurances to the peasantry he promised that they would

not be forced into collectives any longer and that collectivisation itself was to be slowed down because 'the exaggerated speed of collectivisation ... has undoubtedly contributed to the present difficulties.'⁽⁵⁸⁾ Moreover, those peasants who wanted to leave existing collectives would be allowed to do so, after the harvest. Thus,

in order to ensure complete respect for the principle of voluntary membership the government has decided, in future, to allow collective members, who so desire, to carry on farming individually - because they think this might promote their prosperity - to leave the collectives at the end of the economic year. In addition, the government will permit the dissolution of those collectives in which the majority of members express such a desire.⁽⁵⁹⁾

An integral part of Nagy's programme was his emphasis on the importance of and support for individual farmers, particularly his stress on the role of the middle peasants in production, and it implied the creation, strengthening and increase in number of individual farmers - as a class they must be allowed to expand and develop their farms. His statement, in this respect, differed if not in substance then certainly in emphasis, from the text of the Resolution. To increase farm output the Resolution, too, considered support for individual farmers important. But in his address to parliament Nagy put much greater emphasis on this, placing it 'first and foremost'. At the same time, again deviating somewhat from the Resolution, Nagy was less emphatic regarding the development of collectives. In the interest of increased food supply they, too, must be encouraged but only on the basis of free choice. Thus,

to increase the food supply the government will continue to grant considerable aid to collectives in the form of investment, and will contribute to the development of their animal husbandry and to the welfare of their members because it is the most FEASIBLE road for the peasantry.⁽⁶⁰⁾

In so far as the 'kulaks' were concerned, here, too, a more lenient policy was to be introduced. Persecution was to cease and the infamous 'kulak list' to be abolished. Thus,

excessive measures against the kulaks have resulted in ... difficulties for the state in utilising the so-called 'land reserves' ... in fact, these remained uncultivated.⁽⁶¹⁾

Another measure aimed at increasing the output of individual farmers was to permit complete freedom in the renting and leasing of land. Those who desired to rent from the state reserve land would be allowed to do so for a period of five years, instead of the one year which was the rule previously, and peasants would be allowed to reclaim farm land they had earlier offered to the state.

Last but not least, in his closing speech Nagy spoke of the main goal of socialism, and of his new policy, that of raising the living standards of the population. The expansion of production under socialism, he said, must never lose sight of the 'ultimate goal of socialism', the raising of the people's standard of living. Under Hungarian conditions it would simply be impossible to achieve both industrialisation and collectivisation and an increase in agricultural production simultaneously. Any attempt to achieve these aims, he warned, would result in a dramatic fall in the workers' and peasants' living standards, as had been amply demonstrated by earlier policies, which led to increasing dissatisfaction among the population, above all the working class. Therefore, other segments of the population were also to be granted concessions: workers were promised relaxation in norms and a reconsideration of wages; to promote the supply of consumer goods, and in addition to encourage light consumer industries, permission, in the form of licences, was to be given to private enterprise in the field of retail trade and small handicraft industries to engage in production; professionals and intellectuals, particularly the 'old-time'

intelligentsia, were promised better consideration and appreciation of their work. The new government, Nagy declared, was also determined to fight the high prices immediately and it promised a larger and more significant reduction in prices after the autumn.⁽⁶²⁾

The startling announcement of the new government programme by Nagy was received with a great sigh of relief by the nation and was widely, though as was soon to be shown, erroneously, regarded as presaging the fall of Rákosi. The immediate reaction, totally unexpected by the regime, was basically three-fold. The nation as a whole regarded it not necessarily as an end to the communist system, but rather as a great thaw. Gradually, more and more criticism came from the people of those who had repressed them. The nation slowly began to be emancipated; it rediscovered itself and began to put names to the repression of the past and gradually, from a position of passive opposition, it moved on to the attack. These attacks, to be sure, were still weak, but party functionaries, the police apparatus, party activists and people who had been integrated into the privilege system had received no warning or advance information about the pending changes and their origins, and, for these reasons, were simply astounded, frightened, shocked. Nagy's speech, coming from the head of state rather than through traditional party lines, created serious political confusion, uncertainty and incomprehension, even panic, within the party: it seems that lower and middle functionaries assumed that there had been a split between the party and the government and did not know which side to take; among the top party echelons there were signs of a controversy between orthodox Stalinists and advocates of the new programme. Lower and middle party functionaries watched the developments from a distance and many of them waited for Rákosi to speak and could not understand why it was Nagy who had made the announcement and why they had not been informed of these developments. Naturally, they turned to the party leadership for advice on what to do and asked

what was to become of them. Most of the peasants explained the new programme in terms of the inevitable change of the political system, 'communism was over' and they began to talk freely and unflatteringly about their leaders in the collectives. They interpreted Nagy's speech as a go-ahead and in many parts of the country large numbers of working peasants refused to wait -as instructed until the autumn -and amidst a great fanfare of trumpets, particularly in the eastern part of the country, made clear their intentions to leave the collectives, not even waiting until the harvest was gathered in. Many of them demanded the return of their land, animals and implements appropriated for the collective and proceeded to enforce their demand with pitch-forks and sickles; there were numerous clashes in the countryside. In many collectives, immediately after Nagy's speech a general meeting was called to discuss the dissolution of the collective.⁽⁶³⁾ The initial rush was so great in many places as to threaten the end of collectives.⁽⁶⁴⁾ Apparently, no one apart possibly from Rákosi and Dobi, perhaps not even Nagy himself, had foreseen that the dissolution of collective farms would take place so rapidly and on such a large scale as it did. The immediate and large-scale withdrawals of peasants from collectives in Yugoslavia, when it was allowed earlier in March 1953, could, however, have served as a warning to the new Hungarian leadership.⁽⁶⁵⁾ Also, factory workers demanded that norms be lowered, harsh labour discipline abolished and 'slave drivers' dismissed. For several days, industry almost came to a standstill.

Nagy's 'New Course' announcement was published in the newspapers on 5th July, but already the next day, on 6th July, the official party daily newspaper, Szabad Nép, launched a covert campaign against Nagy and his 'New Course' policy. While, in his speech to the National Assembly on 4th July Nagy unambiguously stated and criticised the mistakes of the past, Szabad Nép already began to extenuate, to gloss over those mistakes.⁽⁶⁶⁾ It was the first of a long

series of attacks. Then, on 10th July, came the official announcement of the arrest of Beria. Rákosi took this as a signal to mobilise the party apparatus against the forces of reform. Also the alarm caused by the ferment throughout the country, by the swift changes in policy, by the rush of peasants leaving the collectives and, perhaps most importantly, by the confusion and fright Nagy's speech had created amongst the majority of party functionaries - frightened that the 'New Course' might lead to a loss of party authority and that the continuation of 'self-criticism' could sooner or later reach lower levels, when they could be called to account - had given Rákosi the basis to mount a counter-attack against the 'heretics'. His task was, of course, by no means an easy one. Since both the Moscow decisions and the June Resolution were still in force, he had to act circumspectly. But he refused to give up everything he had so far gained through bitter struggle. On the one hand, he noticed with great dismay the tremendous success Nagy had achieved in his parliamentary appearance, and the alarm of the apparatchiks on the other hand, looking for protection. Something had to be done to neutralise the effect of the announcement. One week after Nagy's announcement of his new programme, on 11th July, Rákosi, having by now fully regained his self-confidence, hastily convened a conference⁽⁶⁷⁾ of Budapest Party Activists, ostensibly to clear the confusion which had arisen after Nagy's announcement, and to quell the rising hopes of the 'enemy'. His appearance with Nagy was intended as a display of party unity. In fact, it was his first move to secure a different interpretation of the June Resolution and to attempt to lessen the significance of the change.⁽⁶⁸⁾ Rákosi's speech,⁽⁶⁹⁾ considerably oversimplifying the earlier mistakes in economic policy under his leadership, was full of thinly veiled warnings against over-estimating Nagy's reform programme and 'threatened unruly elements with reprisals'.⁽⁷⁰⁾ He assured party members that unity existed between the party and government and made it clear that the party machine was in no way resigned to abandoning the controls. He comforted the

fear-ridden party officials that there was no purge in the offing and reminded his listeners, largely militant Stalinists, that the source of the government proposals announced by Nagy was the party, whose basic aim, the building of socialism, remained unchanged. He made it clear that the 'New Course' did not mean lawlessness or the abandonment of communist goals. With great tactical sense, designed to strengthen his position, Rákosi 'admitted' that the experience of the last few days had demonstrated that it would have been better to announce the new programme in the name of the party, rather than the government, because 'many comrades', he said, 'were not clear that the proposed measures, submitted to the National Assembly by Nagy, had been worked out on the basis of the resolution of the Central Committee.'⁽⁷¹⁾ He challenged the statements about the deteriorating living standards and maintained that the 'standard of living was higher than it had been for a long time'. He denounced the 'enemy's' reaction to Nagy's speech, the 'attitude that the plan was no longer in force, that norms need not be observed, that work discipline was unnecessary and that with the elimination of fines every factory worker could do as he pleased'.⁽⁷²⁾ Taking advantage of the fact that the resolution remained unpublished, Rákosi could take up an offensive position relatively easily. He re-emphasised industry, although he accepted the need for slower heavy industrial development, but at the same time he stressed that 'next year we want to produce more coal, more steel than this year'.⁽⁷³⁾ He did not, in fact, denounce the policy of one-sided development of heavy industry and declared categorically that the five-year plan was not beyond the country's resources. Claims of this kind, he said, originated from the 'enemy'. He stressed that the plans already in progress must go on because if they were arbitrarily changed, without being 'coordinated in the interest of the national economy', confusion would result. Thus,

it is not true that our plans are exaggerated. This is proven by the first half year results, which show that our first half yearly plan, despite serious underfulfilment in January and February, is over fulfilled. The error is that in our plan, which can be fulfilled, the share of heavy industrial investment is too large and there is too little investment in the sectors which directly or indirectly increase the living standards of our working people. It is this mistake which we wish to eliminate.⁽⁷⁴⁾

With this statement many of the past mistakes were washed away and it also suggested to his listeners the possibility of a different interpretation of Nagy's earlier announcement. Behind the scenes, from the first week after Nagy's announcement, a fierce debate began concerning the speed and scale of correcting the disproportions that had developed in the economy as a result of the exaggerated rate of industrialisation.

When addressing the meeting Rákosi sketched his views concerning future agricultural policy. He declared that,

capital investment in agriculture had declined in recent years, due to excessive industrialisation. This in itself was a mistake ... but in addition to this we made another mistake: we lost sight of the interest of the individual working peasantry. Mineral fertilizers and agricultural machinery were placed almost exclusively at the disposal of the State and Collective Farms and they were the first to enjoy the services of the Machine Tractor Stations.⁽⁷⁵⁾

He also admitted that,

during partial commassations the voluntary principle was often violated ... and contractual production was done under duress with violation of the voluntary principle and administrative regulations and penalties were used against individual farmers, often middle peasants were treated as if they had been on the kulak list, and they were restricted and harrassed the same way as kulaks.⁽⁷⁶⁾

and,

that our system of state deliveries changed from year to year with the result that the working peasants did not know their

obligations to the state in advance ... (and that) frequently pressure was exerted and administrative regulations were used against those who were not willing to sign contracts ... working peasants were in a state of uncertainty, they frequently abandoned their land and found work in industry or State Farms.⁽⁷⁷⁾

Recognising these facts, he said, a few measures had already been taken to correct these mistakes. One of the main aims of the party's and government's policies was to revise the plan to invest more in agriculture. Also, the proposal to slow down the numerical growth of collectives, he said, and the proposal which gave the collective member the possibility to leave the collective at the end of the economic year, and if the majority of members so desired to dissolve the collective, were to reassure and regain the confidence of the individual working peasants. Rákosi hoped by relaxing controls on the individual peasants to strengthen the 'worker-peasant alliance', and he expected that the collectives would remain together.⁽⁷⁸⁾

However, he delighted his listeners when he declared that although the collectivisation campaign had been temporarily suspended, collectivisation remained the supreme end in view. Thus,

we must state clearly and unambiguously that our party and people's democracy invariably see in the collective the path to the socialist reconstruction of the countryside and accordingly will in the future, too, do everything to develop and strengthen them.⁽⁷⁹⁾

In that respect, he said, there was no change and anti-collective agitation against socialist construction would not be tolerated; the Communist Party would oppose the wholesale dissolution of the collective sector with all its strength. Nobody, he warned, would be allowed to leave the collective before October, and then only those who had been members for three years; land could only be claimed back from State Land Reserves and only collectives which had

been formed under compulsion and proved unworkable would be authorised to dissolve. Rákosi called on the party members in the villages, the tractor drivers and combine operators to close ranks in defence of the collectives because they were superior. He stressed that,

we shall not stand by idly while the enemy is trying to undermine the results thus far achieved in the construction of village socialism ... we shall not tolerate any anti-collective agitation against the construction of socialism.⁽⁸⁰⁾

He implored members and supporters of collectives to believe that the party was committed to support them and that the full power and might of People's Democracy stood behind them. And, as if to underline this statement, he announced that, in addition to the various concessions given to collective and individual farmers already, on the recommendation of the top party leadership, a decree had been passed by the Council of Ministers which reduced all compulsory deliveries by the collectives by a further 10%. Those who left, he said, were not to benefit from this concession.⁽⁸¹⁾

He warned peasants to remain in the collectives and branded those 'stampeding' to leave as 'dodgers' and 'laggards'. He implored his listeners 'not to lose heart' and 'not to give in to enemy propaganda which tries hard to push beyond our correct measures and attempt to agitate against the whole collective movement'.⁽⁸²⁾ His statement was given a tumultuous reception by his audience. He then sharply attacked the kulaks who provoked peasant resistance and had thought that their time had come. He stressed that,

we proposed the abolition of the kulak list because it gave reason for a tremendous amount of abuse and unnecessary harrassing. We have realised that many kulaks were able by reasoning to secure the removal of their names from the list, but on the other hand more than once working middle peasants have got on the list, after which they were

subjected to restrictions, even harrassed, just like the kulaks.⁽⁸³⁾

It was for this reason, he said, that the kulak list was abolished. But, he continued, delighting his listeners, although it had been abolished,

the kulak remains a kulak, with or without a list. Whoever may have been in doubt about this can see it from what happened in the last few days, when the kulak's horn grew. It is our job to break off the horn.⁽⁸⁴⁾

On the whole, Rákosi's statement, especially on agriculture, contradicted much of Nagy's earlier announcement which had given a firm promise of the consolidation of private farming and security of ownership. Nagy later commented that Rákosi's speech 'left the party inclined to feel that there was no need for great changes in party life, leadership and policy; that actually the old policy could be continued'.⁽⁸⁵⁾ To be sure, Rákosi's statement on the dissolution of collectives also contradicted Soviet advice. The June Resolution which stated that collectives must be allowed to disband if they wished to do so was not an accident or a decision of Imre Nagy; it was, as noted earlier, proposed by the Soviet leadership.

Rákosi's speech succeeded in damping the enthusiasm created by Nagy's announcements. Rákosi's followers, of course, blamed Nagy for the loss of prestige which the party was suffering, especially in rural areas. The implications of his speech were not lost on party activists, nor indeed on the nation: that the new programme, as represented by Nagy's government, was not quite that of the party's. Thus, instead of unity and collective leadership there was now an open split within the top party leadership. The party apparatus was not standing behind the government programme. The subsequent attitude of the party proved that the hint was understood and acted upon. While the party activists breathed more freely again after the speech - their fears allayed - much

of the nation was astounded. The importance of Rákosi's speech cannot be exaggerated. It initiated the fight between himself and Nagy, a struggle which lasted for the next year and a half (until Nagy's fall) and ultimately degenerated into a 'supreme contest' between the two that could only be adjudicated by Moscow. His speech had created two camps in the party and country at large: to one belonged all those who supported a national renewal and accepted Imre Nagy as its leader, to the other camp belonged all those social groups which had previously exercised authority, or were the executants or supporters of the instructions which emanated from those authorities. The latter turned out to be a considerably larger group than many had previously thought - and it embraced in addition to most party rank and file, people in local authorities, in trade unions and all those who were in fear of losing the privileges provided by the regime. The struggle remained largely concealed from the rank and file and unnoticed by the mass of the population. It succeeded, however, in spreading uncertainty and unease among the beneficiaries of the regime.

Nagy, too, was forced to speak at the meeting. While he was still standing by the proposed reforms, he was clearly on the defensive. Following the same line as Rákosi, Nagy reasserted the government's 'good intentions' and affirmed the solidarity between the party and the government. He expressed agreement with Rákosi's speech and his explanation of the new policy and then went on to emphasise the validity of the June Resolution which, he said, was 'a compass for the government.'⁽⁸⁶⁾ He reiterated his views on the Five Year Plan, the significant fall in living standards and the injustices committed towards the peasants and, in particular, the kulaks. As proof that the government intended to keep its promises Nagy stressed that steps had already been taken on the proposals made a week before. One of these measures, he said, was a decree of the Council of Ministers which was to be published the next day, on 12th July, which cancelled unconditionally and with immediate effect all fines imposed

individual peasants or collectives for non-fulfilment of compulsory deliveries, or for fulfilling them too late. Another draft decree, he said, would make veterinary services free.⁽⁸⁷⁾ He also revealed that the Council of Ministers had been instructed to submit a draft decree regulating the precise conditions and procedures under which peasants could leave collectives in October. After reasserting the government's good will, Nagy made it clear that he would not tolerate the collapse of work discipline which had followed his first speech, and he, too, stood up against 'right-wing' elements who agitated, he said, against harvesting, threshing and compulsory deliveries, which must be completed.

Conditions in agriculture were giving serious concern to the regime: fields were neglected, harvesting, which had hardly begun, was in many places weeks late, threshing half finished, not a single furrow tilled. These activities normally finished at the end of July, but now peasants had only one overriding aim - to divide the collectivised land, equipment and livestock among themselves and get out of the collective. They tried to force the hand of the authorities by refusing to bring in the harvest unless, and until, their aim, decollectivisation, was achieved. Initially, the newspapers were silent about the disorders. Instead, there was only an insistent press campaign about the need to speed up grain harvesting. The delay in harvesting was explained in terms of the widespread misconceptions about the 'right time' for harvesting the grain.⁽⁸⁸⁾ Because of these delays certain food items were beginning to be in short supply. All this must have made even Nagy ponder over the reaction to his earlier new programme announcement and, he too, must have been pressed by the party leadership to intervene against the movement to abandon the collectives, which in many districts had been assuming formidable proportions at the height of the harvest. Nagy warned against impatience in putting the government's relaxations into effect and promised severe punishment for those who attempted to thwart the state's decision by acting illegally, pressing demands, misinterpreting the new regulations. Thus,

he who heeds the voice of the enemy instead of that of the party and government, he who abandons legality and enters the road of lawlessness should not count on the assistance of the party and government. This applies to those who, without waiting for October intend to leave the collectives in the middle of the summer and try to use this right improperly and not at the time stipulated by the government...⁽⁸⁹⁾

and

... who interpret the extension of rights and concessions as if they had no obligations to the state either in taxes or delivery of produce. It applies not in the least to those kulaks who reply to the government's measures by an anti-democratic and anti-government attitude, by violations of law and by abusing the working people. Let them not count on mercy. They will feel the full force of the law. ⁽⁹⁰⁾

Indeed, the rush of individual collective members who presented petitions to leave the collectives were insulted and intimidated, their appeals often torn-up and flung back into their faces. In the weeks that followed the regime arrested farmers who resisted the authorities and continued to agitate against collectives. References to rioting also began to appear in the press.⁽⁹¹⁾ On 7th August a front page editorial entitled 'Let us protect our collectives' (Védjük meg a termelőszövetkezeteinket) clearly revealed the extent of the peasants' anti-collective activities.⁽⁹²⁾ The party's daily newspaper bitterly attacked the 'enemy' for campaigning against collectives and complained that party organisations, instead of suppressing this, had been content to stand idly by. Urging communists to wage an effective counterattack, the newspaper told them that their chief target should be shirkers, those who 'sneaked' into the collective and who now were not 'content to leave by themselves' but wanted to persuade others to do so also. Thus,

the enemy realised that this year will be an important year in the strengthening of collectives and that members of good collectives will have a larger income this year than they had in the period of individual farming. That is why every kind of

hostile riff-raff, horse traders, good-for-nothing parasites ... are striking at the prosperity of collective members ... It is obvious that he who works against the common property is working against the people ... It is clear that the state cannot allow this and must strike with the severity of law against those who are inciting against collectives.⁽⁹³⁾

The newspaper also attacked 'kulaks' and 'backward elements' among kolkhoz peasants, who 'dared to raise their insolent heads'. It cited a typical case of a kulak who attempted to destroy a collective and described the punishment given to such offenders, who were excluded from the collective farm, arrested and sentenced to five years in prison.⁽⁹⁴⁾ Clearly, the regime had found it necessary to oppose all propaganda for dissolution of collectives because such propaganda had seriously endangered the very system itself. The newspaper warned communists about the dangerous effect of kulak propaganda; those mainly influenced by it were 'honest but wavering collective members' - particularly those who had joined only recently and not yet received a share in the profit. The paper carefully pointed out that a distinction had to be made between two groups, 'demagogue kulaks' and the 'uncertain ones', and insisted that the former could be eliminated and the latter convinced only if the party formed a group of activists on every collective farm.⁽⁹⁵⁾ As part of the government drive to 'popularise collectives', and reassure their readers, the press continually published detailed accounts of kulak activities and the loyal reaction of 'good peasants'. The moral of these stories was supposed to be that faithful kolkhoz peasants, who had no desire to de-collectivise the land, saved the farm by exposing kulaks as enemy agents and proclaiming the collective system the only road to peasant prosperity.⁽⁹⁶⁾

It was against this background of a high rate of voluntary dissolutions that Nagy was compelled to speak, with great emphasis, about the importance of and the government's determined effort to support the collectives. Under pressure from events and the party, Nagy, rather interestingly, assumed an even

more extreme, in communist parlance 'leftist' position than Rákosi when he declared that collective farming remained the regime's ultimate goal in agriculture. He categorically declared that collective farming was,

the ONLY feasible road for improving the lot of the peasantry and building socialism in the villages.⁽⁹⁷⁾

In addition to the somewhat tougher language and an increased emphasis on the importance of work discipline, there were at least three major differences between Nagy's 4th July and 11th July speeches. The earlier concession to the free practice of religion was not repeated, the promise to permit independent retail trade was ignored (apart from a brief mention of village craft shops) and, more importantly in the present context, it was explicitly stated that collectives and not individual farms were the best, proper and ONLY solution for the agrarian problems and future prospects of the peasantry. To this extent Nagy's second speech seemingly marked a retreat from the government's earlier stand.

Rákosi's speech at the meeting of the Budapest Party Activists proved to be an effective instrument in allaying the fears of party functionaries and indicating that the June Resolution would be implemented in a highly restricted manner. Assessing the effectiveness of the meeting, a report on 15th July confirmed that Rákosi's speech had significantly eased the tension among party functionaries and that 'jubilation among them was universal'. The report also noted that the 'enemy' had immediately contrasted the two speeches and the general view that had emerged was that 'what had been promised by Nagy had been retracted by Rákosi'.⁽⁹⁸⁾ Many, on the other hand, became bewildered by it all. A Politburo meeting, discussing the reaction to the Activists' meeting also confirmed that the Party Activists had now relaxed somewhat, but, at the same time, it noted also that there was a danger that the measures would be implemented by the old methods, without aspiring to correcting the old

mistakes.⁽⁹⁹⁾ Thus, in addition to failing to demonstrate party unity, the meeting also successfully prevented the mobilisation of the party for the effective implementation of the June Resolution. For that, Nagy would have needed the power to make the full text of the Resolution, including the criticisms, available to the party members to make them widely known throughout the whole party. But almost a month had gone by since that meeting when, on 8th August (interestingly, coinciding with Malenkov's announcement of his 'New Course') an extraordinary Politburo meeting, under the influence of Rákosi, approved a draft proposal entitled 'Directives concerning the debate and implementation of the Resolutions of the Central Committee of the Hungarian Workers' Party adopted by the enlarged Plenum in June 1953' (Irányelvek a Magyar Dolgozók Pártja Központi Vezetősége, 1953 júniúsi kibővitett ülése határozatának megtárgyalására és megvalósítására).⁽¹⁰⁰⁾ Issued by the Politburo towards the end of August, the Directives were merely a considerably less detailed and shorter summary of the original June Resolutions (approximately half of the length). Regarding the future tasks the document followed the outline of the June Resolutions fairly closely. However, it raised the issues regarding 'collective leadership', party democracy, criticisms and self-criticisms only in principle and it omitted any reference by name of leaders who were held responsible for the grave errors committed in the political line and the activity of the party in practice. This further confused the Central Committee and the leading party functionaries, especially the secretaries at lower levels. They interpreted the Directives as meaning that Rákosi had already convinced them in his 11th July speech that the Politburo had made changes in the June Resolution.⁽¹⁰¹⁾

The second section was devoted to the economic policies of the party. With regard to agriculture the Directives acknowledged that the low level of investment 'had put a brake on the production of individual farmers'. They also

referred to the mistaken policy of the leadership, who paid more attention to the rapid, numerical, development of collective farms than to their performance and consolidation. The Directives also reiterated that the 'basic aim of the party was substantially and permanently to raise the standard of living of all, but primarily the working class.' To achieve this they had recommended a reduction in the development of industry, especially heavy industry, and an increase in light and food industries, but still preserving the theory that the relative growth of Group 'A' was to be greater than that of Group 'B'. With regard to agriculture, the Directives established the following tasks:

1. output in all sectors of agriculture was to be increased
2. increased aid was to be given to collective farms because they represented the MAIN road to building socialism in agriculture

and the main future task, in this respect, the Directives stated was:

3. to strengthen the collective farms economically and to improve their yields and profitability

and, regarding the individual peasant farmer, they declared that

4. in order to achieve increased farm output he too should be supported to enable him to develop his farm, and fulfil his obligation towards the state, and to leave him enough produce to take on the free market

The third section of the directives, with the title 'Let us mobilise all party organisations for the implementation of the Central Committee's Resolution and the Government's Programme' was, perhaps, the most significant. It referred extensively to the 'hostile activities of the enemy', whose efforts were directed at undermining plan and work discipline and aimed at breaking up the collective farm system. The Directives emphasised that at the Budapest Party Activists' meeting on 11th July the party leadership had raised only issues concerning economic policies. Because of this a feeling had developed amongst party functionaries that, while there was a need for a change in economic policy, within the party everything was in order and therefore should remain as before.

The Directives warned against this misplaced belief and called for action 'in the spirit of the government programme' to improve party work and for the strengthening of political education.

Finally, the document summarised the tasks before the party:

1. realisation of 'collective leadership' at all levels
2. correct selection of party cadres and elimination of differences between old and new cadres
3. bold criticisms and self-criticism
4. widening of party democracy
5. increased mobilisation of all party members behind the implementation of the June Resolution and government programme
6. increased vigilance against the 'enemy'

While the document offered hardly any analysis or revelations concerning past mistakes, this last assertion was given a disproportionately great emphasis. As, perhaps, was the intention it proved sufficient to obstruct the full appreciation of the real political situation and consequently paralysed the willingness of party members, especially the activists, to rally wholeheartedly behind the Resolution. Moreover, it also made subsequent return to 'sectarian politics' easier. As Nagy later commented 'from the Directives many gained the impression that old methods would not be liquidated; the Directives, on the whole, played into the hands of those who were not enthusiastic about the new policy.'⁽¹⁰²⁾ Later, at the October Plenum, in fact, Rákosi was criticised for the Directives.

The Directives reflected the state of confusion regarding the future development of agriculture. In this connection, it is interesting to list the differing views expressed in documents and speeches regarding the emphasis to be placed on the collective farm system. They were referred to as

1. the 'road to building socialism in the villages (or in agriculture) - as in the June Resolution,
2. the 'MAIN road to building socialism in the villages' - as in the minutes of the Politburo meeting of 2nd July,
3. the 'ONLY road to building socialism (even for progress by the peasantry) in the villages' - as in Nagy's speech to the Budapest Party Activists,

and again

4. the 'MAIN road to building socialism in agriculture' - as in the Directives of 8th August.

Progress reports following the discussions on the Directives, however, revealed that despite 'great efforts' middle and lower party activists still failed to grasp the true meaning and full significance of the new pronouncements. For instance, reports on 24th August⁽¹⁰³⁾, 25th September⁽¹⁰⁴⁾ and 30th September⁽¹⁰⁵⁾ revealed serious and persistent shortcomings in the implementation of the June Resolution. According to these reports, party activists tended to underestimate the need for a fresh approach to party work and for new methods and, on the whole, failed to mobilise for the implementation of the new tasks.

By the end of July and the beginning of August Rákosi's attack on Nagy slackened. Unfavourable news came for him from Moscow:⁽¹⁰⁶⁾

1. in a commemorative publication of the CPSU, to mark the 50th anniversary of the foundation of the Bolshevik Party, Stalin's name appeared only three times, while Lenin's fifty times. It stated, that 'the significance and revolutionary work of Lenin would come to prominence again, which in recent years was eclipsed by propaganda,
2. after three weeks of delay, Izvestya published a long appreciative article regarding the significance of the new programme of the Hungarian Government,
3. after two years of negotiations the Korean armistice was finally signed on 27th July, greatly reducing international tensions and the need for military production, which was the basis of Rákosi's policies and his trump card against the supporters of Nagy,
4. Malenkov, in the Soviet Union, delivered his own 'New Course' speech on 8th August; he announced a significant reduction in the development of heavy industry.

Rákosi, for the moment, miscalculated. After all, the champion of the 'New Course' in the Soviet Union was not Beria and Nagy was not to fall with him; the policy of the Hungarian and Soviet leadership, for the time being at any rate, remained unchanged. And with the Korean armistice the open struggle between the two sides reached a stalemate. Rákosi decided not to take his opposition, for the moment, to breaking-point. With great astuteness he sensed, however, the fragility of the consensus around Malenkov and chose to bide his time. For the moment his only desire was to strengthen his position, as First Secretary of the Party, under the premiership of Imre Nagy. But his resistance to Nagy's 'New Course' continued, inconspicuously, behind the scenes and his attention, and the battlefield shifted to the sphere of 'theory' and 'ideology'.

Perhaps not surprisingly, in response to the various reports and different theoretical interpretations, the lack of theoretical and ideological foundation underpinning the 'New Course' alleged by the party to be the main cause for the continued bewilderment amongst party activists. The party, it was claimed, could not move without having a 'theory' and the new economic credo had to be explained to the party activists in terms they would understand. The party leadership, therefore, was forced to make further efforts to stabilise its position and relate the new programme - especially in agriculture - to Marxist-Leninist tradition. But as the official statement on the June Resolution was delayed, so the elaboration of the theoretical and ideological questions was slow too and, for one reason or another, made little progress. The first comprehensive proposal dealing with a wide range of theoretical and ideological questions, entitled 'Report concerning the shortcomings and tasks of the Agitation and Propaganda Department of the Central Committee' (Jelentés a Központi Vezetőség Agitációs és Propaganda Osztály munkájának hiányosságairól és feladatairól) was submitted to the Politburo meeting on 5th August 1953.⁽¹⁰⁷⁾ Regarding theoretical work, the memorandum began by noting that the main source of past mistakes was its

weakness, namely, that fundamental questions relating to the development of People's Democracy and the building of socialism had not been systematically analysed, the application of Marxism-Leninism and Soviet experience to Hungarian conditions had not been worked out properly. From this it concluded that,

the main task of the party in order to end the prevailing uncertainty among party members, to secure unity between the party's theoretical and practical work and to develop and implement our correct political line is to improve theoretical work.(108)

The proposal then went on to list those theoretical questions the elaboration of which could have helped party members to understand the problems raised by the June Resolution. The differences in internal and international conditions under which the building of socialism in the Soviet Union began, during the 1920s and 1930s, and in Hungary in 1948-49, ought to have been taken into account: differences in the level of economic development, in resource endowment and instead of 'capitalist encirclement' the support of the Soviet Union and other member countries of the 'peace camp'. From these the memorandum had concluded that the rate of industrialisation and collectivisation in Hungary could not have been faster, but should have been slower, with greater attention paid to the needs of the masses, the accompanying 'class struggle' being sharper than at that time in the Soviet Union. In the interests of improving the party's theoretical work the proposal suggested that working groups should begin preparations, in the form of lectures, studies and publications, on each of the following wide-ranging questions:

1. the characteristics of building socialism in Hungary; the problems associated with the application of NEP in Hungary,
2. the validity of basic economic laws of socialism in Hungary,

3. the laws of planned and proportional economic development and economic planning in Hungary,
4. increased production and productivity as the basis of increased living standards,
5. the new forms of economic relations between socialist countries,
6. the worker peasant alliance as the basis of the people's democratic state,
7. the problems associated with collectives,
8. the intra-party democracy,
9. the matters relating to legality.

In response to the proposal the Politburo meeting appointed a working committee composed of Révai (the party's chief theoretician), Nagy, István Friss and Márton Horváth - and instructed it to prepare a report on the above questions, suitable to serve as the basis for discussions at the next session of the Central Committee. Little is known about the work of this committee. It is, however, known that their finished report, entitled 'Directives' (Irányelvek)⁽¹⁰⁹⁾, was submitted to Rákosi's Secretariat, on 30th September, after which, on 8th-9th October the Central Committee Office distributed the report to other members of the Politburo except, rather interestingly, to Imre Nagy. Since, however, he was a member of the working committee, it is perhaps fair to assume that he must have known about the content of the report. The Directives, apparently largely the work of Révai, were scheduled to be used at the Central Committee Plenum which on the suggestion of Rákosi, was to take place on 17th October. In the event, for one reason or another, it was postponed to the end of the month.

The 'Directives', composed of six sections, drew several important, if familiar, conclusions. The most important, pertaining to agriculture, can be summarised as follows:

1. that the Hungarian Communist Party (as it was then called), at its 3rd Congress in 1946, decided correctly to give support to small-scale

individual farming, but had deviated from this road after the commencement of collectivisation,

2. that after 1948, but especially after 1951, the party committed a mistake in its worker-peasant alliance policy:

- (i) the main error was the neglect of the question of alliance with the middle peasant - which was the result of the rapid rate of collectivisation,
- (ii) the policy of liquidating the 'kulaks' was an error and it was wrong to identify the strengthening of new and middle peasants after the autumn of 1948 with 'kulakisation',
- (iii) the aim now was to achieve the simultaneous development of small-scale individual farming and collectives. The view that the policy of concessions to middle peasants was simply a 'peasant policy' must be opposed, because this was the policy of the working class and the strengthening of the worker-peasant alliance was in the interest of the working class too; the dangers in allowing the development of small-scale farming should frighten none because, today, the advantages in it rather than the dangers were decisive.

3. the section on the question of NEP rejected the view that the June Resolution, the government programme had meant the introduction of a 'New Economic Policy' in Hungary. But, while the party had allowed only a relatively narrow scope for this policy to assert itself, it must now change its policy which aimed at 'jumping' too quickly over free market relations and the free trade characteristic of NEP. This meant that after the rapid advance the party had returned to the stage of NEP which had been 'jumped over', without endangering the achievements of the process of building socialism,

4. regarding the Soviet experience of building socialism the Directives pointed out that the sacrifices the Soviet Union had to make during the policy of rapid industrialisation and collectivisation were related to the circumstances that prevailed at that time in the Soviet Union, i.e., isolation, economic backwardness and class relations. The building of socialism in Hungary proceeded under different, more peaceful, conditions and demanded fewer sacrifices. This was known to the party, even at its 3rd Congress, in 1946, but it had been forgotten after 1948, and even more after 1951, and Soviet experience had been copied mechanically.

All this, however, did not mean that the building of socialism in Hungary signified a sort of 'Hungarian road' to socialism, differing from the Soviet Union. Here too, the building of socialism, both in the cities and the villages, the collectivisation of individual peasants, the squeezing out of the capitalist elements, the liquidation of kulaks as a class represented the well tried and only road to socialism as worked out by the Soviet Union. This generally valid experience had to be adapted to Hungarian conditions.

The tortuous efforts to reconcile theory with the new practice, and to relate it to Lenin's superficially similar 'New Economic Policy' in 1921, proceeded not only behind the closed doors of the party but were also observable by the general public. The first, open, explanation of the new programme appeared in the party's theoretical monthly, which alluded to a similarity between the 'New Course' and the 'NEP' period in the Soviet Union.⁽¹¹⁰⁾ And, writing in the October issue of the same journal, József Révai, drawing heavily on the 'Directives' he had prepared earlier, insisted that the 'NEP' policy had been applied in Hungary ever since the end of the war. Past errors, he said, were due to the fact that the policy had been incorrectly applied,

we have been applying the NEP ever since the year of change (i.e., 1948/49); however, it is evident that ever since, and especially since 1951, we have been distorting the new economic policy to an ever-increasing degree. Consequently, the significance of the NEP has gradually grown weaker. The mistake was that we wanted to replace free market trade by socialist trade too quickly.⁽¹¹¹⁾

Further attention was devoted, inter alia, to theoretical questions at the Central Committee Plenum which, without any previous announcement, met, for the first time since the initiation of the 'New Course, on 31st October 1953, to review the economic programme and to hear Rákosi deliver a Politburo report on the implementation of the June Resolution.⁽¹¹²⁾ First, Rákosi gave a report on economic developments: he reiterated that the main aim of the new economic policy was to effect a real increase in the living standards of the people, while socialist construction still remained the party's basic objective. Accordingly, the pace of industrialisation had to be slowed down and the central problem of the new economic policy was the development of agricultural production. He called the new farm programme, with its support for both individual and collective farming, the 'Leninist Link', which led to the next link in the chain of development. Thus,

(developing agriculture) is our most important task now and in the next few years; we must concentrate all our efforts on carrying out this task.⁽¹¹³⁾

He stressed that the production of individual farms would be indispensable and of decisive importance for a long time to come. The most striking part of his speech, perhaps, was his account of the party opposition to the 'New Course'. He revealed that many party members and economic functionaries had failed to implement the new programme because they considered the emphasis on agriculture, at the expense of industry, a 'rightist deviation'. In an attempt to appease recalcitrant party members, and to prove that the party was always consistent in terms of its policies and goals, Rákosi declared, as Révai had earlier, that the 'New Course' did not imply a change in policy as the NEP had in the USSR. The 'New Course', he said, although similar to NEP, had been followed in Hungary ever since the communists took power, but it had been restricted, so that its effectiveness was reduced. The party had made errors in carrying out this policy and now the new measures meant only the correction of errors committed previously. The country had moved 'into a new phase of socialist construction' and nobody should be misled into thinking that this was 'a policy of renunciation of or deviation from the true line of protecting socialism.'⁽¹¹⁴⁾ The greatest obstacle to realising the party programme was inertia and resistance by party members and economic officials. Some party members, he said,

regard the slowdown of industrial development as a retrogressive step, see in the support granted to agriculture and the peasantry a rightist policy and consider it a deviation from the correct road of socialist industry.⁽¹¹⁵⁾

He insisted that such ideas were likely to cause serious harm and that any policy which promoted 'the well-being' of the whole working people' was hardly a step

backwards. To this extent, Rákosi gave a fair interpretation of the new government programme.

These theoretical deliberations, in fact, continued into February 1954. After the regime had stemmed the peasant exodus from the collectives, another party theoretician, György Nemes, reiterated the party's policy:

excessive emphasis was put on one aspect of the NEP - on restricting private trade and eliminating capitalist elements; on the other hand, the establishment of free trade relations and support of independent peasants was neglected.⁽¹¹⁶⁾

In other words, one of the chief aims of the 'New Course' programme was to woo the middle peasantry and the various comparisons with the Soviet NEP were made for the purpose of assuring anxious party members that the new policy was no denial of communist economic goals, no 'rebirth of capitalism' and no attempt to 'betray the the working class in favour of the peasantry'. For the rank and file citizens, however, these assurances were neither important nor comforting. As the 'New Course' progressed it had become apparent that peasants (and workers and technicians) were consistently blocking efforts to boost production and were unconcerned with party theory.

On the basis of Rákosi's report, the Central Committee, 'acting in the spirit of the June Resolution', passed a resolution in much the same vein.⁽¹¹⁷⁾ It blamed party members for the fact that greater progress in carrying out the new programme had not been made. Thus,

some economic and party officials ... even oppose carrying out the policy of the government ... things like this have been apparent ... in the Planning Office, the Ministry of Heavy Industry (especially), the Metallurgy and Machine Industry as well as in the Party Central Committee apparatus and in the planning and financial departments. In the interest of speedier realisation of the party's June Resolution the wrangling and open opposition in some places must be stopped immediately.⁽¹¹⁸⁾

The Central Committee, most probably on Nagy's initiative, reprimanded Rákosi for his August 'Directives' and proceeded to summarise the major tasks of the new economic policy as follows:

in the future the primary goal of our economic policy will be to raise continuously and considerably, the standard of living of the people, especially that of the working class ... to continue, at a slower pace, the socialist policy of industrialisation, which will remain the main line of our party. In accordance with this, the pace of industrialisation must be retarded, especially the pace in the development of heavy industry, and plans for economic development as well as relevant investments must be reviewed. On the other hand, investments in agriculture must be raised and agricultural production and yields must be increased, including on individual farms. The numerical increase of collectives must be slowed down.(119)

In its policy towards the peasants, the resolution more or less faithfully followed the line Nagy had taken in his 4th July speech. Agriculture, the resolution stated, was to be emphasised for the next two or three years and to ensure the success of this policy there had to be a reorganisation of basic industrial production and investment. The production of farm equipment and implements was to be increased, the quantity and quality of light industrial goods and food production improved. In the end the Plenum passed the resolution by a majority and urged the Politburo, vacillating under the influence of Rákosi, and the government to pursue the reform policies.

The next important step forward in the process of implementation of the 'New Course' still further was taken by the party's Third Congress which, the Plenum announced, was to be convened in April 1954.

10.2 'New Course': Agricultural reform measures and developments

The announcement of the 'New Course' was a political as well as an economic decision. Its fundamental aim was the implementation of 'collective leadership' and the reform of economic management. The former turned into a continuous bureaucratic struggle for power between Rákosi and his 'old guard' supporters, mainly in the party apparatus - who tried to keep to the former course and destroy the dangerous popularity Nagy had suddenly begun to enjoy with the masses - and Nagy, and his supporters, mainly in the state administration and some sections of the intelligentsia,⁽¹²⁰⁾ who tried to strengthen the role of government and implement the 'New Course' reforms. The result was an atmosphere of latent crisis which prevailed for the next twenty months. During this period there were times when Rákosi's wing was pushed into the background - without giving up his position for a moment. In public Rákosi and his supporters tried to put on a good face and pretended to be conciliatory or even, seemingly, in favour of Nagy's reforms. In private, however, he agitated and conspired against Nagy, going as far as to encourage the opposition of the party apparatus which was largely outside Nagy's control. Despite some bad luck and delays in implementation, the 'New Course' nevertheless achieved some limited results in the reform of economic management. The most striking change, at least potentially, happened in agricultural policy, especially in the new attitude to private farming.

When the 'New Course' was announced by Nagy, as shown earlier, internal economic conditions in Hungary had made a review of, inter alia, agricultural policy and the relaxation of the collectivisation drive imperative. The failure of the Five Year Plan, the growing imbalance in the economy, the decline in living standards, the catastrophic situation in agriculture, in both socialist and private sectors - the fall in agricultural output, the growing internal difficulties of collective farms, the intolerable tension in the countryside, the

low work morale felt by both collective and private farmers - had made it abundantly clear that the point of diminishing returns had been reached. Workers could no longer be forced to fulfil the over-ambitious industrialisation target and, increasingly, expressed their resistance in mounting go-slow campaigns and strikes. Farm production lagged seriously first because of the feeling of insecurity of tenure induced by the collectivisation drive and, second, because of the policy of deliberate discrimination against private farmers in the supply of producer's goods - both capital and current - intended, partly at least, to help the pace of collectivisation. Peasant sabotage and opposition to collectivisation, in addition, aggravated the critical food shortage in urban centres. Clearly, the regime had reached the limits of its ability to push heavy industrialisation profitability in terms of its human and economic resources. The failure, in a sense, was all the more notable for the fact that the country's government had at its disposal not only the lessons of the Soviet experience, but direct Soviet supervision as well.⁽¹²¹⁾ Any further developments necessitated a re-orientation of plans. In agriculture it was only too clear by June 1953 that the peasant, especially the middle peasant, had not been won over to the communist view; he had, in fact, been antagonised by the collectivisation. The regime was forced to recognise that if agriculture was to supply the population, and the growing urban centres, with food, increased resources had to be allocated to farms, and to the production of manufactured consumer goods of a kind the peasants would wish to buy. Therefore, a new policy had to be initiated, representing a step back for the regime: to restore the 'alliance' with the middle peasants, to look into the abuses committed during the collectivisation drive and, above all, to increase agricultural output and rural living standards. Having been forced to draw the lessons from the difficulties and distortions that appeared in the domestic economy, the June Resolution represented the first, tentative, step towards a partial break with the Stalinist concept of building socialism: they meant

abandonment of the one-sided, forced economic development - which was to be the detriment of industries connected with agriculture and of agriculture itself, an end to the neglect of even the minimum material and technical needs of agriculture, and the abandonment of the policy of 'socialist transformation', i.e., collectivisation of agriculture. The main goals of communist economic planning, industrialisation and collectivisation, however, remained but the pace had been temporarily slowed to await more propitious circumstances.

The road to reform, however, was not an easy one. Although the Central Committee endorsed the June Resolutions, such resolutions were bound to remain ineffective unless the means of implementation were also secured. And they were not. The most important directing agency for the national economy remained the 'Economic Policy Committee' (Gazdaság Politikai Bizottság) of the party. This committee elaborated the main directives of the economy and sent them to the various sections of the Party Secretariat which, in turn, issued them to the appropriate economic ministries for implementation. Ernő Gerő (in addition to the posts of Minister of the Interior and First Deputy Prime Minister - as noted earlier) remained Chairman of the 'Economic Policy Committee', where he was assisted by István Friss, the party's chief economic expert, who was also the Chairman of the 'Plan, Finance and Trade Department' (Terv - Pénzügyi és Kereskedelmi Osztály) of the Central Committee. Both Gerő and Friss were staunch Rákosi supporters. Moreover, the economic sub-committee of the Politburo was headed by Rákosi and Gerő (no important economic measure could be taken without their consent) and, after June 1953, the Chairman of the National Planning Office (Országos Tervhivatal) was Béla Szalai and the Minister of Agriculture, András Hegedüs - both Rákosi men. Thus, Rákosi and his associates were able to interfere, slow down or even side-track measures aimed at implementing the economic programme of the 'New Course'. Although it was true that Nagy had at his disposal the machinery of the government, even so, he

was often powerless to prevail against the intentional interference of the party machine (which, during the previous period, had also penetrated the governmental hierarchy). Clashes between the supporters of government and representatives of the party, trying hard to uphold the principle of 'leading role of the party' became more or less the order of the day.⁽¹²²⁾

The period between the middle of July 1953 and the party's Third Congress, in May 1954, was devoted to spelling out the new agricultural programme, one of the main goals of the 'New Course'. During this period a series of reform measures affecting both collective and private farming, were introduced to serve this purpose. The first comprehensive proposal, on which most of these measures and governmental decrees were based, was drafted by the 'Plan, Financial and Trade Department' of the Central Committee and submitted by its Chairman, István Friss, to the Politburo meeting on 15th July 1953 for approval.⁽¹²³⁾ Its recommendations, with minor addenda, were adopted by the Politburo at its next session. After this, within a short space of time, the preparation and publication of the relevant resolutions and governmental decrees to introduce the changes had begun. On the basis of the Central Committee Resolutions to increase the 1953 farm output and to strengthen the worker-peasant alliance, the government issued a total of 45 resolutions affecting agriculture.⁽¹²⁴⁾ Some of these made their influence felt in 1953 but the majority only had an effect during the next year or even later.

The first measures of the Nagy government were hurried attempts to prevent the dissolution of collectives and to revive agricultural production by granting a number of concessions to both collective and private farmers. Scarcely had the new permissive policy been made public than an 'illegal' mass exodus from the collectives had got under way. Collective members had taken Nagy's word as permission, almost encouragement, to leave the collectives, which added chaos to the existing problems. The government tried desperately

to stabilise the agricultural sector of the economy by combined tactics of persuasion and dissuasion, making it increasingly difficult for the peasants to invoke the government's pledge. At the same time, it tried to make the collectives more attractive for the peasants to remain in, through a fairly broad programme of government aid and concessions, beyond those which were also granted to individual peasants as incentives to develop their farms, increase farm output and thus to increase the supply of food to workers and, in turn, their living standards. All concessions, however, favoured the collective farmer.

The main elements of the new agricultural policy, in the initial phase, can be divided into the following four groups:

1. measures to correct the blunders committed in the sphere of procurements,
2. measures to ease the tax burden of the peasants,
3. measures, directly and indirectly, to encourage agricultural production, and,
4. measures to strengthen the collective farm system.

The first three of these groups aimed at providing incentives to increase agricultural production and the living standards of individual farmers. Accordingly, the following measures were announced by the government, in addition to two earlier pronouncements which prohibited the commassation of land during the autumn of 1953 and the spring of 1954, and abolished the 'kulak list' but continued the policy of 'kulak restriction'.⁽¹²⁵⁾

on 7th July compulsory delivery quotas and payments for land-tax were reduced for farmers who suffered loss of harvest due to bad weather.

on 12th July (a) a Council of Ministers decree wiped the punishment slate clean by cancelling all fines, amounting to 445 mill. Fts. (Forints), for non-fulfilment of compulsory deliveries for both collective and individual farmers.⁽¹²⁶⁾

- (b) the same decree cancelled, for both categories of peasants, all arrears in compulsory delivery quotas in the economic year 1952/53 and reduced compulsory delivery quotas for collectives by 10 per cent for all produce, provided they fulfilled the 1953 compulsory delivery plan on time.

As a result the peasants were relieved of the following amounts of compulsory deliveries per year:(127)

-	11,149	rail-trucks of bread grain
-	8,157	rail-trucks of fodder (coarse) grain
-	900	rail-trucks of potatoes
-	444,000	hectolitres of wine
-	220,000	litres of milk
-	20,150	quintals of eggs
-	17,300	quintals of poultry
-	728	rail-trucks of pigs
-	96	rail-trucks of cattle

on 26th July

a Council of Ministers resolution cancelled all tax arrears for collective members, provided they remained members of collectives and paid the 1953 taxes by the end of the year; it cancelled 50 per cent of tax arrears of individual peasants provided they paid the other half of the arrears by the end of the year.(128)

on 30th July

a Council of Ministers resolution granted a total of 67.5 mill. Fts. of long-term credit, to collective and individual farmers, for the construction of additional silo space.(129)

on 1st August

- (a) a Council of Ministers decree regulated the utilisation and lease of state reserve lands (to be in operation before the autumn sowing but at the latest by 1st October 1953) and granted 50 mill. Fts. credit for their cultivation; the decree contained provision for the return of land to peasants leaving the collectives.(130)
- (b) a Council of Ministers resolution gave permission to increase the size of private, household plots from half-three-quarter to one cad. yoke.(131)
- (c) another Council of Ministers decree introduced free veterinary services for both categories of peasants.

on 2nd August

- (a) a Council of Ministers resolution cancelled debt arrears amounting to 130 mill. Fts.(132) for Machine Tractor Station fees owed predominantly by collective farms; the resolution also reorganised and reduced the fees payable to MTS by both categories of peasants, giving greater relief to collective farmers; for the economic year 1953/54 this amounted to a saving of 100 mill. Fts.(133) It gave the peasants a free choice to pay in cash or kind.

The new fee set for field work, per cad. yoke, was as follows: (134)

- (i) for medium-deep ploughing (16 to 20 cm) for collectives, reduced from 42 kgs. of wheat (or 84 Fts .) to 32 kgs. of wheat (or 64 Fts.)
- (ii) for individual peasants the fee was set at 56 kgs. of wheat (or 106 Fts.) instead of 84 kgs. of wheat (or 161 Fts.)
- (iii) the fees for all other field work were reduced proportionately.

on 16th August

a Council of Ministers decree was issued 'in the interest of strengthening the collective and increasing the income of its members'. The decree, *inter alia*, provided for the following: (135)

- (i) it cancelled the portion of medium-term credits which had been granted in 1953 and were repayable at the end of that year: these debts amounted to 66 mill. Fts.
- (ii) it also cancelled credits granted to collectives for the purchase of seeds on the free market (the amount was the difference between the official and free market prices): these debts amounted to another 40 mill. Fts.
- (iii) the decree also extended medium-term and long-term credits, in existence as of 31st December 1952, so that long-term credits became payable within a max. period of 20 years, and medium-term credits within 6 years.

In addition, all payments which were due on these credits during 1953 were cancelled: this amounted to 40 mill. Fts. The rescheduling of credits was only available to collectives which continued to operate on a collective basis.

- (iv) the decree also prolonged the stipulated period required for depreciation of medium and long-term credits, granted after 1st January 1953. The terms on these loans were extended from 2-12 years to 3-20 years, depending upon the use to which the funds were put (i.e. afforestation, electrification, irrigation, construction etc.).

on 18th August

a Ministry of Agriculture decree provided veterinary surgeons with free vaccine against swine fever. (136)

on 23rd August

a Council of Ministers resolution granted a 20 per cent reduction in income tax for the agricultural population (for 1953), amounting to a saving of 500 mill. Fts. (137)

on 29th August a Council of Ministers decree announced a limited concession on compulsory deliveries for individual peasants. According to the decree, individual peasants who fulfilled their 1953 bread-grain and fodder deliveries were granted a 10 per cent reduction in their sugar-beet, maize, sunflower and potatoes delivery quotas.⁽¹³⁸⁾ The decree also lifted trade restrictions on grain and row crops.

on 10th September a Council of Ministers resolution introduced a new contractual system: it ended the 'coercive' nature of the old system and increased the voluntary delivery prices (i.e., supplements to compulsory deliveries). It emphasised the 'voluntary' nature of the new system and made it more attractive for the peasants by the provision of greater quantities of industrial goods.

The new, increased prices paid to producers, in Forints, were as follows:⁽¹³⁹⁾

<u>Commodity</u>	<u>unit</u>	<u>old price</u>	<u>New Price</u>
Tobacco	metric-quintal	290	500
Paprika seeds	"	2900	8000
Tomato seeds	"	3000	8000
Onions	"	55	80 to 160
Flax	"	61.5	75 to 150
Hemp	"	40	50 to 95

Sugar-beet and cotton growers were promised rewards and other privileges. Collectives were promised greater support than individual peasants: on the basis of this decree they had received $\frac{1}{2}$ to 2 cad. yokes for free cultivation for every cad. yoke contract production, depending on the importance of the crops grown on one cad. yoke. Contractors received interest-free loans for sowing seed and fertilizers from the enterprises which contracted to buy the produce. Proceedings against peasants who failed to meet their obligations were suspended. The new contractual system signified an 80 mill. Forints increase in income for peasants in 1953 and approximately 700 mill. Forints in 1954.⁽¹⁴⁰⁾ The resolution raised the prices of those products which the peasant did not like to grow because he found the price too low; the regime aimed to persuade the peasants to grow such products for export. The contract pig producers received 100-200 per cent price increases.

- on 12th September further increases were announced. According to the new decree the state paid farmers on contract 200 to 300 per cent more for lard and pork.⁽¹⁴¹⁾
- on 13th September
- (a) a Ministry of Agriculture decree lifted the restriction on the renting of private land.⁽¹⁴²⁾
 - (b) a Council of Ministers resolution concerning the quality control of agricultural work.⁽¹⁴³⁾
- on 14th September a Council of Ministers decree reduced investments in heavy industry and revised the allocation of investment funds in the various sectors of the economy.⁽¹⁴⁴⁾
- on 15th September the Central Committee Resolution approved the new and reduced compulsory delivery system, which was to go into effect on 1st January 1954. The new system reduced delivery quotas for both categories of peasants and established them for 3 years in advance (until 31st December 1956), so that the rural population could plan and work in security.

According to the Resolution, the delivery quotas for crops, livestock and animal products were established according to the combined area of cultivated land and pastures, while delivery quotas for wine were based on the area of vineyards. Vineyards and orchards were to be completely exempt from delivery quotas for crops, livestock and animal products; delivery obligations for crops, milk and wine were completely abolished for private, household plots of collective members. Delivery quotas were to be reduced as follows:⁽¹⁴⁵⁾

for crops

from collectives	15 to 25 per cent
from individual	15 per cent
from state reserve land	30 per cent

for livestock and animal products

from collectives	20 to 30 per cent
from individual peasants	15 per cent
from state reserve land	50 per cent

for wine

from collectives	25 to 50 per cent
from individual peasants	25 per cent

The Resolution granted additional concessions: (i) 20 per cent reduction in delivery quotas for newly formed collectives, (ii) an exemption from income tax in 1953 and 1954, for income derived from state reserve land contract for a 5 year period, (iii) a reduction of 50 per cent in meat deliveries was granted for individual farmers with 3 children younger than 14 years of age, and total exemption if they had 4 children, (iv) individual farmers were only required to make milk deliveries from one cow, regardless of the actual number of cows they owned.

on 18th September the proposed new 'Model Charter' for collectives was adopted by the meeting of the Third National Council for Collectives and Machine Tractor Stations, held on 19th-20th September 1953. It was confirmed by the Resolutions of the Council of Ministers and the Central Committee of the party.⁽¹⁴⁶⁾

on 19th September a Council of Ministers resolution was passed, regarding further concessions given in the interest of strengthening the collectives and increasing their incomes.⁽¹⁴⁷⁾

on 25th September the Minister of Agriculture, András Hegedüs, announced the long awaited government decree regulating the procedure for withdrawal or dissolution of collectives. According to the decree, published on 4th October, members were not allowed to quit until after the completion of the autumn bread-grain sowing. Regarding the rules and regulations for withdrawal, the decree contained two main provisions:⁽¹⁴⁸⁾

- (i) for the distribution of state reserve land (i.e., of poor quality) to the departing members and
- (ii) for the payment by the departing members of their share in the collective's debt - including all taxes and arrears which had already (supposedly) been cancelled by the government.

The decree made it clear that the regime, while maintaining its promise, sought to make dissolution as difficult, and compensation as meagre, as possible. A member intending to leave had to notify the collective's management in writing. On the management's recommendation the General Meeting of the collective was

then authorised to decide all questions regarding the handing back of land, livestock and equipment contributed to the collective's holding and on the settlement of all other issues arising from the withdrawal. A decision to dissolve the collective needed a two-thirds majority of all its members and then the approval of the Minister of Agriculture. Dissolutions and withdrawals could only be approved at the end of the economic year, in October. After this, a member was guaranteed the right to withdraw from the collective in October of any year, provided 6 months notice was given in writing. Buildings, equipments, orchards, vineyards etc., forming the common pool of collectives, could not be distributed but were to be re-allocated by the minister of Agriculture to other collectives. Withdrawing members were to receive, from state reserve land, the same amount of land as they had originally contributed to the collective, so as not to disturb the consolidated land of the collective. Land could also be given to the departing member from the unparcelled collective land or from land laying at the edges of the consolidated land of the collective. Moreover, 35 per cent of the value of livestock, equipment etc., contributed to the collective was withheld from the departing member and attached to the indivisible fund of the collective and 50 per cent of his dividend share could be withheld by the collective from the departing member.⁽¹⁴⁹⁾

on 10th October a Council of Ministers decree removed restrictions on pig, cattle, calf and sheep slaughtering. According to the decree both collective and individual farmers who fulfilled their delivery quotas and contractual obligations towards the state for the delivery of those animals could obtain licences for slaughter.⁽¹⁵⁰⁾

on 18th October (a) a Council of Ministers resolution concerning the preparations for mechanical repairs on State Farms and Machine Tractor Stations during the winter.⁽¹⁵¹⁾

b) a Council of Ministers decree instructing the Ministry of Finance to grant, to collectives and individual farmers, credit for the entire cost (instead of 50 per cent previously granted) for the construction of 100,000m³ of silos.⁽¹⁵²⁾

These government concessions, together with the reductions in compulsory deliveries and income tax and better procurement prices for some 51 contractual crops in 1954, (all more favourable for the collectives) in addition to the free veterinary services, amounted to savings of hundreds of millions of forints. They were designed to increase the incomes of both collective and individual farmers. The regime had hoped that the various delivery, financial and tax concessions, reinforced by political agitation, would improve the operational prospects of collectives and individual farms.

The campaign to dissuade the peasants from leaving the collectives and farming independently had been waged on both economic and political grounds. The economic concessions were accompanied by a strengthening of administrative, and especially party controls in the countryside. Many experienced party functionaries had left the villages, because of the emphasis on industry, and for years the party in villages had admitted few working peasants. As part of its drive to make party and mass organisations effective instruments for carrying out top policy decisions, the regime constantly denounced 'petty despotism' in local party organisations and within the collectives, and harped on the necessity of improving work. During September, party meetings were held throughout the countryside to discuss the shortcomings in detail. The press deplored one-man leadership, haphazard working methods - ignoring the voice of members within the collective and, above all, poor propaganda. On 7th September the party daily newspaper complained that people's educators (i.e., propagandists) had failed to explain the party's agricultural policy to the peasants and that instead of expanding their activities they had withdrawn.⁽¹⁵³⁾ On 22nd September the same newspaper complained again that many party committees ignored the 'cadres' in their districts and gave no help. It also criticised the committee leaders for failing to guide organisations to control production.⁽¹⁵⁴⁾

The laxity of rural party officials and people's educators was largely due to the fact, of course, that they themselves were too confused about what the new programme would actually mean for the peasants. To remedy the situation the party sent not only hundreds of agitators, but also the army's own political officers into the countryside - conveniently, because one of the very first measures of Nagy's government was to reduce the size of the army and utilise the human and material resources released elsewhere in the economy - to persuade the peasants to remain in the collectives. The political campaign to dissuade the peasants who were intent on leaving the collectives despite economic concessions (or because of them) and administrative deterrents making it more difficult for the peasants to withdraw and/or dissolve the collectives went through several phases, from screaming 'traitor', 'kulak' and 'dirty-hyena' in late July and the middle of September, to the rather pleading 'you-will-be-sorry' tone which the regime later adopted. In a speech on 19th September András Hegedüs, Minister of Agriculture, denounced requests for the dissolution of collectives as the 'work of the enemy, of kulaks, of hostile elements'. He warned that every kind of financial and administrative obstacle would be introduced to ruin those who wished to resume individual farming.⁽¹⁵⁵⁾ Shocked by the mass exodus, on 25th September, Hegedüs announced his decree 'regulating' the procedure for withdrawal from or the dissolution of collectives, i.e., making it economically more difficult to withdraw or to dissolve. In a speech at Keeskemét on 29th September, Nagy spoke with appreciation about the achievements of collective members. Although he criticised the internal problems of collectives emphatically he reiterated the regime's belief that the only real road to agricultural prosperity lay in continued reliance upon collective farming. And, he counselled, those

vacillating should listen to good advice; inspite of mistakes, problems and difficulties they should stick to the collectives. Transitional problems and difficulties should not divert them from the correct road. They should listen to good advice given by the party and government.(156)

Nagy scorned those peasants who, he said,

think they would be allowed to leave the collective by leaving behind debts and taking away assets. Such action was never intended and if those elements attempt to resort to it they will find out that the government is resolved to foil them with a firm hand.(157)

At a County meeting in Nyiregyháza on 27th September, Mihály Farkas, by this time a Politburo member again, had said that,

we shall organise collectives that will make the mouth of the individual peasant water. Despite shortcomings the party and government maintain that collective farming is the only correct road to follow. The shortcomings will be rectified with the help of the collective members. Order will be created and an undreamt-of prosperous life will be secured in the collectives in Hungary.(158)

Declaring that it would neither be understandable nor wise for a peasant to leave his collective now, Farkas added that

a peasant should use his sober judgement and remain in the collective since the party and the government, by remedying the shortcomings, are, in fact, justifying the peasant who intended to quit and recognising his complaints.(159)

To improve the image of the collective management the party daily newspaper called on 12th October for a more democratic atmosphere at collective meetings, demanded that the opinins of collective members who were formerly 'middle peasants' be given full consideration, because they were farmers, 'with wide experience, who understand the finer points of agriculture'.(160) Despite

improved prospects for the collective farming and all the efforts of the regime to prevent the dissolution of the collective system the 'sober judgement' of the peasants was to leave the collectives in great numbers. Indeed, because so many of them left, illegally, and within a short time, to establish a private farm-based existence, a serious labour shortage had developed. Existing governmental regulations, however, prevented workers from changing their place of work. To help to boost agricultural production, it was necessary to augment the supply of farm labour. On 9th September a Council of Ministers resolution had given unskilled industrial workers formerly employed on collectives permission to return to them, if their factories would discharge them. Thus,

in the interest of ensuring sufficient manpower for the collectives and furthering the development and prosperity of collective farming the Council of Ministers has adopted a resolution concerning the return of collective members, now employed in industry ... The Council of Ministers hereby orders the directors of all industrial plants ... with the exception of coal, iron ore and bauxite, metallurgy and food industry enterprises, engaged on seasonal work, to release these workers.⁽¹⁶¹⁾

The resolution proposed that the collectives grant the returning members 100 kgs of bread-grain in advance payment and from then onwards until 1st July 1954 payment at the rate of 1.5 kgs plus 8 Forints per work-day unit. If they were needed the collectives would be given grain loans, from central reserves, in order to supply members returning from industry. The resolution indicated a reversal in long-term manpower planning, i.e., the transfer of workers from industry to agriculture. This was to have a dual effect: an increase in agricultural production and a decrease in the number of non-food producing consumers. At the same time it was to result in decreased industrial production. In the event, many peasants who had migrated to industry returned, at the written request of collective management to agriculture: some 220,000 during the two years to

mid-1955,⁽¹⁶²⁾ but the majority of them increased the number of individual farmers. Very few of them in fact went back to the collectives. It had been reported that 'those who left for industry, previous collective members, returned only in insignificant numbers to the collectives'.⁽¹⁶³⁾

By October these and other threats against those intending to leave the collectives were being carried out. The departing member often found himself reduced to a penny by one hostile provision after another. The road back to private farming was not an easy one, and the regime made it disadvantageous for the peasant to withdraw. Many incurred debts for years to come; some ultimately became tired of the sufferings and left again for industry. The most prohibitive, perhaps, was the decision not to return the peasant's own land, which his family had cultivated for generations (as, in fact, was promised by Nagy); very often their land was retained by the collective and they were 'compensated' with a plot from the state reserve land elsewhere which was not only not 'equivalent' but of inferior quality, very often useless, land which for the most part was neglected and uncultivated. A number of such peasants refused these plots and moved to the cities to swell the ranks of industrial workers. According to a report prepared by the Secretariat of Local Councils, only 25-30 per cent of peasants had the land they originally contributed returned to them.⁽¹⁶⁴⁾ Also, much friction developed at the time of withdrawal between leaving and remaining members because of the retention (or taking-out) of the land and other assets originally contributed. Those who remained in the collectives behaved extremely meanly towards those leaving. In many instances, members were not given back their livestock (or were given animals of inferior quality) and equipment, even if the collective had a surplus of these. Then there was the problem of allocating a portion of the total debt burden of the collective. Departing members were often burdened with disproportionate debt. Those who remained were very resentful and labelled the leavers 'traitors to the movement',

while those leaving looked for a long time upon those who remained as if they had inflicted greater harm and loss on them.⁽¹⁶⁵⁾

The peak of the mass exodus from the collectives was between September and October. The crisis was more or less over by December. While there was resistance on almost everything else, it seemed that the village belonged to Nagy, the party, the police and industry to Rákosi. Withdrawals and dissolutions continued throughout 1954, though at a greatly reduced level. The original idea was that the decision to withdraw or to dissolve would be postponed until October, the end of the farming year, and only then would it be accepted officially. But since no police nor emergency aid measures could have kept the peasants in the collectives in practice, either on the grounds that they had been formed against the will of their members or because it was apparent that they did not make economically viable enterprises, withdrawals and dissolutions were accepted as inevitable and the regime 'closed its eye to these'.⁽¹⁶⁶⁾ The figures on collective dissolutions and withdrawals give a partial picture of the extent of peasant resistance to collectivisation. Between 30th June and 31st December 1953 the total number of collectives declined by 688 - of which 461 were Type III and 227 Types I and II; the total agricultural acreage under collective cultivation declined by 829,000 cad. yokes - 708,000 in Type III (with 643,000 cad. yokes of arable land area) and 121,000 in Types I and II (with 109,000 cad. yokes of arable land area); their total membership declined by 126,079 (from 376,088 to 250,009) - 107,042 in Type III (from 300,370 to 193,328) and 19,037 in Types I and II (from 75,718 to 56,681); the total number of families declined by 95,792 (from 293,550 to 197,758) - 79,518 in Type III (from 225,869 to 146,518) and 16,441 in Types I and II (from 67,681 to 51,240).⁽¹⁶⁷⁾ The numerical developments of collectives, their area membership for the period, between June 1953 and December 1954, is shown in Tables 10.1 and 10.2 on p.727 and p.728.⁽¹⁶⁸⁾

TABLE 10.1 DEVELOPMENT OF COLLECTIVES BETWEEN JUNE 1953 AND DECEMBER 1954

Time	Number of Collectives			Total agr area	of which Type III		Total arable area	arable area as % of total arable area	of which Type III in 1000's cad.yokes	Type III arable area as % of total area
	Type I&II	Type III	Total		in 1000s cad. yokes					
30 June 1953	1456	3768	5224	2817.4	2339.0	2351.0	24.6	1937.0	20.3	
31 Dec 1953	1229	3307	4536	1988.4	1631.0	1599.0	16.8	1294.0	13.6	
31 Mar 1954	1208	3274	4482	1961.8	-	-	-	-	-	
30 June 1954	1194	3266	4460	1984.3	-	-	-	-	-	
30 Sept 1954	1182	3268	4450	1960.0	-	-	-	-	-	
31 Dec 1954	1142	3239	4381	1881.7	1548.0	1478.0	15.6	1193.0	12.6	

Source: see n. 168, p. 837

TABLE 10.2 DEVELOPMENT OF MEMBERSHIP BETWEEN JUNE 1953 AND DECEMBER 1954

Time	total membership	of which in Type III	total number of families	of which in Type III	as % of total agr. employment
30 June 1953	376.088	300.370	293.550	225.869	19.1
31 Dec 1953	250.009	193.328	197.758	146.518	-
31 Mar 1954	249.000	-	-	-	-
30 June 1954	246.606	190.970	197.039	146.598	13.1
30 Sept 1954	244.000	-	-	-	-
31 Dec 1954	229.952	174.583	186.681	136.442	11.8

Source: See n. 168, p. 837

It should, however, be noted that the data which can be obtained from the table do not correspond to the actual figures of withdrawals and dissolutions because concurrently with these, during the period between 30th June and 31st December 1953, about 18,000 new members had joined the collectives and 56 new Collective Farms were formed. Thus, the total number of actual dissolutions was 744 - of which 493 were of Type III and 251 of Types I and II and the total membership dropped by about 142,000.⁽¹⁶⁹⁾

A very close relationship can be established between dissolutions and withdrawals and the great pressure and coercive methods which had been used in the formation of collectives during the later years: 82 per cent of all the dissolved collectives were formed during 1951 and 1952: 60 per cent of the dissolved Types I and II collectives were formed in 1951 and 71 per cent of Type III collectives dissolved were formed in 1952.⁽¹⁷⁰⁾ The majority of those who left the collectives had been owners of land, largely small and middle peasants, before the terror and economic burdens forced them into collectives, especially during the autumn and winter of 1952.⁽¹⁷¹⁾ Since the middle peasants represented a relatively higher proportion in the collectives which were formed later, the share of middle peasants who withdrew was correspondingly higher.⁽¹⁷²⁾ In the last quarter of 1953 83.5 per cent of all the families who left were small and middle peasants. While the proportions of small and middle peasants leaving the Type III collectives were the same - about 39 per cent - the proportions of small peasants and middle peasants leaving the Types I and II collectives were 25.1 and 21.6 per cent respectively.⁽¹⁷³⁾ The striking disproportion between the percentage of farms dissolved and the percentage of departing members may, in fact, be explained by the fact that the majority of members who quit were small (or smallish) peasants who contributed small plots and by the fact that the property of many peasants who left the collectives was forcibly withheld. Although there were former landless agrarian proletarians too

who began to vacillate after June and 'lost faith in the cooperative movement',⁽¹⁷⁴⁾ and some of them in fact left the collectives, most stood by collective farming. They had brought neither land nor equipment and animals into the collective and had thus nothing to claim. Their interest was in the survival of collectives and the continuation of communal farming. Therefore, those leaving the collectives were overwhelmingly from the former land-owning class. The same difference in behaviour was demonstrated after the political crisis of 1956. This is clearly reflected in the changed composition of membership of the collectives, especially of Type III collectives, in which, whereas in June the proportion of members who had owned more than 7 cad. yokes was 33.6 per cent, by the end of the year this had dropped by 30 and by the end of 1954 to 28 per cent.⁽¹⁷⁵⁾ Few of the agrarian proletarians left the collectives and the majority grouping, more than two-thirds, again became the landless and poor agrarian proletarians. The land-owning peasants left first and foremost the organisationally weak and large collectives. For them the collective provided considerably less than the small farm had given them before. During 1954 some 25,000, mostly poor peasants, joined - or in certain instances - rejoined - collectives. But did not offset the continued withdrawals, because at the same time, some 45,000, amongst them many middle peasants, had left the collective sector.⁽¹⁷⁶⁾ So, the withdrawals continued at a slower rate and while a number of new collectives were formed many existing ones had dissolved.

Looking at the overall balance for the period from June 1953 to December 1954, the following picture emerges:⁽¹⁷⁷⁾

- a) assuming that those collectives which were formed during this period remained in existence - 349 Types I and II and 566 Type III collectives, making a total of 915, or 17.5 per cent were dissolved;
- b) some 532 collectives remained completely unaffected by the upheaval - from these not even a single member, or family, had withdrawn,

- c) 72 new collectives were formed - of which 35 were Types I and II and 37 were Type III - and on 2862 collectives the acreage and membership had dropped.
- d) taking into account those who newly joined during the 18 months, approximately 140,000 families departed from the collectives, either because as members they had withdrawn or because the collective itself was dissolved.
- e) the majority of members and families who left the collectives were small or middle peasants: 27 per cent of landless and 54 per cent of land-owning families had left the collectives. The change in membership structure was in the same proportion as that of families. By the end of 1954, compared to mid-1953, and taking into account those who newly joined, the size of collective membership was down to 49.5 per cent of its previous level, i.e., more than half of the collective membership had disappeared.

The Minister of Agriculture, András Hegedüs, had expected an even higher figure. Considering the level of intimidation and terror used during the latter stages of the collectivisation drive the loss of half the membership, he said, was not such a high number.⁽¹⁷⁸⁾ From the rate of dissolutions immediately after Nagy's speech it certainly seemed as if the cooperative movement in Hungary was doomed to almost complete disintegration. Rákosi's speech on 11th July applied a brake in the process and many of those who wanted to withdraw changed their mind. The peasants may also have been influenced by the party's propaganda campaign soon after. At the Central Committee meeting, held on 31st October, 1953, Rákosi boasted that the success of party activists in preventing collectives breaking up ensured that under 10 per cent would be dissolved (his figure was of course inaccurate).⁽¹⁷⁹⁾ Be that as it may, the result of the 'crack-down' was that the peasantry again reduced production. Generally, those who remained in the collectives were those who were ideologically committed to them or were either unable or unsuitable to earn a living by private farming.

- f) due partly to withdrawals and dissolutions and partly because many collectives had returned their state reserve land, or part of it, (because

with the reduced membership they were unable to cultivate the land) during the 18 months the acreage under collective cultivation declined by 33 per cent (i.e., by more than 935,000 cad. yokes). As a result the share of the collective sector in total farmland declined from 18.3 to 13.1 per cent, while their share in total arable land area (excluding the area devoted to household plots) had declined from 24.6 to 15.6 per cent.⁽¹⁸⁰⁾ Taking into account the share of State Farms at 13.3 per cent (which declined, nominally, since June 1953 from 13.6 per cent), the socialist agricultural sector (excluding local authority ownership) represented 28.9 per cent of the total arable land area at the end of 1954.

Special problems were presented by the dissolutions of collectives. Because the former land-owning peasants had left the collectives with less land than they had contributed originally a situation of excess land over manpower had developed in the collectives. The ratio of land to collective member, in the second half of 1953, in about 18-19 per cent of the collectives (about 755) was 10 cad. yokes, but in many more it was as high as 20 cad. yokes per member.⁽¹⁸¹⁾ The situation became particularly serious in the Transdanubian region and in the northern industrial counties, as well as in Bács and Hajdú. According to a report published in the spring of 1954 these were the main centres where excess land over manpower had created particular difficulties. The manpower situation did not improve during 1954. At the end of that year, on average, there was more agricultural and arable land per member than a year earlier. In 1954 there was about 10 cad. yokes of land per family.⁽¹⁸²⁾ Moreover, mass withdrawals had shifted the age composition of collectives towards older age groups, a shift which adversely affected efficiency. Also, the increased size of private, household plots and the high proportion of members, about 8 per cent, in non-manual positions - which was inherited from the pre-dissolutions period - has further aggravated the relative manpower shortage and had a negative effect on efficiency. According to a survey carried out at the end of 1953, assuming 250 work-days for men and 150 for women per annum, crop cultivation alone went short of 1.78 million work days in the collective sector. The shortage was

particularly acute in about 180 to 200 collectives.⁽¹⁸³⁾ Because of this, many collectives were forced to enter into share-cropping agreements, in sugar-beet and maize cultivation, with members' families. On the benefit side, the manpower shortage improved labour utilisation and work attitudes: members on the remaining collectives, on the whole, tended to work harder than before (but, of course, still less than individual farmers). Figures for 1954, compared to 1953, show that the proportion of members who worked the minimum declined from 9.7 to 5.6 per cent, while those who worked more than 40 work-day units had increased from 69.8 to 79.9 per cent and those with more than 300 work-day units, from 26.5 to 39.5 per cent.⁽¹⁸⁴⁾ Furthermore, in search of greater efficiency in the face of the manpower shortage a nominal improvement in the quality of personnel in leading positions had begun, although, during early 1954, many complaints were still heard that the wishes and will of collective members had been ignored and corrupt, untrained and unsuitable chairmen were forced upon the collectives (similar complaints were heard against other local and MTS leaders). Despite this, figures do indicate some improvement in the educational level of collective chairmen: within a year the proportion of chairman with middle or higher grade education had risen from the very low level of 4.4 to 12.8 per cent - a threefold increase.⁽¹⁸⁵⁾ Another potential boost to the operation of collectives was provided by the improved ratio of equipment and livestock to acreage - since these were, in many instances, not returned to departing members, a nominal increase of 1.3 per cent in the number of livestock per 100 dad. yokes was recorded: an increase from 12.5 in 1953 to 13.8 in 1954 and to 14.3 per cent in 1955.⁽¹⁸⁶⁾

During 1954 the collective system was more or less left to its own devices and, on the whole, received little and cautious political encouragement or economic support. Many of the promises made by the government remained largely unfulfilled. Its emphasis, regarding the collective sector shifted from

quantity to quality. The party's main concern became the consolidation and strengthening of existing collectives rather than forming new ones - but even in this the results were mixed. In 1954, however, and even more so in 1955, attempts were again made to induce peasants to rejoin the collectives, but with little success.

The decline of the collective sector involved a fairly important modification of the rural structure. Due to the changed conditions resulting from the concessions discussed earlier, and with the improving supply of consumer goods, individual peasants' inclination to produce had slowly begun to increase. The flight from land had stopped, recently abandoned land was, once again, tilled, the encouragement of production on individual farms resulting in an increase in private investment in livestock and improvement of the productivity of the soil. Many began planting orchards and vineyards; purchases of agricultural implements rose by 73 per cent, while those of small agricultural machines increased by 220 per cent.⁽¹⁸⁷⁾ Those who quit the collectives and those who migrated back to agriculture from industry had together swollen the ranks of individual farms over the two years to the middle of 1955, despite the difficulties, by more than 220,000, or 21 per cent.⁽¹⁸⁸⁾ And rural Hungary was dominated by a private agricultural sector of more than 70 per cent of the total arable land area. The sources of this increase in the number and area of individual farms were initially the reclaiming of land, more than 70,000 cad. yokes, and the renting of land, approximately 500,000 cad. yokes by May 1954 by peasants from the state reserve land fund.⁽¹⁸⁹⁾ During 1954 most of the state reserve land fund found owners. An important role in this increase was also played, as noted earlier, by workers returning from non-agricultural employment. The dominant factor, however, was the mass exodus from the collectives. The turnover in buying and selling land, which had declined to a minimum during the previous few years, also increased. The buyers, according to survey, were mainly

working peasants in the less than 8 cad. yokes category of small holders. On average they purchased between 2 and 4 cad. yokes of land and added it to their holdings. Working peasants with smallholdings in the 8 to 15 cad. yokes category only occasionally bought land (the survey provided no figure for the above 25 cad. yokes category). The sellers were peasants whose land was at a distance from their homes and therefore could not easily look after it.⁽¹⁹⁰⁾

Three major problems, however, impeded the improvement of the operation of individual farms: the high taxes, the heavy compulsory delivery quotas and the serious delays in the implementation of the various concessions by the government.

The total taxes for the rural population in 1953 were set prior to the June Plenum, at 3154 mill. Forints, including the 200 mill. Forints of tax arrears which the state anticipated collecting. In July the Council of Ministers decided to reduce this amount to 52 mill. Forints and, at the same time, it cancelled half of the tax arrears incurred in the previous year, for those who paid the other half. In the event, the total tax bill for 1953 for the rural population was set at 3091 mill. Forints, about 76 mill. Forints less than it was in 1952. Naturally, the peasants were pleased to hear the good news about these tax concessions. Their happiness, however, only lasted until August, when they received their tax returns. They now found they had to pay more tax than in the previous year. The unexpected increase in taxes was brought about by the fact - apparently, well known to the authorities who, however, failed to take it into account when the tax plan was modified in July - that since 1952 the decline in the size of the taxable land fund was twice as much as the tax plan, prepared in the first half of 1953, had allowed for. The plan had estimated that the 3091 mill. Forints tax bill would result, on average per tax-payer, in an increase of 'only' 24.1 per cent in taxes. That the increase was considerably more only became known when the total tax-bill was disaggregated. Instead of recalculation, however, party and

government organs decided to correct the error on the basis of individual appeals by tax-payers, who were thoroughly investigated; where the tax set was considered unduly high it was reduced. In the event, almost 400 mill. Forints of the tax bill was cancelled and the total rural tax bill payable came to 2719 mill. Forints, which was almost the same amount the peasants actually paid in 1952.⁽¹⁹¹⁾

The second main problem was compulsory deliveries. Apart from cancelling arrears the government did not reduce delivery quotas for individual peasants in 1953 - and they were set at a considerably higher level than in 1952. Despite the various concessions and the fact that the 1953 harvest was medium-to-good, forsaken fields were cultivated again, and agricultural production rose - the gross value of total farm output, at constant prices, (1949=100) was 112 per cent.⁽¹⁹²⁾ - many working peasants, because of high delivery quotas, regional variations in weather (some regions were considerably worse than the average) and growing resistance to deliveries could not, or would not, fulfil their compulsory delivery obligations, especially in grain, meat, maize, milk, eggs etc., in full. Many working peasants who did fulfil quotas remained without bread and/or sowing seed for the next year. A report prepared for the Politburo and the Party Secretariat on 13th August 1953 recorded significant under-fulfilment in grain collections, blaming, in addition to peasant resistance, village council and local party organisations for failing to take energetic action against 'incorrect attitudes' to delivery obligations.⁽¹⁹³⁾ To alleviate the resultant hardships the Ministry of Crop Collection ordered some 400 rail-wagon loads of bread grain and 4000 rail-wagon loads of seed to be distributed on favourable terms among the needy⁽¹⁹⁴⁾ - who were first investigated and adjudged on individual merit; in some cases the government cancelled a proportion of their delivery quotas. But many, especially better-off peasants in more favourable climatic regions, were able to fulfil their delivery obligations and have enough

left for themselves for private consumption and seeds and even, with the greater freedom now given, to dispose of some of their produce on the free market. Indeed, many peasants, tempted by the greater freedom, risked the consequences and 'diverted' produce from compulsory deliveries to the free market. The relative trends of production and sales through the two different channels are as shown in Table 10.3.⁽¹⁹⁵⁾

TABLE 10.3 Index Numbers of Production and Sales of Farm Produce, 1949 = 100

	1950	1951	1952	1953	1954
Gross output of agriculture ^(a) ...	106	123	93	112	114
Total sales ...	115	133	120	105	116
Sales to State purchasing agent	120	149	144	93	80
Free market sales	96	106	80	126	178

(a) Before allowances for duplication

Source: see n. 195, p. 838

Between 1949 and 1952 sales of agricultural produce on the free market fell by one-fifth, while sales to the state purchasing agencies increased by 44 per cent in spite of a fall in total production. In 1954 sales on the free market were nearly double their 1952 level and accounted for nearly three-fifths of total sales. The new, reduced, compulsory delivery system, introduced in January 1954, provided greater material incentives, which created more favourable conditions for increasing agricultural production. But it was still inadequate, and on the whole it failed to overcome the resistance of working peasants to fulfilling their obligations to the state, partly owing to the poor harvest and non-fulfilment of compulsory deliveries remained a problem.

In the context of increased production it should be mentioned that some of the increase was due to 'New Course' policies encouraging private, household agricultural production, with larger plots, better incentives and the offer of credit for plot owners without a cow to buy livestock. As a result, many peasants took the opportunity to expand their holdings into small farms. Officials permitted them to do so either because they were uncertain about the policy or because they felt that this was the only alternative to complete dissolution of the collective. The fact was, however, that many collectives which were not formally dissolved in practice disintegrated because of the peasants reversion to private farming, nominally within the socialised sector. This presented problems during the spring of 1954 and many complaints were heard about the 'oversized plots which became detrimental to collective farming.'⁽¹⁹⁶⁾

The third problem afflicting individual farmers related to the concessions introduced by the government. Firstly, they were introduced in a piecemeal fashion and under too varied headings. Secondly, the concessions had to be registered in the 'delivery' books' of working peasants, which was often done only after months of delay - creating uncertainty and resulting in the end in haste and inconsistencies. The hurried and often contradictory detailed measures issued by the Ministry of Crop Collection, and their frequent modification, further added to these problems.⁽¹⁹⁷⁾ A situation report submitted from County Bács on 12th November 1953 provides interesting and typical examples regarding the overt opposition of functionaries to the implementation of the government programme. It revealed, inter alia, that

party and village council functionaries locally introduced measures which greatly hindered the implementation of the government programme and which indicated that they treated working peasants with the same old and incorrect methods.⁽¹⁹⁸⁾

The report cited a number of cases showing that in many places functionaries of one kind or another had limited the concessions available to working peasants by illegally making them dependent on the fulfilment of certain conditions. They had employed arbitrary, administrative methods to enforce the fulfilment of the delivery plan and, at the same time, had opposed the 'liberalism' introduced in the free marketing of produce. In one village, for example, council officials confiscated eggs and poultry taken to the free market by peasants who failed to fulfil their delivery obligations. Many peasants were even accused by name, over the market loudspeaker system, of being 'speculators' and as such 'the enemies of the people'. Similar cases were reported from a number of other counties.⁽¹⁹⁹⁾

Whereas the 'New Course' programme had brought changes in almost all sectors of the economy, the State Farms were left virtually untouched. While it is true that some measures were introduced to increase production on State Farms - prices were raised and steps were taken to reduce costs and raise productivity - on the whole, no substantial change took place. While the collective farm population was allowed to revert to private farming, the most drastic announcement made with respect to State Farms was that no further expansion would take place and that the main task in the sector was consolidation. Despite some of the beneficial measures, State Farms remained grossly inefficient and far from being modern, large-scale, 'model' production units. The investments allocated to them had not resulted in commensurate returns and State Farms constituted a serious drain on the economy. They were particularly inefficient in animal husbandry, chiefly because of the absence of a suitable fodder base but also because of the mistakes in organisation and management. To improve their operational efficiency, a sweeping shake-up of administration and management in the second half of 1953 had been carried out. First, in August 1953, the separate Ministry of State Farms was merged with the Ministry of Agriculture and within the new structure State Farms were managed

by 12 Chief Directorates.⁽²⁰⁰⁾ Apparently, some time in 1952 the regime had contemplated enlarging State Farm holdings substantially. The reason why this had failed to materialise was the great difficulties experienced with state farms at the time. Once the 'New Course' had been launched the main task of State Farm administrators became one of integrating State Farm production into the new agricultural planning system and that presumably was why the Ministry of State Farms was abolished. Second, to improve managerial efficiency many top managers were replaced. According to a survey conducted in June 1954, 29.4 per cent of directors (90 people) 39.5 per cent of Chief Agronomists (89 people), 48.8 per cent of Chief Animal Breeders (120 people) and 48.3 per cent of Chief Accountants were replaced during the second half of 1953. The extent of the replacements confirmed just how inefficient top management on State Farms had become.⁽²⁰¹⁾ With the more liberal approach of the 'New Course', former agricultural experts and specialists, had been drawn into work on State Farms again and new ones had been trained to improve the quality of technical staff.⁽²⁰²⁾ Despite these measures State Farms remained loss makers and their financial position deteriorated even further (see p.662). During the period under investigation they failed completely to become 'model' farms. On 24th May 1954 even Rákosi had to urge that 'State Farms must become model farms not only on paper, but also in practice', and to attain this goal, he said, 'it was necessary that workers be financially interested in fulfilling and over-fulfilling production plans and reducing costs.'⁽²⁰³⁾

Foremost among the objectives of the 'New Course' was a substantial improvement in the living standards of the population and an increase in farm output. The change in priorities which these objectives entailed could, perhaps, best be seen in the revised direction of investments. The June 1953 Resolution clearly stated that, simultaneously with the reduction in total investment, its direction must be altered and more resources allocated to agriculture and

consumer good industries. This was to correct the miscalculation made in the plan revision of 1951, which by failing to leave enough room for the expansion of food production, had interfered with the attainment of the priority targets themselves. After frequent, and long, discussions - and six modifications - on 14th September 1953 the Council of Ministers announced a cut in investments for the second half of 1953 and promised a further reduction for 1954. For the second half of 1953 the government modified the structure of the investment plan: the share of industry in total investment was reduced from 46.9 per cent in 1952 to 42.9 per cent, and within this the proportion going to heavy industry was reduced from 44.1 per cent in 1952 to 39.9 per cent.⁽²⁰⁴⁾ Although no specific figures are available for this early period, the revised plan devoted a greater proportion of investment resources to agriculture and light, consumer, industries. It was, however, stated that in the second half of 1953 direct investment in agriculture was 70.1 per cent greater than in the first half of the year.⁽²⁰⁵⁾ However, it proved remarkably difficult for the Nagy government to implement the modified investment plan, around which great disagreements and battles had developed. Those who ideologically favoured industry - a number of ministries and economic leaders at various levels of decision making i.e. supporters of the Rákosi wing - successfully obstructed the implementation of the revised investment plan. Because of this, during the second half of 1953 only minor structural changes in the allocation of investment had occurred. A resolution of the Council of Ministers on 30th October complained about the indifference and passivity of economic leaders, at both national and local levels, towards implementing the revised investment programme. The situation in this respect grew so much worse that a conference, attended by some 250 people - including Rákosi had to be called at the National Planning Office (Országos Tervhivatal) on 21st November 1953, where one speaker complained to the conference that,

employees of Investment Chief Departments sent out instructions to branch chief departments asking for a reduction in investments accompanied by a note saying 'here is your obituary notice.'⁽²⁰⁶⁾

Others complained that many officials in the National Planning Office regarded the implementation of the government programme as the concern of the Chief Departments of light and food industries, domestic trade and agriculture and, because of this, officials working in other fields did not help sufficiently to carry out the various tasks. Under the circumstances, it was not surprising that a report prepared by the National Planning Office (Országos Tervhivatal) for the Council of Ministers on 24th December 1953 still noted a 'significant lag in the implementation of the revised investment plan, inter alia, in agriculture and light, consumer, industries.'⁽²⁰⁷⁾ Indeed, the switchover, e.g., to production of small agricultural machinery and implements, began only in December.⁽²⁰⁸⁾ Total actual investment in 1953 in the end turned out to be greater than the revised plan and approached the level of 1952 - the share of heavy industry was slightly reduced, to 43.7 per cent, while the share of total industrial investments remained unchanged at 46.9 per cent - the value of total investments was 16,800 mill. Forints, compared with 16,000 mill. Forints in 1952.⁽²⁰⁹⁾ Suffice to say here, however, that by the middle of 1954 the government succeeded in reducing the originally planned rate significantly and in re-allocating investment: the share of total industrial investment was reduced to 38.7 per cent and, within that, the share of heavy industry was reduced to 33.6 per cent, while the share of agricultural investment was raised from 13.0 per cent to 22.7 per cent.⁽²¹⁰⁾ A further attempt by the Politburo (in the absence of Nagy) to reduce investments during the summer of 1954, in a highly controversial manner created a split between party and government, however. More about this later. As the development of heavy industry was reined back, the tasks of large factories were redefined so as to supply the population directly and to satisfy the needs of

agriculture. The subordination of industrial to agricultural policy was reflected by the decision according to which,

the government considers its most important task to assist production on individual farms with capital goods, tools and equipment, fertilizers, quality seed and other means of agrotechnology.⁽²¹¹⁾

Accordingly, major construction projects in industry were either to be cancelled or slowed down and the spare capacity resulting from the reduction in heavy industrial production was to be diverted to the new objectives. Factories in heavy industry were given the task of producing consumer goods and farm machinery, such as tractors, fertilizer spreaders, hay elevators, beet-cutters, harrows and fertilizers. With the reduction in the size of the People's Army even arms factories were converted, not only for the manufacturing but also for the repair of farm machinery. To help agriculture, 'Patronage Brigades' were formed in heavy industrial factories, whose members visited Machine Tractor Stations and State and Collective Farms during the winter months and repaired and overhauled machinery and other equipment for them.⁽²¹²⁾ Also, the 'Hortobágy Canal Construction', partly completed before the Second World War, was speeded up to help agriculture with irrigation.

The movement for reforms also aimed to improve the living standards of the population. This was to be achieved by increasing the supply of consumer goods, reducing prices and granting special wage increases. Immediately after Nagy's July speech the government ordered the release of stocks of consumer goods, bringing a large amount of food, including pork and butter, which had been virtually unobtainable in the past six months, out of cold stores. In fact, the food shortages experienced during the year had been accentuated by the accumulation of excessive stocks and continued food exports to the Soviet Union and other East European countries. Another measure aimed at improving the

supply of consumer goods and services was that to revive handicraft trade. The decline in the handicraft industries, which resulted in a serious shortage of important goods and services, was to be reversed. For the second half of 1953 the Council of Ministers approved a total consumption expenditure plan of 20,000 mill. Forints. This was approximately 10 per cent more than previously planned and about 20 percent more than the actual trade turnover in the first half of the year.⁽²¹³⁾ Although the supply of certain food items could not be increased, during the second half 1953, and some, e.g., eggs and butter, even declined, the supply of others, the most important foodstuffs, increased. Compared to the same period of 1952, for example, bread supply was up by 20, fats by 30, meat by 11 and sugar by 12 per cent respectively.⁽²¹⁴⁾ The volume of retail trade turnover, compared to the same period in 1952, was up by more than 5 per cent in July and more than 4 per cent in August.

In addition to the attempt to increase the supply of food and consumer goods, the improvement in living standards also involved price reductions and wage increases. Food prices in Hungary reached an all-time high in the summer of 1952 and showed no appreciable decline until 1st July 1953, when prices of certain foodstuffs, along with clothing, were lowered as part of an overall price decrease. The government claimed that it had resulted in a 150 mill. Forints saving for the population.⁽²¹⁵⁾ Further extensive price cuts were made on 6th September, when, again, prices of foodstuffs and clothing and other consumer goods - affecting some 10,000 food and industrial items - were reduced by 10 per cent and 20 per cent respectively. These reductions, on average, reduced the retail price level by 3.2 per cent and resulted in another anticipated 850 mill. Forints saving to the population.⁽²¹⁶⁾ The party daily newspaper, Szabad Nép, attributed the cut in food prices to the work of agricultural experts and the reduction in consumer goods' prices to the 'strenuous' efforts of technicians:

the efforts of the scientists, the planners the pedagogues, the artists and directly and indirectly every member of the Hungarian intelligentsia have helped to make price cuts possible.⁽²¹⁷⁾

The editorial specifically stressed that the 'intgelligentsia' had greatly benefitted from the price cuts. Clearly, the party had attempted to increase its ties with intellectuals, technicians an white collar workers. It should, however, be noted that even with these price cuts food was still considerably more expensive than it was in 1949. Another round of price cuts of 10 per cent was decreed on 14th March 1954, which lowered the prices of meat, fats, milk and animal products, with an estimated saving of 500 mill. Forints to the population.⁽²¹⁸⁾ As a result of the good harvest retail prices of vegetables and fruits in the state shops in July and August 1953 were lower than in 1952, and the state retail price of many items declined even to below the 1951 level. While the free market price of vegetables and fruits also significantly decreased, the prices of dairy products, eggs and fats on the free market were higher than in the previous year.⁽²¹⁹⁾ After the September price reductions the volume of retail trade turnover of manufactured goods increased on average by 8 per cent - the increase for some items, however, was considerably more, e.g., 116 per cent for radios, 342 per cent for sewing machines and 600 per cent for building materials.⁽²²⁰⁾ Very quickly, however, many items were reported to have become scarce and people were unable to purchase them for some time to come.

Although wage increases had been granted since 1949 money wages remained nearly the same as norms had been increased proportionately. Now, to improve the material conditions of wage earners, the government raised the wages and salaries of various categories of workers by 10 per cent in July 1953, affeting some 928,000 workers in the second half of 1953 and resulting in a 981 mill. Forints rise in costs per annum.⁽²²¹⁾ Then, on 1st February 1954 the government decreed another general wage increase of 10 per cent which

affected workers in the steel and electric power industries, as well as others, e.g. janitors, turners, cleaning women, etc. Approximately 350,000 workers, especially low income groups, benefitted from these measures. Two months later pensions were reorganised and improved, affecting some 250,000 old age pensioners.⁽²²²⁾ Earlier, in September 1953, the government had taken another measure to raise the standard of living indirectly by decreasing the amount people had to pledge for the compulsory 'Peace Loan' (Békekölcsön). Prior to the 'New Course' people had to contribute at least one month's wage or salary, which was a large levy on their income. Now, the 4th 'Peace Loan' proposed a 700 mill. Forints reduction (from 1700 mill. to 1000 mill. Forints) and stipulated that no pledge could be more than two weeks' income. According to the party daily newspaper,

a considerable increase in the material resources of agriculture has made it possible for the government to reduce the amount of the state loan. The new loan will be invested in light industry and agricultural production with the purpose of providing an immediate improvement in the standard of living.⁽²²³⁾

This was again in line with the new government's policy of courting the consumer. If there was less saving forced into government bonds, more cash was released for purchasing. The press gave considerably less space to exhortations to 'over-subscribe' the loan and for the first time no list of subscribers from among prominent people were published.

According to official data, as a result of these measures the real income of workers and employees had already increased by 6 per cent in 1953 and rose a further 18 per cent in 1954.⁽²²⁴⁾ But since the increase was from a very low level their real income in 1953 was still only 87 per cent (workers in manufacturing industry) 88 per cent of that in 1949, while the output of manufacturing industry increased over the same period by 216 per cent.⁽²²⁵⁾

With the relatively good harvest and the various governmental measures, the real income of the rural population increased even more than that of workers over the same period. If the real income of collective farm workers had not improved so markedly as that of individual peasants this was because they were paid in 'labour-day units' (munkaegység), which had not been raised, and because they had lower incentives, had to work less (which was rather attractive for those lacking ambition) and were generally less skilled and less productive.

Increased living standards, however, had little economic foundation. During the autumn and the very cold winter of 1953-54 in the course of implementation of the government programme, contradictions suddenly surfaced, creating severe tensions in the economy. While the initial measures of the 'New Course' had brought about an improvement in the living standards of the population, they were also inflationary and had a disruptive effect on the economy at a time when Hungary was already suffering from a chronic foreign trade deficit. A report prepared by the Plan, Finance and Trade Department (Terv-Pénzügyi és Kereskedelmi Osztály) of the Central Committee recorded that the rapid change widely expected after the announcement of the new government programme had failed to materialise, and gave three main reasons for the failure. (226)

- a) the reorganisation of the plan required more time. The very bad harvest in 1952 was still having an adverse influence on the economy and put a brake on the possible improvement in living standards, while the foreign trade deficit prevented any appreciable increase in imports of materials needed by light industries.
- b) there was a serious under-fulfilment in industrial production and energy requirements, and because of the severe winter increased demand significantly, energy had to be rationed. Compulsory crop collections in July, August and September, were underfulfilled, too. Because of the weak work of party organisations and increased activities of hostile elements work discipline, especially, in mining, metallurgy and construction, had slackened.

- c) the faster implementation of the government programme was hindered by functionaries, ministries and other leading organisations who failed to understand properly the Resolution of the Central Committee.

The relaxation of Rákosi's harsh labour policies, and expectations of improved living conditions by workers, brought the usual problems, resulting in the slackening of wage discipline and lower productivity. The wage increases, in relation to the low level reached over the previous period, were perceived by the workers as insufficient and resulted in wage pressures. This is confirmed by the fact that managers most directly exposed to the pressures and mood of workers violated wage discipline and 'over-fulfilled' the wage bill plan by 830 mill. Forints during the second half of 1953 and first quarter of 1954.⁽²²⁷⁾

The transformation of the product profile of the industrial sector to increased production of consumer goods, as envisaged by the 'New Course', could not be achieved within such a short time, nor without new capital goods, which in turn needed extra finance and credits, which proved to be unobtainable, either from the East or from the West. The expansion envisaged in handicraft industries also failed to materialise in the initial phase. This was revealed on 28th September 1953 by the Minister of Light Industry, who admitted that only 1200 licences had been granted instead of the minimum of 10,000 that were necessary. His report also observed that no appreciable improvement had been achieved in the supply to the population even in the areas where licences had already been granted.⁽²²⁸⁾ Nor could the willingness of the peasants to produce and deliver more be changed significantly overnight. Many still feared that should it become known that they were beginning to be better off than before the screw would be put on them again. Many of them remained as cautious and distrustful as before.

Despite the good harvest and the fact that the 'New Course' measures had some positive influence, even in 1953, the situation in agriculture was still

far from satisfactory. While industrial production had increased nearly threefold compared with the pre-war level, agricultural production, especially bread-grain production, remained below the pre-war level even in good harvest years (except 1951). In a speech delivered on 19th October 1953 Nagy admitted that in a period of accelerated urbanisation and population increase - and hence increasing internal needs for agricultural produce - the output of bread-grain decreased significantly compared with the pre-war level and it was the most important unsolved problem. The expansion of industrial crops had directly threatened the bread-grain and potato growing areas, causing serious worries at the close of 1953 about the problem of food grain, and bread shortages still existed widely in the country. Thus,

there are certain shifts in the relative areas on which particular crops are grown, namely in favour of the industrial and oil-seed crops, at the expense of food grain and potato growing areas and this has been an important factor in making the problem of food grain one of the first unsolved questions. The average yields of our principal crops have hardly changed.⁽²²⁹⁾

Now, while not discouraging industrial crops, Nagy openly regretted having previously forced peasants to sow such crops, and he declared that the emphasis should be placed on grain and fodder. Nagy was even more concerned about the state of livestock. The number of cattle decreased and there was a sharp fall in the number of cows and sows; the quality of livestock, too, was considerably lower than during the 1930s. These deficiencies resulted in the deterioration of export possibilities for animal husbandry: while in 1949 6.7 per cent of exports were of livestock, this percentage decreased to 2.2 per cent by 1954 - in 1938 17.4 per cent of Hungarian exports had been livestock.⁽²³⁰⁾ In another speech, on 26th October 1953, Nagy declared that agriculture, on the whole, had failed to respond to the measures as fully as expected; the agricultural lag was very far

from solution and the mistakes of past policies, together with the bad harvest in 1952, still weighed heavily upon agriculture.⁽²³¹⁾

The problems of agriculture, in terms of the hardships of the peasants, were also discussed widely. During this time there was a renaissance of Hungarian literature and writers began to explore themes which were troublesome for the regime. Populist writers, like the 'Village Explorers' in the late 1930s began to visit the countryside during the summer and autumn and in articles, reports, novels and poems, described the deep dissatisfaction and misery of the peasants. Two poems, particularly, created a national sensation. The first open criticism of the regime's policies towards peasants was by the young poet, Sándor Csóri (who had been sent to university by the party) who returned from his privileged life in the capital to his home village and was shocked by the quality of life he found there. He wrote an agonising, penitent self-confession, exposing the misery of the peasantry. Thus,

in marvellous numbers and glorious results lived I
enthusiastically and failed to see how my people carried
the burden of their terrible fate on their shoulders.
Their truthful complaints, which spoke of low wages,
failed to reach up to me ... how the peasants who
delivered their produce lived in suspicion and
destitution.⁽²³²⁾

The other poem, 'Nyírségi Napló' (Nyírség Diary), by Péter Kucka, a party poet par excellence, was almost 200 lines long and described his tormenting impressions of a journey through the 'Nyírség', a particularly poor region, where he met a cursing women who bitterly poured out her misery. It is worthwhile to quote him at some length. Thus,

from her narrow shoulder
she threw the hoe polished by use,
ringing to the ground
and she shook her skinny fist high

as roadside trees in the wind
and from her mouth, a toothless emptiness,
curses and sobbing bubbled up together,
broken and ugly as when the stomach throws up some food.
Because she was sobbing now. Her helpless rage
and manifold misery shook her:
she can't buy medicine for her child,
and she will have no support for her old age,
and the earth and sun and her still
unfulfilled hopes have drained her strength,
and she moaned under the yoke of life
for sixty long bitter years⁽²³³⁾

And the poet asks, 'you who are the party, do you know this miserable, sobbing woman? She is your mother'. Further in the poem the peasants themselves appear gloomy, mistrustful, determined to leave the collectives.

Despite the fact that some care was apparently taken that with the price reductions the supply of goods to the population should increase to meet the additional purchasing power, this was not achieved. Because of this a serious disequilibrium developed in the economy, which led to inflation. To this extent the price reductions proved a very ineffective and temporary way to improve living standards. Improving supply to the population by importing consumer goods and materials for the consumer industries, on the other hand, was seriously limited by the accumulated debt on foreign trade with other East European and Western countries alike. A considerable part of the indebtedness was due not only to the huge resource needs of heavy industry in the earlier period - and the grossly unfavourable terms of trade with the Soviet Union - but also to the massive importation of military equipment from the Soviet Union imposed on Hungary. Trade with western countries showed a huge deficit in every year between 1950 and 1954: on average 30.1 per cent of Hungary's imports came from this source (the share of consumer goods represented, on average, about 11 per cent), while only 23.6 per cent of her exports went there, creating an ever-increasing gap.⁽²³⁴⁾ Since other East European countries were pursuing an economic policy similar to Hungary's they, too, were short of consumer goods.

Increased personal consumption, therefore, could only be met by importing from the West. This, however, was severely limited by the accumulated debt. To this extent, Nagy's government had inherited a heavy liability in this field. At the Foreign Trade Conference held on 3rd June 1952 Ernő Gerő stated that

foreign trade again, or if you like it unchangably remains the weakest, the most vulnerable point of the economy.⁽²³⁵⁾

The imbalance in foreign trade presented particularly acute problems towards the end of 1954 and the beginning of 1955. It was used, *inter alia* by Rákosi and his accomplices in their final attack on Nagy and may have been a contributory factor in his fall.

On 19th December 1953 the Central Committee of the Hungarian Workers' Party had met again to discuss a proposal devoted almost entirely to the question of further development of agricultural production. The keynote speech was delivered by András Hegedüs, in his capacity as Minister of Agriculture. Both his speech and the combined resolution subsequently adopted by the Plenum and decreed by the Council of Ministers, entitled 'The Resolution of the Central Committee of the Hungarian Workers' Party and the Council of Ministers of the Hungarian Peoples' Republic concerning the development of agricultural production' (A Magyar Dolgozók Pártja Központi Vezetőségének és a Magyar Népköztársaság Minisztertanácsának határozata a mezőgazdasági termelés fejlesztéséről),⁽²³⁶⁾ identified the problems and prescribed the forthcoming tasks facing agriculture in crop cultivation and animal husbandry, for the next three years - from 1st January 1954 to 31st December 1956. In its preamble the resolution characteristically stated that agriculture played a significant role in the increase and consolidation of living standards, which was the main goal of the party and government. Thus,

the party and government are now concentrating all their efforts in ensuring that the supply of food, material and cultural goods to the population and, primarily, the working class, should increase rapidly.⁽²³⁷⁾

To achieve this goal, according to the resolution, during the next three years the population had to be supplied with adequate bread, flour and dry-pasta, and the grain problem finally solved. The resolution indicated that by 1956 per capita meat consumption was to increase from 24 kgs to 36 kgs, fat consumption from 14 kgs to 20 kgs, milk consumption from 110 litres to 140 litres and the target for sugar consumption was set at 30 kgs per annum.⁽²³⁸⁾ With regard to investments, the 'Agricultural Development Plan' noted that to correct the earlier distortions in favour of agriculture, during the next three years some 12,000-13,000 mill. Forints would be spent on developing agriculture - which was approximately $2\frac{1}{2}$ times more than during the previous three years. Of this, nearly 3000 mill. Forints was to be allocated in 1954. In its annual break-down the development plan specified the sown area to be devoted to staple crops, the planned increase in yields, the crop rotation the numerical increase in livestock (according to kinds) the quantity and types of machinery to be delivered by industry to agriculture and the methods and the rate of propagation of quality-seed. Regarding crops, the specified objective was to achieve an increase of 1.0-1.5 quintals per cad. yoke for bread-grain (wheat and rye), to reach an average of 10.5-11.0 quintals per cad. yoke during the next three years.⁽²³⁹⁾

The document indicated the principal reasons for the decline in livestock production:

our livestock breeding has been unable to meet the population's growing requirements for food from animal sources satisfactorily. The principal cause of the low yields in livestock breeding lies in the failure to ensure unbroken fodder supplies. In years of unfavourable weather then state of livestock deteriorates and its productivity declines. In the next two or three years the stepping up of yields constitutes the fundamental task in livestock breeding.⁽²⁴⁰⁾

With the general objectives of the programme the document specifically outlined livestock goals for 1956. Table 10.4 compares this goal with the livestock census (where available) during previous years.⁽²⁴¹⁾

TABLE 10.4 Livestock Census in Thousands of Head

Types	1938/39	1948	1949	1950/51	Accelerated plan 1954	Goals for 1956
Cattle	2372	1627	2000	1700	2400	2200
Pigs	3886	2827	5200	4500	6000	5500
Sheep	1808	591	950	-	2000	2300
Poultry	21931(a)	-	17500	-	2500	20000

(a) this was the number of poultry in 1935.

Source: See n. 241, p. 840

The above table indicates that the 1956 goals for cattle and pigs were below those in the accelerated plan for 1954 and about the same as the amount of livestock in 1949. Even if the cattle target were achieved it would be below the 1938/39 pre-war mark. Considering the fact that sheep numbers had been greatly depleted during earlier years the goal of the 'development plan' was somewhat optimistic.

Rather interestingly, the document omitted the question of collectivisation from its agenda: it stated that during the next three years, i.e. until 31st December 1956, there was no intention to expand the collective sector of agriculture numerically. With regard to the 'socialist' sector of agriculture, the document merely noted that the measures serving the development of agriculture would enable 'Collective and State Farms, with their improved average crop and livestock yields, their greater profitability and the application of scientific methods and agro-technology, to show their superiority in agricultural production'.⁽²⁴²⁾ What this meant, and this was spelled out by the

document, was that the for the next three years agriculture would be based on small scale private farming. Thus,

the realisation of the resolution concerning the development of agriculture would rest, primarily, on small, and particularly middle, peasants.⁽²⁴³⁾

The cessation in the numerical expansion of the collective sector was perhaps even more explicitly spelled out in an editorial article on the resolution by Ferenc Fekete. After explaining that the socialist sector played an important role in the development of agricultural production, he wrote that,

the economic, political and organisational strengthening of collectives, operating on 20 per cent of arable land area, is a decisive factor in ensuring the food supply to the people ... and the rapid increase in their production has been made easier by the fact that instead of their numerical expansion, now, the emphasis was on their consolidation.⁽²⁴⁴⁾

In accordance with the resolution, 1000 party cadres were transferred to rural district centres during January 1954 for the purpose of strengthening agriculture politically. And in April 1954 a system for exchanging technical experience between collectives was instituted.⁽²⁴⁵⁾

In spite of the difficulties encountered so far in the implementation of the government programme, the resolution categorically stressed that the targets set in the development plan were 'wholly realistic and can be achieved'. However, the 1954 Budget allocated 'only' 2670 mill. Forints, at current prices, somewhat less than planned.⁽²⁴⁶⁾ Even this figure, however, represented an appreciable increase in the share of investment going to agriculture, 13 per cent in 1953 to 22.7 per cent in 1954; this turned out to be a peak in agricultural investments. From 1955 its share declined, and the same level was not achieved again until 1958. Of the total investments, some 299.5 mill. Forints were

allocated to collectives. It was a sum which, in relation to their needs, was still inadequate but in relation to their reduced arable land area it was more than their share in 1953. As a result, the assets of collectives, 1955 Forints per cad. yoke, were 70 per cent more than in 1953, this also represented a peak.⁽²⁴⁷⁾

On 1st January 1954 the new system of compulsory deliveries had come into force.⁽²⁴⁸⁾ In a number of ways it was an improvement on the previous one. The new system established unchanged delivery quotas for three years in advance. While the decree implementing the new system followed the general provisions set out in September 1953, some of the concessions given in the new system were even more extensive than those outlined in the original announcement. (See page 717 and 718 above). The following were the principal provisions of the new decree:

1. Compulsory delivery quotas were reduced as follows (the amount of reduction is given in percentage):

Commodity	Type III	Types I & II collectives	Individual peasants
Crop produce	25	15 to 20	10 to 15
Pigs & Cattle	30	30	25 to 30
Poultry & eggs	50	40	40
Milk	30	20 to 25	15 to 20
Wine	50	30	25

The new system completely abolished crop, milk and wine delivery obligations for the private plots of collective members and reduced their poultry and egg delivery norms by 40 per cent. Grain quotas for individual peasants and Types I

and II collectives were computed on a graduated scale, according to the category and amount of land held, while those for Type III collectives were computed at a fixed rate per cadastral yoke, according to the category but irrespective of the amount of land: for example, an individual peasant holding 1 to 3 cad. yokes category I (least fertile) land was required to deliver 59 kgs/cad. yoke and progressed to 124 kgs/cad. yoke, depending on the amount of land held; while members of Types I and II collectives, category I, were required to deliver 56 kgs/cad. yoke and progressed to 113 kgs/cad. yoke depending on the amount of land held (previously, both individual peasants and members of Types I and II collectives were the same - 66 kgs/cad. yoke); members of Type III collectives were required to deliver 75 kgs/cad. yoke (formerly, 100 kgs/cad. yoke) for category I land; this remained constant, irrespective of the amount of land held, varying only with the fertility of the land.

2. Delivery quotas for 'kulaks' and other 'village exploiters' were set 5 per cent higher than those levied on individual peasants holding the equivalent type and quantity of land.
3. Delivery quota obligations levied on all peasants were based on the area of arable and meadow land together, if this reached or exceeded one cadastral yoke.
4. Special crop, meat and milk quota reductions and exemptions were granted to peasants who were 'overaged'; had 3 or more children under 14 years of age, or peasants serving with the active military forces.
5. Arable land under production contract was exempted from produce delivery obligations and had reduced meat delivery quotas.

6. Produce and meat delivery quotas were cancelled for areas sown with rice and for every such cad. yoke 2 cad. yokes were exempted from crop delivery obligations. At the same time, however, the peasant was obliged to deliver 80 per cent of his rice crop to the state in lieu of his crop delivery quota.

7. Type III collectives were exempted from delivery obligations for meadows exceeding 20 per cent of the arable land held; while Types I and II collectives and individual peasants were exempted for meadows exceeding the total area of arable land.

8. Crop delivery obligations had to be fulfilled within the following groups: bread-grain, fodder corn, maize, sunflower seed and potato deliveries.
 - a) bread-grain had to be fulfilled by the peasants in proportion to his actual production results in wheat and rye
 - b) if bread-grain delivery (based on calculations of the sowing plan) was not feasible, the arrears could be fulfilled in barley or oats - and failing these, in maize, sunflower seed or potatoes
 - c) corn fodder deliveries could be fulfilled in barley or oats, with maize or bread-grain. Barley, oats or bread-grain could be delivered in lieu of maize - and failing these, beans, peas and lentils could be delivered
 - d) fattened pigs could be delivered in lieu of corn fodder and maize delivery obligations; while fattened pigs or lard could be substituted for sunflower deliveries.

9. Meat delivery quotas were required of all peasants whose total arable land and meadows attained, or exceeded, $\frac{1}{2}$ cad. yoke.
10. Collective members were not required to fulfil meat delivery quotas on the land held in their private plots. In place of this they could deliver 3 kgs. of poultry and eggs annually, or a corresponding weight of lard.
11. The standards for poultry and egg deliveries were to be uniform for the whole country. Peasants whose total arable land was less than 3 cad. yokes could fulfil their entire meat delivery quota, optionally, in poultry, eggs, young pigs, fattened pigs or mutton.
12. For a period of one year a 20 per cent reduction in meat and milk delivery quotas was granted to all collectives established after 1st September 1953.
13. Four regional units were to determine meat delivery quotas, taking into consideration the district, the producing capacity and the various breeds of cattle.
14. Wine delivery obligations were required of all peasants whose vineyards attained, or exceeded one-quarter cad. yoke. New vineyards were exempted from delivery obligations during their first 4 years, and were to deliver only half their quota obligations in the fifth.
15. Peasants who failed to fulfil delivery obligations within the stipulated time were to be given intermediate warning by the executive committee of the local council. If the peasant was at fault his delivery quota would

be raised by 10 per cent and he would have to fulfil the increased norm within 3 days.

16. Individual quotas for peasants were to be determined by the executive committee of the local council, through discussions with the peasant regarding the size of area on which delivery quotas was to be assessed and with respect to the next year's milk and meat delivery quotas.

Finally, the decree raised the above-quota prices of produce appreciably - the above-quota price for wheat was set at 220 Forints, for rye 190 Forints, for barley, oats and maize 200 Forints per quintal (= 100 kgs.) respectively. For poultry the new price was 18 Forints, for fattened pigs 19-22 Forints, and for cattle a very low 6.50 Forints per kilo.⁽²⁴⁹⁾

One of the most significant features of the new delivery decree was the provision stating that members of Type I and II collectives were to be set an intermediate delivery rate, between that of the individual peasant and Type III (most advanced) collectives. The emphasis on this category indicated that the government had made additional concessions to the peasantry in an attempt to persuade them to join or return to the collectives. Previously, all the emphasis was placed on Type III collectives and Types I and II, very few in number, were required to fulfil the same delivery requirements as individual peasants. The emphasis placed on lower Types I and II collectives was also indicated in articles appearing in the papers directed towards the collectives themselves:

those peasants who are applying for membership now, of their own will and conviction, deserve a place in the collective, regardless of whether or not they have or have not previously been collective members. To refuse them is only to create a gap and encourage discord between the working peasantry of the collectives and individual farms.⁽²⁵⁰⁾

A number of other significant features were contained in the new decree:

1. in 'restricting kulaks' the government set them higher quota deliveries than from the rest of the individual peasants
2. peasants signing contracts for crops were exempted from compulsory deliveries for the contracted area and the meat delivery quota for peasants who entered into contracts with the state was reduced
3. the new delivery regulations indicated that the government was particularly interested in furthering the cultivation of rice: the highest incentives offered to cultivators of this crop
4. members' private plots were entirely exempted from crop, milk and wine deliveries and were allowed to offer meat deliveries instead. This was designed to make the joining of collectives more tempting to the individual peasantry
5. the authority to set, or adjust, delivery quotas was delegated to the executive committee of local councils

Without doubt, these measures made the compulsory delivery system for the peasants more bearable. It did not, however, alter the fact that a large proportion of the peasants' production, even after this decree, had to be sold at unfavourable prices. Indeed, the more dynamic development of agricultural production - after the cessation of forced collectivisation - was greatly hindered by the serious disproportions in state procurement prices, by the low level of agricultural production prices and by the rigidities of the compulsory delivery system. The greatest problem of the state procurement prices, in the staple production branches, especially bread-grain and fodder (coarse) grain production and cattle raising, was that they provided no incentives to produce. They also failed to provide incentives in the case of many other products, e.g., wine, poultry, goose, liver, paprika etc. of which Hungary used to be a significant exporter. The compulsory delivery price of wheat, at 60 Forints, rye, at 54 Forints, barley and oats, at 50 Forints and maize, at 52 Forints per quintal only covered approximately one-third to one-quarter of the production costs. The

delivery price of beef, at 2.70 Forints/kg. in 1953 and 3.80 Forints/kg. in 1954, also covered only a small proportion of the costs of livestock raising.⁽²⁵¹⁾ Furthermore, because production of crops had to be carried out in all regions of the country, in accordance with the sowing plan, whether it was profitable or not, the compulsory delivery system seriously hindered specialisation in agriculture. The inflexibility of the system was also responsible for the serious lag in bread-grain growing in the country. At this time yields in bread-grain production were hardly any higher than at the turn of the century (Hungary was at the bottom of the world league). Low yields and declining sown area devoted to bread-grain growing - as shown in Table 10.5 below - explained the worsening bread-grain shortage in the country:⁽²⁵²⁾

TABLE 10.5 Development of sown areas and production of bread grain between 1949-1953

Year	Bread-Grain sown area in 1000 cad. yokes	Total production in rail-wagon loads
1934/38 average	3856	291,631
1949	3583	260,281
1950	3427	285,378
1951	3423	314,046
1952	3269	224,155
1953	3051	274,387

On 20th January 1954 the government also announced its new contract purchase

system for industrial crops. The party daily newspaper, commenting on the decree, stated that it was to increase the income of working peasants by 81 mill. Forints, and added,

in the past few years many working peasants have had bad experience with contractual cultivation. The prices paid for delivery of crops were low and there was too much red tape. Contracting firms paid no attention to local conditions; they did not concern themselves with the suitability of the soil for growing particular crops, nor did they show any interest in the peasant's past experience.⁽²⁵³⁾

The article declared that the conclusion of cultivation contracts was the most burning problem that affected all villages. The government tried to encourage the production of certain industrial crops, which were suitable for processing into consumer goods or trading internationally, while, at the same time, it offered producers an incentive by granting them the right to purchase additional consumer goods, such as textiles and sugar. But the government apparently found difficulties in extending the contract purchase system. This was clearly indicated by István Dobi in his address to the plenary session of the Cooperative Council. Dobi considered it,

quite unjustifiable that some collectives, partly remembering unpleasant experience in the past, were reluctant to sign such contracts. They must realise that by this attitude they deprive themselves of a considerable source of income. Contrary to past experience the new system of production contracts were based primarily on ensuring profitable production.⁽²⁵⁴⁾

With these words, of course, he publicly admitted that the previous system, instead of having been an incentive programme, has proved to be an exploitative one.

In the meantime, on the political front, Rákosi's opposition to Nagy's attempts to implement, inter alia, his rural programme continued behind the scenes. Sometime in mid-January 1954 (the exact date is not available) the differences between the two were brought before the Soviet leadership. It is likely that Nagy, exasperated by Rákosi's obstructionism, decided to settle the issue once and for all and complained to the Soviet leaders. The Hungarian leadership was summoned to Moscow. Nagy described the event in the following terms:

By the end of 1953 and the beginning of 1954 it had already become evident to the Soviet comrades, too, that there was opposition to the June Resolution, and for this they blamed, principally, Mátyás Rákosi ... (255)

It appears that as a result Nagy gained the advantage over Rákosi, who was criticised more than before and told to stop his obstructionist policy and cooperate with the implementation of Nagy's programme. Nagy had hardly been in the public eye at all, since his 4th July speech and even when he did speak he largely limited himself to peasant questions. Now, encouraged by the Moscow visit, he delivered a major political speech in the National Assembly on 23rd January 1954. In his report Nagy drew up a balance sheet of the government's activities during the first six months of his 'New Course' programme. He 'triumphantly' praised the achievements of his government which, he said, had resulted in raising the confidence of the people. Some of his policy measures were slowly beginning to show results: the burden of the peasantry had been greatly reduced and their incomes increased, handicraft industry had been expanded, market prices had declined by 13.3 per cent during the six months and employees on wages and salaries had saved some 550 mill. Forints due to various measures (also, inter alia, internment camps had been closed and the rehabilitation programmes had got under way, etc.). He announced that a

number of new economic and cultural reforms were on the way and vehemently attacked those who, at times overtly, at times covertly, attempted to underestimate the significance of the government programme, with the aim of undermining its reputation and shaking people's confidence in it.⁽²⁵⁶⁾

For a while, after the Moscow visit and Nagy's appearance at the National Assembly, 'peace' seemed to reign on the surface. But Rákosi, deeply humiliated by his fall from grace in the eyes of Moscow and the criticism he had received there, for the second time, still refused to accept the judgement of the June Resolution. Disagreements between him and Nagy soon flared up again.

The overall shakiness of the agricultural situation, the continuing withdrawals from and dissolutions of collectives had sparked off a bewildering number of speeches, statements and articles during early 1954, reflecting often conflicting attitudes towards collectivisation and the individual peasants. On 9th January 1954 the party daily newspaper condemned district and local organs for their many 'mistakes', abuses in dealing with the 'middle' peasants and the creation of obstacles to resignations from the collectives. Working peasants who left the collectives, he stated,

must be regarded as future collective members and must be treated as such ... there are still many who have not received their share of land ... and, in some places, the treatment of former collective members is shocking.⁽²⁵⁷⁾

Nagy, in his report to the National Assembly, promised further aid to individual farmers and reaffirmed his government's attitude towards, especially, the 'middle' peasant, whom he regarded as the central figure in agricultural production:

today the middle peasant, who loves his work and knows how to run his farm, is the central factor in the country's agricultural production ... the welfare of the middle

peasantry, its material progress, and the increase of its productive capacity are an essential precondition - together with the collectives - for the rapid liquidation of the backwardness of our agriculture and the progress of agricultural production ... they should enrich themselves and should augment and renew their machinery and equipment and will be helped by the government to increase their wealth.

While giving reassurances to the individual peasantry, many others, however, took pains to point out that

the collective is capable of more than the individual farm. The united strength of collective peasants can give more to those who work on the land and to the entire country than the efforts of individual farmers.⁽²⁵⁹⁾

László Nemes also claimed it was 'obvious' that 'socialised' agriculture would solve the country's problem better. However, he said, that,

at present conditions do not permit the socialist reorganisation of all the country's agriculture. The economic and technical conditions are not favourable; the tremendous task of mechanising agriculture has been only partially achieved. But more than anything else the political conditions are not favourable for the working peasants and especially the sizeable number of middle peasants, are yet convinced the correctness of the socialist course and intend to continue farming individually.⁽²⁶⁰⁾

This testimony to the importance of middle peasants was repeated on many occasions. Basic in it, of course, was the realisation that Hungary's economy could not afford a prolonged slump in farm deliveries and that collectivisation could not be pursued at the cost of demoralising the chief supplier. The efforts to appease the individual peasantry, however, did not produce the quick results that many had hoped. Despite marked reductions in the burden of compulsory deliveries and numerous other concessions, designed to spur on agricultural output, the quantity of produce made available to the state was much less than was needed.

Within three months, however, by about March-April 1954, the occasional complaints of neglect the remaining collectives had grown into a national campaign. The mood within the collectives was that the 'state supports those who are outside rather than inside the collectives more.'⁽²⁶¹⁾ In a report to the Politburo the main reason for the continued withdrawals from the collectives was given as the 'increased production aid given to individual peasants'.⁽²⁶²⁾ These complaints were persistently exploited, of course, by Rákosi, who grumbled at a meeting of the Politburo that,

we praise these private peasants so much that willy-nilly the collective farm is driven into the background.⁽²⁶³⁾

If I had been a collective peasant - he added - I tell you, I would have grumbled a long time ago.⁽²⁶⁴⁾

At the same time, complaints were increasingly being made against the collective members who, in their attempt to boost their incomes, increased their private household plot farming to the detriment of collective farming. Apparently, it had become a widespread practice for collective members, in addition to the one cad. yoke private plot prescribed under the law, to enlarge their plot as much as two or three cad. yokes, twice or three times the legal limit, from state reserve land, thus forming a handsome small-scale farm. Also, there were numerous instances of collective members who, in addition to the legal limit of 1 cow and 2 piglets, owned over 2 cows and 3 or 4 piglets.⁽²⁶⁵⁾ They used collective equipment and fodder for working their plots and feeding their animals, and raised food not only for their own needs but for sale on a significant scale. On 25th May András Hegedüs was forced to declare that the state would put a stop to such malpractices, legal regulations would be firmly enforced and 'oversized plots would have to make crop deliveries and pay taxes as if they were individual farms'.⁽²⁶⁶⁾ Despite Hegedüs' warning conditions did

not improve and in October 1954 Ferenc Erdei decried 'over-concentration' on private plots, claiming that they had been enlarged to two or three times the legal size. Their owners were also keeping more animals than the legal limit. Erdei declared that,

such an attitude endangers the development of the collective and it means that the peasant relies for his existence more on his private plot than on the collective effort. This is not only against the interest of the collective but also against the individual interest of members because they deny themselves the advantages of collective farming, the higher yield produced by machines in large-scale farming.⁽²⁶⁷⁾

At the same time, measures taken to increase the income of the individual peasants again brought the problem of the 'kulak' and the threat of 'kulakisation' (the creation of new kulaks) to the fore. On 14th January the party daily newspaper stated that

the view expressed by some people that support of the middle peasants may entail the danger of strengthening the capitalist forces in agriculture ... is likewise wrong ... True, we must not forget the danger implied in strengthening the capitalist elements in rural areas. It would be a grave mistake to think that small-scale production cannot breed exploiters. It would be a mistake to overlook the fact that in the village there are ... kulaks who have not reconciled themselves to the defeat of capitalism: last year's attacks against collective farming should be a warning to us.⁽²⁶⁸⁾

The same points were also made by László Nemes in his article on 9th February, when he declared

the incorrect attitude which over-estimates the danger of peasants turning into kulaks ... causes many persons to refuse to support the policy of developing small-scale peasant farming ... of course, the strengthening of individual farmers and an expansion of possibilities of free marketing are not free of certain dangers of reviving capitalist elements. It would be a grave mistake if we overlooked this danger, if, while fighting the views of those who over-estimate this threat, we under-estimated this possibility.⁽²⁶⁹⁾

During February and March, however, the campaign against the kulaks flared up again. On 25th March 1954 the party official daily newspaper set the keynote for a new policy,

during the last nine months, the paragraph concerning the kulak problem was often incorrectly interpreted ... The kulaks ... are trying to regain their lost influence and are raising their heads ... They are trying to recover their machines and their cattle ... The villagers must be made to understand that the abolition of the kulak list does not mean that restrictions on the kulaks have been lifted.(270)

From mid-April onwards the newspapers were flooded with accounts of trials of 'kulaks' and their 'accomplices' for arbitrarily taking possession of land belonging to collectives (but which had originally belonged to them) and which they had no right to reclaim (they had received compensation for it). On 14th May an article in the party official daily attacked so-called 'kulak-lawyers', who dared defend the claims of peasants; they now risked being barred from practice or arrested as 'filthy-hyenas':

lawyers ... have used their knowledge of the law and the position accorded to them by the People's Democracy to pester collectives with a flood of unfounded petitions and to institute legally groundless law suits ... The People's Democracy will not tolerate kulak lawyers who, fed on kulak money, intrigue against the property of collectives, which is protected by socialist law, and seek to savage it like filthy hyenas.(271)

On 15th May the argument was carried a step further:

the new phase in building socialism, as interpreted by the kulaks, means that they can make unfounded claims for the recovery of equipment, land and buildings ... which are the lawful property of our collectives.(272)

Rákosi, too, added his observation on the 'kulak problem':

in the past ... the policy of restricting the kulak often slipped into a policy of liquidating the kulak; since last June an opposite extreme can be experienced in many places. There is hardly any fight against the kulak and the kulak is treated as if he were a medium peasant.⁽²⁷³⁾

So, once again, attacks on the 'kulaks' had begun and they were being blamed for everything - they had grown stronger, endeavoured to undermine discipline amongst the peasants, sabotaged the fulfilment of even the reduced compulsory deliveries and by 'intimidation' encouraged other peasants to do the same. Because of their activities and the neglect of the collective sector, the whole working population had suffered.

As was to be expected with the party engaged in debate in preparation for its forthcoming congress, the political pressure on Nagy's government intensified. These veiled hostilities between Rákosi and Nagy continued until May, when the Hungarian leadership was summoned to Moscow once again for conciliatory discussions. On this occasion, however, it was Rákosi who complained and sought audience with the Soviet leadership. The excuse for this was provided by two happenings. The first was a letter addressed to the Central Committee by István Kovács, the Budapest Party Secretary (an adherent of Rákosi who may, in fact, have been prompted by him), expressing alarm at the disharmony between party and government.⁽²⁷⁴⁾ The second was a report under preparation by István Friss (also an adherent of Rákosi), head of the Plan, Finance and Trade Department of the Central Committee, which drew attention to worrying problems in the economy. The report acknowledged that after the very hard winter months some improvements had taken place during March and April - in industrial production and in the economy generally, and especially in the disposition of private farmers - nevertheless, the underlying trend was one of deepening economic tensions. The main areas for concern, according to the report, were as follows:⁽²⁷⁵⁾

1. the significant increase in the money supply - which was 40 to 50 per cent higher than a year before
2. the debt on trade with the west had increased dramatically, by 641.8 mill. Foreign Exchange Forints since 31st December 1953 (the value in Forints at the official exchange rate set by the National Bank).
3. the great delay in the production of small agricultural machinery and implements - which only began at the end of 1953
4. the increase in purchasing power, especially in rural areas, due to the various measures, was too great; an increase of 18 to 20 per cent in the supply of goods to the retail network would be needed for 1954, while it was predictable that the rate of growth in national income would slow down significantly
5. the slacking of state discipline reflected in the:
 - a) non-fulfilment of compulsory deliveries
 - b) non-payment of the reduced income taxes
 - c) over-fulfilment of the wage bill, adversely affecting the trend of production costs

The prevailing trends among the peasants were especially worrying for the regime around this time. In the first quarter of 1954, e.g., compulsory deliveries of eggs were underfulfilled by 53 per cent, while sales on the free market were overfulfilled by 220 per cent. This was, of course, not only due to the slackening of discipline but also to pricing policy: for example, while the compulsory delivery price of eggs was a mere 0.38 Forints, the free market price was 1.38 Forints. Similar problems prevailed in relation to other products. Underfulfilment of compulsory deliveries created problems in food supplies to the population, especially with meat, and this also contributed to the increase in the foreign trade deficit.⁽²⁷⁶⁾ Furthermore, much concern was publicly expressed around this time by economic officials over the fact that the increased living standards achieved since June were endangered by the appreciable slow-down in the rates of growth, that the various 'one-sided' concessions given to individual peasants disadvantaged those living on wages and salaries and that the drastic reduction in collective membership jeopardised further 'socialist development'.⁽²⁷⁷⁾ According to one report, by the Agricultural Section of the

Central Committee, in March 1954, great obstacles were mounting in the party of increasing agricultural production. Although the measures taken did increase the inclination of individual peasants to produce more, the conditions to fulfil the plan were still missing in many respects. The production of artificial fertilizers was insufficient, the production of machinery had just begun and the sown area too was inadequate.⁽²⁷⁸⁾ In the event, since the report was not ready until the end of April, Rákosi had to stall for time, in which he was conveniently aided by the temporary illness of Nagy, and he succeeded in arranging for the congress, scheduled for April, to be put back to May. Rákosi, seizing the opportunity provided by the letter and the report, tried to make a trip to Moscow without Nagy to appeal to the Soviet leadership. The Soviet leaders, however, refused permission and, to his dismay, asked that Nagy accompany him. When he did go to Moscow, at the beginning of May, he complained but the Soviet leaders censured him, and Gerö again⁽²⁷⁹⁾ for attempting to revise and postpone the June Resolutions. Furthermore, Rákosi was urged by the Soviet leaders to correct past mistakes and maintain collective leadership. The verdict of the Soviet leaders on Kovács' letter was that it 'lacked Bolshevik frankness and got off on the wrong track ending up as it did with a compromise of principle'.⁽²⁸⁰⁾ In response to Friss' report on the economy, however, the Soviet leaders, wishing to demonstrate unity between the two at the coming party congress, also protested against certain excesses on the part of Nagy.⁽²⁸¹⁾

The discussions the Hungarian leadership had in Moscow, and the instructions received there, determined the programme and the tone of the Third Party Congress of the HWP, which was held from 24th to 30th May 1954.⁽²⁸²⁾ It was expected to be a 'reform congress', but it was not: to demonstrate party unity, it turned out to be a 'compromise congress'. To ensure that 'peace' and 'unity' would prevail, at least on the face of it, Marshall Voroshilov (titular head of state and Politburo member) was sent to Budapest a few days before, not only

to attend the congress but also to 'smooth over' any differences that might still arise between Rákosi and Nagy following the Moscow discussions. That differences did, in fact, exist - even at that late stage - was confirmed by the fact that during the days immediately before the congress, neither Rákosi's nor Nagy's report was ready. The Congress Preparatory Committee, the Politburo and then Marshall Voroschilov had to intervene and ask Rákosi, not one but three times, to alter his report. Nagy, too, had to modify his own report to the congress significantly. The differences between the two were papered over and Marshall Voroshilov, at least temporarily, managed to preserve appearances; the basic differences, however, remained.⁽²⁸³⁾

In order to demonstrate unity, the congress was opened by Nagy and closed by Rákosi. But, for all the setbacks Rákosi remained the unquestionable head of the party and the keynote address to the congress was delivered by him - speaking for five hours. After a general review of the history of the People's Democracy over the past ten years and the foreign situation, he turned his attention to the national economy. This he discussed under the following main headings:

1. the great accomplishment of industry
2. the situation in agriculture
3. the characteristics of the 'New Course'
4. the questions relating to increased productivity and the reduction in production costs
5. the party's policy regarding the peasants
6. the socialist sector of agriculture
7. the work of leading economic, administrative and party organs
8. the Second Five Year Plan

In his view the development of heavy industry in particular has been very fast since 1951; he cited numerous quantitative achievements as proof of this. But he admitted that mistakes had been made (without mentioning personal responsibilities in this regard), workers' conditions of life had not improved and,

more seriously, agricultural development had been neglected, and distortions and imbalances had developed in the economy. These mistakes, he said, had marred the relations between the party and the working class, weakened the worker-peasant alliance and made it more difficult to raise the material and cultural standard of the people. The 'New Course', he admitted, was necessary to correct the mistakes of the past and he intimated that these had been remedied already by the party's June, October and December Resolutions. While seemingly fully endorsing the principles of the 'New Course', Rákosi noted, however, that things were seriously wrong because some of the reform measures initiated since June 1953 had had harmful effects, especially on peasants and workers' discipline, and had resulted in increased 'kulak influence' over individual peasants and relaxed attitudes towards compulsory deliveries. Also in industry, where factory managers had encouraged slackness of discipline, lowering of productivity had resulted in over payment of wages. He sharply criticised the 'liberalism' which, he said, infected many party and state organs. Thus,

Due to bad work by our political and economic leaders, further price reductions are impossible until production rises and costs fall. Wage discipline had become very slack - often with the encouragement of political, economic and trade union leaders. This intolerable situation must end. Our agitators have raised far too high the hopes of what the New Course would bring.⁽²⁸⁴⁾

His address reflected his worries and the party's displeasure at the developments in agriculture. It is not surprising, then, that he devoted a third of his report to the problems of the rural sector, where he was trying to draw a dividing line between the middle peasant - who must be helped, he said - and the kulaks - who must be restricted and fought. Thus,

the measures taken by the government to improve the lot of the peasantry have resulted in higher incomes for individual

producers, their ambition to produce more has grown and they have taken over the cultivation of untilled reserve lands ... much remains (however) to be done to realise the Decree of the Party and government of 23rd December on the development of agricultural production so that our agriculture may indeed progress rapidly from year to year ... people ask whether the many benefits given to the peasantry, including individual farmers, will not result in many middle peasants becoming kulaks.(285)

He admitted that this danger existed, but it

must not be exaggerated. The teaching of Lenin that production hour by hour produces capitalism, does apply to our conditions, but Lenin and Stalin also said that as long as small-scale production predominates one must do everything in one's power to enable the small farmers to increase their output. A few dozen, or a few hundred middle farms may become kulak farms, but in this case measures to restrict them would be applied to them.(286)

He emphasised that the need to help and rely on poor peasants, establishing a solid alliance with the middle peasants and not for a moment ceasing to fight the well-to-do-kulaks.

In discussing the position of the socialist sector of agriculture, Rákosi declared that 'naturally' both the party and the working class firmly relied on the collectives. He exhorted party members to improve their work in the collectives and assert their rights, and those of their members, to help them financially and provide them with 'the best agronomists and cadres'. The collectivisation of all land, he said, was still the ultimate, unchanged, purpose of the party. He stressed that,

we should not lose sight for a moment of the fact that the development of collectives is the unavoidable, the main way of building socialism in the villages and sooner or later all the peasants will be convinced of their correctness and will take this road.(287)

At this stage, however, the most urgent task, he said, was to strengthen the collectives and help them to achieve higher yields so that the income of their members would surpass the average income of middle peasants. The tractor stock owned by the MTS, he pointed out, must be increased and collectives had a prior claim on the 12,000 tractors owned by them (that year, he indicated they would receive another 5000 tractors).⁽²⁸⁸⁾ With regard to correcting the many complaints against the State Farms (which, he said, were inefficient and produced at much too high a cost, while their yields were extremely low) the most urgent task was to improve their work, increase the level of leadership and improve their labour discipline.⁽²⁸⁹⁾

In discussing economic tasks, Rákosi presented the Central Committee's guidelines for the Second Five Year Plan. Since the political upheavals of the preceding twelve months had prevented the comprehensive elaboration of the new plan, Rákosi announced that it would be postponed for a year and would run from 1956 to 1960 and 1955 would be used for the adequate 'preparation' of the plan. He declared that the new plan was,

to continue at a substantially slower pace than the first, with careful consideration of the mistakes committed and with greater emphasis on consumer goods and foods.⁽²⁹⁰⁾

He stressed that rapid all-round progress had to be attained in agriculture, in both collective and private sectors, because agriculture constituted the key problem of the second plan.⁽²⁹¹⁾ It is quite likely that agriculture was one cause of the postponement, the other was the 'international division of labour i.e., the coordination of the Hungarian plan with the new Soviet plan, which also began in 1956. Dealing with the problem of agriculture, Rákosi declared that the 'building of socialism must continue not only in towns but also in villages', agricultural production must be substantially increased and during the second plan period the

country's grain problem must finally be solved. To achieve this the aim of the second plan was for agriculture to catch up with socialist industry, so that socialist production predominated in the whole economy. For this, the numerical development of collectives must continue, implying - but not specifically stating - that the process of collectivisation was to be completed by the end of the second plan period (the year 1955 was to be used for preparation and further rapid transformation would commence during the new plan period).⁽²⁹²⁾

Nagy's contribution to the Congress discussions, on 28th May (the 2nd point on the agenda), while creating great interest and expectations, resulted in some disappointment. He did not speak at all on matters relating to the national economy, nor on measures relating to the June Resolution, but limited himself to dealing with the problems of state administration and of local councils and 'the serious laxities which have been noticeable in the work of both'.⁽²⁹³⁾ Nagy's plan was to improve the work of local councils by making them less bureaucratic, more representative and, to prevent confusion in their work as a result of interference by the various ministry and governmental offices, to extend their power and to place them under the control of the National Assembly and the Presidential Council, instead of the administrative agencies and, in the last instance, the Council of Ministers. This would have had important political implications but it never progressed further than the planning stage. Nagy also proposed to revive the People's Independence Front under the new name Patriotic People's Front (Hazafias Népfront).⁽²⁹⁴⁾ He submitted a proposal to the Politburo, before the Congress, in which he first advocated the re-establishment of the 1948 coalition all be it on the Polish model - i.e., parties without real political power -but when this idea was rejected he turned to the idea of the Patriotic People's Front (PPF), telling the Politburo that it could mobilise the mass support the party has failed to muster.⁽²⁹⁵⁾ The idea itself was adopted by the Politburo but an intense debate developed over whether the

PPF was to be in the format of a mass 'organisation' with both collective and individual membership - as Nagy wanted - or a mass 'movement' embracing other mass organisations but having no individual membership. Since no agreement was reached within the Politburo the question was submitted to the Soviet leadership during the Moscow visit, where the latter, i.e., the mass 'movement' version, gained approval.⁽²⁹⁶⁾ Although the issue was raised at the congress, the question of the PPF was not debated since it was precluded from the congressional agenda and hence no resolution was passed. Indeed, Nagy himself, in the enforced spirit of 'party unity' and 'compromise', moved away from his original position and referred to the PPF as a mass 'movement' in his congress report. The essence of the opposition was the fear that a new front in the format of an 'organisation', with individual membership, could have become a potential rival to Rákosi's disciplined party and possibly have provided an alternative power base for Nagy. Hence, its development on those lines was obstructed. After the Congress, a conference was held, on 12th August 1954, which entrusted a nine member committee (including Rákosi) with the task of drafting a statute for the PPF. After a Central Committee resolution, passed in October, the front was formally inaugurated on 24th October 1954. Whatever Nagy's intentions might have been for the PPF, it was revived on the model of a broad socio-political mass 'movement' in which the HWP's leading role was not dependent on a numerical preponderance of party members. It was, in effect, turned into a propaganda machine for the party. This did not, however, prevent Rákosi from charging Nagy later, in the Spring of 1955, with having endeavoured to endanger the 'leading role of the party' by reviving the PPF. As will be seen, the PPF was to play a limited role during the 1956 revolution. Afterwards it was used by the new Kádár regime as not much more than an electioneering gimmick.

On 30th May, the last day, the congress elected a 71 member Central Committee (one-third of the old membership was replaced with new people). The

Politburo and the Secretariat were again reorganised: the number of Politburo members was again reduced to nine, composed of Mátyás Rákosi, Imre Nagy, Ernő Gerő, Mihály Farkas, András Hegedüs, Antal Apró, István Hidas, Lajos Ács and Béla Szalai (a new member). The membership of the Secretariat was increased from four to five - Mátyás Rákosi, Mihály Farkas, Lajos Ács, Béla Vég and János Matolesi was added as a new member. Rákosi was officially elected First Secretary of the Party.⁽²⁹⁷⁾ The elections to party's leading bodies, however, did not alter the proportion of Nagy's supporters; as before, the predominance of Rákosi's associated on these bodies remained unchanged.

In closing speeches assessing its work, Nagy was mildly critical of the congress for neglecting to discuss the general political issues and, instead, concentrating too much on factual details regarding the national economy. He warned against the danger of returning to 'old' lines of policy. Rákosi, seemingly more satisfied with the outcome, insisted that, on the whole, the work of the congress was positive for it had acknowledged the progress the party had made since 1951, had demonstrated 'party unity' and shown the way to 'building socialism'. He, too, however, was somewhat critical, because, he said, issues relating inter alia to questions of ideology, party work and further agricultural development had been relegated to the background. He warned against complacency because, he stressed, the congress merely indicated the problems and future tasks but it did not resolve them.

Thus the congress discussions ended, as arranged in Moscow, in a spurious compromise - both Rákosi's and Nagy's reports were adopted as resolutions individually. Both had to make concessions and moderate their views: while Rákosi, in a sense, endorsed the policies of the 'New Course' decreed in the June Resolution, Nagy refrained from raising the legacies of errors and crimes of the past, the question of rehabilitation of political prisoners and, above all, -which baffled many - refrained himself from speaking at all on the economy, which was

rapidly coming under severe strain. Discussions on sensitive controversial issues, for example, intra-party differences accumulating since June 1953 and the problem of resistance to economic policy changes were only mentioned en passant but were not on the congress agenda. The problem of resistance to changes was apologetically smoothed over as 'excusable wrong-doing' under the confused circumstances and delays in implementation of the measures were described as somewhat 'exaggerated'. Although the congress raised the problem of slow productivity growth and the unsatisfactory trend of production costs it did not look into their deeper origins, nor did it examine the urgent problems of rapidly worsening imbalance between purchasing power and consumer goods output, due to excessive wage increases, inadequate improvement in labour productivity and failure to reallocate resources to supply the population, resulting in an ever increasing deficit on the Balance of Payments.

Nevertheless, Rákosi's speech to the congress, full of covert reservations, and Nagy's abortive attempt to revive the PPF not only showed that there were deep splits in the party but also expressed differences on basic questions. It was then not surprising that this spurious 'peace', 'party-unity' and 'spirit of compromise', which, on the whole, marked the congress discussions, proved to be rather brittle and short-lived. Soon after the congress intra-party differences intensified and the rivalry between Rákosi and Nagy seemed to have shifted to the economic battlefield.

10.3 'New Course': Growing economic problems and policy disagreements; the
October 1954 Central Committee Plenum

It is a delicate task, even today, to assess the general economic and, especially, the agricultural achievements of Nagy's policies in 1953-54 objectively. The period, as shown, was marred by passions, confusion deliberate obstruction, allegations and counter-allegations. Apart from these factors, the evaluation is further complicated by the fact that the effects of reform measures introduced in one period are not confined to that period and may only make themselves felt in the next period, or production cycle. In the present case, however, the next period witnessed a reversal of many of the 'New Course' policies. Furthermore, in agriculture climatic variations, too, have an important effect on the results. Under these circumstances, therefore, any evaluation is faced with limitations.

Nevertheless, it can be said with some certainty that, on the whole, important as the measures proved to be, the practical economic results of Nagy's policies were not very substantial and were far below expectations (but, of course, the generally milder political atmosphere was welcome). The overall economic situation at the end of 1954 did not look vastly different from the situation a year earlier. In terms of both industrial and agricultural production 'New Course' created new problems which seriously hampered the rate of development, and achievements did not seem to have measured up to investments or to economic requirements.

Looking first, however, at the development of agriculture in 1954 (the last year of the plan period 1950-1954), and the plan period as a whole, the slow growth of agricultural production remained one of the main concerns for the government. Despite the various incentives given to farmers, the increased rate of agricultural investment, mechanisation and fertilizer utilisation, the gains in agricultural production - partly because of adverse weather conditions and partly

for other reasons - were smaller than anticipated and food supplies and food exports were still below requirements. Although total investment allocated grew modestly from year to year (see table on p.616) it still lagged behind the 1949 proportion (when it was 18 per cent of all investment) and fell short of the needs of agriculture and collectivisation. On the whole, agricultural investment failed to reach even the levels specified on the Five-Year Plan. Its share over the 1950-1954 plan period represented, on average, only 13.7 per cent of total investments; an average figure which is lifted by the greatly increased share of 22.7 per cent in 1954. The share of the investments allocated to the collectivised sector, even if the amount spent on developing the machine-tractor stations network is included, represented no more than about one-third of total investments. When the distribution of investments is examined, according to end use, it is shown that, on average, slightly more than two-thirds of the investment allocated to the collectivised sector (81 per cent in 1954) was allocated to construction, rather than concentrating scarce resources on developing the means of production e.g., fertilizers, pesticides, veterinary care, machines etc., to boost agricultural output directly. On top of this, many of the construction projects were outdated and often misconceived.⁽²⁹⁸⁾ The distribution of agricultural investment according to end use is shown in Table 10.6 (see p.783).⁽²⁹⁹⁾ The poor choice of investment allocation, of course, can be explained by the decision to collectivise both crop production and livestock raising simultaneously, which made construction unavoidable, despite the arguments against it at the time in Hungary, that, on the lines of the 'Leninist principle of gradualism', in the absence of the prerequisites for large-scale animal husbandry it ought to have remained based on the small-scale farm.⁽³⁰⁰⁾ Although the amount allocated to the development of collectives' machine stock increased by 8 per cent (see Table 10.6 p.783) - which was the highest allocated in any one year over the period - under the severe restrictions imposed on large machine purchases, it was only adequate in relation to the reduced arable land

TABLE 10.6 THE DISTRIBUTION OF AGRICULTURAL INVESTMENTS, ACCORDING TO END USE AND SOCIAL SECTORS (AT CURRENT PRICES), IN MILLION FORINTS AND PERCENTAGE SHARES

Year	Total agriculture				of which state sector				of which collective sector			
	Construction	Machines	Others	Total	Construction	Machines	Others	Total	Construction	Machines	Others	Total
1950	312 (32.9)	411 (43.2)	288 (23.9)	951 (100)	269 (30.4)	407 (46.1)	208 (23.5)	884 (100)	44 (65.7)	4 (6.0)	19 (28.3)	67 (100)
1951	775 (55.9)	310 (22.4)	301 (21.7)	1386 (100)	648 (54.3)	299 (25.0)	247 (20.7)	1194 (100)	127 (66.2)	11 (5.7)	54 (28.1)	192 (100)
1952	1051 (51.5)	436 (21.4)	552 (27.1)	2309 (100)	723 (46.5)	419 (27.0)	412 (26.5)	1554 (100)	328 (67.6)	17 (3.5)	140 (28.9)	485 (100)
1953	1102 (49.5)	417 (18.7)	707 (31.8)	2226 (100)	858 (46.0)	403 (21.6)	604 (32.4)	1865 (100)	244 (67.6)	14 (3.9)	103 (28.5)	361 (100)
1954	1103 (41.2)	735 (27.5)	839 (31.3)	2677 (100)	859 (36.1)	711 (29.9)	807 (34.0)	2377 (100)	244 (81.3)	24 (8.0)	32 (10.7)	300 (100)

Source: see n. 299, p. 843

area remaining under the cultivation by collectives. Nationally, however, - despite falling behind planned targets - more large machines were supplied to agriculture, with the exception of machines for harvesting and gathering in the crops, than on average in any one year during the 1950-1953 period: e.g., in 1954 agriculture received 4456 tractors, 3130 tractor ploughs; 1393 cultivators, 371 combines and 549 reaper-binders, instead of the yearly average of 2161, 2210, 815, 449 and 755 respectively, over the 1950-1953 period.⁽³⁰¹⁾ As a result, 100 per cent mechanisation was achieved in 1954 in autumn deep-ploughing and the degree of mechanisation in hoeing and harvesting had increased from 7.7 and 27.7 per cent in 1953 to 15.9 and 47.9 per cent respectively.⁽³⁰²⁾ In a change from previous practice the MTS gave priority to collectives with a labour shortage; also, in 1954 the proportion of their work done on collectives decreased from 76.3 per cent to 67.0 per cent, while the proportion of work done for individual farmers increased from 6.5 to 18.2 per cent.⁽³⁰³⁾ Despite increases in the tractor stock of the MTS the overall level of mechanisation of basic tilling work, both on collectives and individual farms, remained very low. The area of irrigated land on collectives decreased in step with the reduction in their total arable land under cultivation: out of a total 17,500 cad. yokes reduction in irrigated area, 9,500 cad. yokes was accounted for by collectives.⁽³⁰⁴⁾ The increase in the utilisation of artificial fertilizers from 1953 (see:p.645) is shown in Table 10.7⁽³⁰⁵⁾:

**TABLE 10.7 Annual consumption of artificial fertilizers
in 1954**

Consumption in 1000 tons			Consumption in kgs/cad.yoke		
State Farm	Coll. Farm	National	State Farm	Coll. Farm	National
161.0	61.0	308.9	140.6	47.1	32.5

Source: see n 1305, p. 844

The utilisation of artificial fertilizers by the collectives increased from 28.9 kgs/cad. yoke in 1953 to 47.1 kgs/cad.yoke in 1954 - an increase of 63 per cent - while utilisation nationally, which includes individual farming, rose from 24.8 kgs/cad.yoke in 1953 to 32.5 kgs./cad.yoke, a 34 per cent rise. Similar changes occurred, although at a much lower level, in the case of individual farms, including household plots, and Types I and II collectives, where the rate of utilisation increased from 6.1 kgs/cad.yoke in 1953 to 10.2 kgs/cad.yoke in 1954. (306)

The question whether some of the improvements in conditions compared with earlier years might have resulted in improved production and a greater volume of marketed produce is difficult to answer, mainly because of the influence of the weather. Certainly, at least some of the improvements in conditions pointed towards an appreciable increase in agricultural production. The balance for 1954, despite the bad harvest, showed a modest improvement but no radical reversal of the situation in agriculture, which for a long time had been deplorable. Total agricultural production in 1954 exceeded the previous year's level by only 2 per cent. A summary of the development of agricultural production for the year, and for the period 1950-56, is provided in Table 10.8 on p.786. (307) The figures clearly show that the performance of Hungarian agriculture was still inferior when compared with pre-war production. The modest increase actually achieved in relation to 1949 - while hardly impressive when we considered that in that year the after-effects of World War II were still noticeable - was the result of the strenuous efforts made by individual peasants cultivating most of the land under desperately unfavourable conditions. The plan

TABLE 10.8 Gross and Net values of agricultural output (at constant prices)

Year	Gross output 1938=100			Net output 1938=100			Total marketed produce ^(a) 1938=100	Gross output 1949=100	Net output
	total	crop	livestock	total	crop	livestock			
1950	90	81	100	94	81	147	85	106	112
1951	104	109	93	112	112	108	98	123	133
1952	79	65	94	70	58	109	88	93	83
1953	94	100	80	97	100	72	90	112	115
1954	96	86	102	92	85	118	85	114	110
1955	108	101	109	106	96	130	105	128	127
1956	95	82	103	89	77	119	-	112	106

(a) Source: Adatok és Adalékok ... op.cit., p.161. See: n. 307, p. 844

period also includes two exceptionally good years (1951 and 1955) and one medium-to-good year (1953) with reasonably abundant harvests. The total marketed produce from 1949 onwards was less than in 1938, for two main reasons: (i) because total agricultural output (except 1951 and 1955) was less than in 1938 and (ii) because small-scale individual farms marketed a smaller proportion of their produce than in 1938. The volume of marketed produce was smaller than in 1939 in every year until 1955. So, during the Five-Year Plan period, total agricultural production (except in 1951) did not reach the prewar level. The good harvest in 1955 brought it above the 1938 level but it declined again in 1956 (the harvest was gathered before the outbreak of revolution). Overall production, however, stagnated, while requirements - because of population growth (1934/38=100, 1953=106),⁽³⁰⁸⁾ not to mention the other important factor, urbanisation - had grown substantially. Thus stagnation came at the worst possible moment. Further examination also reveals that both total and marketed production showed a fluctuating trend, below the 1938 level. Interestingly, despite the fact that, compared with 1938, total production was lowest in 1952, the relative

shortfall in marketed produce was the smallest. This was clearly related to the particularly intensive compulsory delivery collection in that year. In later years, the extraordinary relationship between the two - since compulsory deliveries were reduced under Nagy - improved significantly. Examining the figures for gross production in 1954 more closely shows that, while there was a pronounced increase in total livestock production - the number of sheep, horses and poultry increased while the number of cattle and pigs decreased - total crop production was significantly below the previous year. The development in livestock, in thousand head, is shown in Table 10.9:⁽³⁰⁹⁾

TABLE 10.9 Trend in Livestock Numbers (thousand head)

Year	Pigs	Cattle	Horses	Sheep	Poultry
2nd March 1953	4977	2236	681	1637	18,190
1st March 1954	4454	2075	683	1869	18,938
1st March 1955	5818	2128	711	1857	22,815
1st March 1956	6056	2170	729	1930	22,779

Source: See n. 309, p. 844

Cattle breeding had failed to develop satisfactorily over the Five-Year Plan period, either in quantitative or qualitative terms: the cattle stock declined under Nagy and over the period essentially stagnated, and the number of cows declined; the productive increase (productive increase = difference between live births and deaths) per 100 cows failed to develop satisfactorily and at 51 was at its lowest in 1953 - showing the after-effects of 1952; it increased to 63 in 1954 and 66 in 1955, but had declined to 62 again by 1956,⁽³¹⁰⁾ most probably owing to policy changes under Nagy (in 1953 and 1954) and Rákosi in 1955. But the

unsatisfactory long-term development of cattle stock was largely due to the unsound relative pricing policy for cattle raising and pig breeding that prevailed during the whole period. The reason for the declining number of cows was the low price paid for calves, which provided no incentive to producers to raise calves. Despite administrative regulations the incidence of 'emergency' slaughtering of animals and 'black market' slaughtering of calves increased considerably. Another reason for the poor performance of cattle breeding was the fact that throughout the period farms had to struggle with fodder shortage, mainly because much of their fodder production was siphoned-off through compulsory deliveries to central state stocks. The little that was left was more profitably used to fatten pigs because of the relative prices. Since administrative regulations prevented a reduction in cattle numbers, the marketed cattle production and quality decreased. Compared with the 1930s the quality of the cattle stock had deteriorated considerably by the end of the period; while the average weight of slaughtered cattle was 468 kgs., before the war it declined to 410 kgs. in 1954 and 408 kgs in 1955.⁽³¹¹⁾ Because of the fodder shortage, its utilisation and relative prices, the annual average milk yield per cow also failed to improve and even in 1953 did not reach the pre-war level. Policy changes after 1954 finally brought it back to the pre-war level. In terms of social sectors, the output of livestock on collectives remained low. A major additional factor impeding improved animal husbandry - besides shortage and poor quality of fodder - on collectives was poor organisation and training of zoological personnel and inadequate care and lack of proper shelters, all of which were worse than in other sectors. The State Farms showed better results; they were, of course, able to obtain the best breeding animals and conditions for livestock raising there were somewhat better. Livestock raising was most successful on individual farms and household plots of collective members, on which it was further enhanced by the 'New Course' measures. Within animal

husbandry pig raising is particularly quick to respond to new policy measures: they have a much greater rate of propagation and growth. Looking at Table 10.9 it can be seen that the highest stock of pigs during the period was reached in 1955 and 1956. This was undoubtedly the result of the maize output in the years immediately before, and, perhaps more importantly, the improved contractual conditions established for pig raising: contractual prices for pigs were increased considerably by Nagy's 'New Course' measures in 1954 and the volume of contracts rose appreciably after 1954.⁽³¹²⁾ Livestock breeding had made important strides in Hungary after the Land Reform of 1945. The main causes, then, for the unfavourable development during the first Five-Year Plan period (1950-1954) were the pricing and collectivisation policies and, most importantly, the inadequate fodder supply. These and other factors might explain the frequent shortages of meat, lard and dairy products experienced during the period. Meat consumption, which was 41.4 kgs. per capita in 1935, declined to 32.5 kgs. by 1953-55. Consumption of dairy products present a similar picture.⁽³¹³⁾ With regard to sheep, it is interesting to note that in spite of the 14 per cent increase in sheep numbers compared with 1938, wool production declined by almost 30 per cent between 1938 and 1955.⁽³¹⁴⁾

With regard to crop production, a particular concern for the government was the continued shortfall (except in 1951) in bread-grain (wheat and rye) output, compared with 1938 (see p.762), and the resultant growing difficulty in obtaining enough grain to feed the population. It looked as if Hungary was faced with a permanent shortage of bread-grain, which reached acute proportions in 1954. Total bread-grain production was down by 22 per cent (from 274,387 rail-wagons in 1953 to 214,025 in 1954): wheat was down by 24 per cent (from 218,202 rail-wagons in 1953 to 166,047 in 1954) and total rye output was down by 15 per cent (from 56,185 rail-wagons in 1953 to 47,978 in 1954).⁽³¹⁵⁾ The shortfall production is even more pronounced if considered that the areas sown to these

crops increased in 1954 for the first time since 1949 (every year after the area decreased, see p.762) for wheat and the rise was 6 per cent (from 2,293,039 cad. yokes to 2,449,708 cad. yokes) and for rye 7 per cent (from 757,574 cad. yokes to 810,137 cad. yokes) between 1954 and 1954.⁽³¹⁶⁾ Average yields for wheat, rye and barley deteriorated in all sectors (see p.620).

It is not surprising then that in November 1954 András Hegedüs, the Minister of Agriculture, submitted a proposal to the Politburo meeting, claiming to offer a solution to Hungary's grain problem. He argued that Hungary should stop exporting grain and concentrate on supplying the domestic market and building up a permanent reserve base. He called for the introduction of new, high, yield seeds and for the development of agro-techniques to enable the country to reduce the area devoted to grain production and, at the same time, to expand the areas of those crops which proved more suitable for export, on the one hand, and to increase the area devoted to fodder, on the other. This, with improved incentives, would help, he said, to increase livestock production in the country. The restructuring of Hungarian agriculture in this manner, he argued, would generally improve the country's sorely deficient export capacity. A decision on Hegedüs' proposal had to wait another six months, when, under changed political conditions, it was adopted by the party as a resolution, but in a drastically modified form.⁽³¹⁷⁾

Finally, a few words about the weather factor in agricultural production. It had been seen that total agricultural production displayed a fluctuating trend, below the 1938 level. Crop and livestock production, with some deviation, showed similar trends. Official sources associate these fluctuations with climatic variations. This is, of course, substantially correct: climatic changes do have an important affect on agricultural production results. But, interestingly, if climatic variations are set against the resilience of productive forces it becomes clear that over the period the efficiency of interaction between these

two variables had deteriorated. Climatic conditions during the 1945-1948 period were, on the whole, even less favourable than during the 1950-1955 period. The unsatisfactory performance of Hungarian agriculture in the latter period was probably more attributable to the decline in the resilience, the willingness and capacity to produce, as a result of the policies pursued by the regime than it was to the weather. Also, looking at the net value of agricultural production, the deterioration in the efficiency of productive forces between 1938 and 1956 becomes evident, considering that a small reduction in labour input seems to have been more than offset by the increase in capital inputs.⁽³¹⁸⁾

A closer examination of the performance of the collectivised sector reveals that during 1954 the government's declared goal of 'strengthening' the remaining collectives was not achieved. During the year, as noted earlier, the process of dissolutions and withdrawals from the collectives continued, albeit at a slower rate. Many, mostly medium peasants, left the collectives, although some, mostly landless and poor peasants, joined or re-joined them. In terms of both crop production and livestock breeding the collectives failed to develop satisfactorily. During the autumn of 1954, at the end of the economic year, 1323 collectives managed to balance their books, some only just, with a surplus of varying size, while for 1931 collectives the economic year ended with a deficit.⁽³¹⁹⁾ According to their financial reports the total assets of collectives were 5100 million Forints, while their total debts amounted to 4200 million Forints, despite the fact that in a year their total assets had increased by 22 per cent.⁽³²⁰⁾ While the dividend share paid by collectives increased marginally, the national average paid per labour-day unit (munkaegység) was still only 8.29 Forints. Collectives operating at a loss, however, could only manage to pay a dividend by postponing their debt payments. The sum quoted, however, was worth somewhat more in practice since two-thirds of dividends paid by collectives were in bread-grain, or other produce, which was calculated at free

state purchasing prices. Thus, if members had managed to accumulate sufficient labour-day units they were able to secure their bread, and part of the fodder they needed for the livestock on their household plots, from the collective. But the monetary income they received was small, and had to be supplemented by income derived from their household plots. The low monetary remuneration received from the collective affected young adult family members especially hard: since they had no families of their own they received no household plot and hence had no additional source of income. In fact, the process of withdrawals during 1953 and 1954 was largely initiated by these dissatisfied young family members. Because of the shortfall in the 1954 grain harvest many collectives, and individual farmers, could not fulfil their compulsory grain delivery plan and could only distribute bread-grain to their members by fulfilling part of their grain delivery obligations to the state in maize - for which permission was granted by the government - and their seed requirements for the next year had to be met by the state: in 1954, again, more than 300 rail-wagons of bread-grain had to be distributed for seed among needy collectives. In many places collectives could only distribute 2.5 kgs. of bread-grain per labour-day unit, and some as little as 0.4-1.0 kg./unit.⁽³²¹⁾ During the autumn of 1954 this was one of the main reasons for the continued dissolutions and withdrawals from collectives. Incomes and consumption of collective members were generally far below those of individual farmers. Their incomes also lagged considerably behind those of workers doing the same job on State Farms, by about 20 to 40 per cent.⁽³²²⁾ Nor, of course, did they receive pensions, family allowances or sick pay, to which both State Farm and industrial workers were entitled. Their income was also uncertain - although at about this time some of the economically better-off collectives began to give advance payments to their members on a monthly or quarterly basis. The main reason for the better incomes of individual farmers was their generally higher yield per unit of land

compared with that achieved by collective farmers and, of course, they worked harder. The objective reasons for this were that:

- i) individual farmers placed greater emphasis on the more valuable, labour intensive root crops (maize, potatoes, sugar-beet), vegetables, fruit, wine etc., while the stocking densities for animals were higher, and
- ii) the average yields on individual farms were usually higher for both crops and animals: their productivity nationally was more than 20 per cent higher than on collectives.⁽³²³⁾

So individual farmers enjoyed a larger income and better living conditions than collective peasants, inspite of their higher rate of taxation and compulsory delivery burdens.

One of the main objectives of Nagy's new economic programme was to raise workers' and peasants' purchasing power and the supply of consumer goods to match. The fundamental problem was that during 1954 he succeeded in raising wages and peasant incomes but agricultural and industrial output and productivity lagged behind the increased purchasing power. Output of industry, as of agriculture, grew by only 2 per cent (heavy industry declined somewhat), instead of the 8 per cent targeted by the, reduced, 1954 plan: this inspite of the increased output of handicraft industry, which was up by 30 per cent.⁽³²⁴⁾ The per capita average of real earnings of workers and employees, on the other hand, increased by 20 per cent compared with 1949 and total average real income rose by 15 per cent. But during 1953/54 only half of all workers and employees received increased wages and salaries. Despite the wage increases productivity declined to below that of the previous year. Workers responded to the more 'liberal atmosphere' that prevailed during 1954 by increased absentism and, in many places, labour indiscipline increased to a chaotic extent. The per capita real income of peasants, although lower than 1949, increased by 10-15 pr cent in 1954.⁽³²⁵⁾ The peasants, however, still had insufficient incentives to produce as

there were still few consumer goods, or agricultural implements, to spend their money on. To make things even more difficult, the bad weather in the first half of 1954 adversely affected much of the harvest. Suddenly, during the summer and autumn of 1954, the problems of growing imbalance, the prospects of runaway inflation, food shortages and a rapidly deteriorating balance of payments in the economy began to overshadow everything else. And the search began for solutions to both political and economic problems. Soon Rákosi and his group began to accuse Nagy of having deviated from sound economic principles by giving 'advance payments' to workers and peasants - describing the rather modest increase in the living standards of workers as 'extravagant',⁽³²⁶⁾ and sounding the alarm about the worsening labour discipline, falling productivity and growing resistance of all categories of peasants to compulsory deliveries. They began to argue that the economic difficulties could be remedied by raising prices and taxes and reducing wages - just the opposite of what Nagy advocated. It is interesting to note how Nagy later recalled and defended himself against this accusation. Thus,

I am also blamed because in 1954 the standard of living rose by 15 per cent, although industrial production and productivity did not increase and production costs did not drop. This statement is true only when taken out of context. Why do the 'left-wing' extremists fail to speak of the development of industrial production and productivity, of production costs and the rise in the standard of living between 1949 and 1954? Should not there have been a rise in the standard of living, corresponding to and resulting from the tremendous increase in production that occurred between 1949 and 1953? The rise in the standard of living that came about in 1954 as a result of the implementation of the June policy in the New Course was not a kind of advance payment, as the 'left-wing' extremists try to make it appear, but simply a payment of the debts incurred by the 'left-wing' before 1953.⁽³²⁷⁾

Be that as it may, within weeks following the 'congress of compromise' it was becoming openly clear that tension was sharpening, that serious differences of

opinion existed amongst the top party leadership, and economic policy makers, regarding the evaluation of the economic situation and the steps to be taken to halt the worsening economic performance. The first sign of growing tension was provided by Nagy in a speech to the Academy of Sciences, on 14th June 1954; he accepted that 'socialist planning' was failing, but blamed this on the fact that the economic forces operating under socialism 'had not been adequately investigated', and to remedy this he announced that he was going to set up a research institute and found a scientific journal to go over the theory once again.⁽³²⁸⁾ Then, on 28th June, the anniversary of the 'June Resolution', the party's official daily newspaper, Szabad Nép, published an editorial leader reviewing the 'New Course' over the past year. From this the sharpening conflicts between political groupings could already be felt. In an unusually reserved tone, it began by noting that

it cannot be said that everything had changed, only that something has begun. Even if the organisation of work has improved, we must state that it failed to improve nearly as much as needed or as much as we planned.⁽³²⁹⁾

The article laid particular stress on two circumstances:

- i) that the party's new policies over the past year had brought the whole country to the boil, and
- ii) that the new policies had blazed a trail perhaps most rapidly in agriculture.

In conclusion, the article called for more action. But this rather general conclusion could not have any mobilizing power. Within days, on 2nd July, the Council of Ministers, in an attempt to redress the growing imbalance and tensions building up in the economy, passed a resolution which reduced the total investment allocation for 1954 by 3000 million Forints, i.e., from 14,000 to

11,000 mill. Forints,⁽³³⁰⁾ and instructed the heads of high-spending ministries to decide on cuts in their planned investment expenditure amounting to 2000 mill. Forints by 5th July. Other questionable investments were to be reviewed by the Council of Ministers. The intention was to re-allocate the investment funds released for the production of consumer goods, in order to redress the growing imbalance in the economy. But, as often before, the implementation of this resolution was substantially slowed down by the various branch ministries. This is confirmed by a report published on 19th July, and also by a subsequent meeting of the Council of Ministers on 23rd July chaired by Imre Nagy, both of which complained about the slow and inadequate progress with implementation of the resolution and blamed the 'incorrect attitude of ministers', many of whom conveniently 'disappeared on holiday'.⁽³³¹⁾ Rather than stopping investments altogether, they merely slowed them down. This, according to the resolution passed by the meeting, seriously 'endangered the solution of the tasks set in the plan and the uninterrupted supply to the population in the second-half of the year.'⁽³³²⁾ This resolution urged the implementation of the earlier resolution without further delay. The real reason for the difficulties in implementation of the government resolution, apparently, was that, in addition to the modifications for 1954 it raised the whole issue of the one-year plan for 1955, which was considered as an important forerunner, a preparatory year, for the Second Five-Year Plan, which was to commence in 1956. Meanwhile, the balance of the economy continued to deteriorate.

Events than began to move fast. The impetus for this must have been provided by the fact that, sometime between 23rd and 28th July, Nagy left for a long vacation in the Soviet Union (the exact date is not known), not to return until the first week of September. During his long absence Rákosi and Gerő began their onslaught in earnest, using the growing economic difficulties, together with rumours of restrictive measures, as leverage against Nagy in

effect, creating the impression that most of the promises made by Nagy under the June Resolution were to be repudiated. This discouraged the adherents of the 'New Course' and, at the same time, emboldened the Stalinists throughout the party network. On 28th July 1954 (in the absence of Nagy), on the initiative of Rákosi and Gerö, the Politburo was hurriedly convened to consider the draft 1955 Plan, prepared by the National Planning Office (Országos Tervhivatal), under Béla Szalai (a Rákosi adherent).⁽³³³⁾ The document pointed out that the party's Third Congress had set the guidelines for the development of the Second Five-Year Plan, which also applied to the 1955 Plan. According to the guidelines the main elements were:

- i) to increase further the standard of living; agriculture was to be further developed and the remnants of exaggerated industrialisation had to be liquidated
- ii) to increase the production of consumer goods and to continue with the restructuring of industry, which had already begun

In order to achieve these goals, the document indicated, that the 1955 Plan would need to solve three main tasks:

- i) to increase the supply of goods by 9 per cent
- ii) to invest 7500-8500 million Forints in the economy for further development
- iii) to create a surplus of 1200 million foreign trade Forints to secure external balance

The National Planning Office (Országos Tervhivatal), however, pointed out that it was unable to submit a plan which simultaneously satisfied all these requirements because they exceeded the limits set by the National Income. The document noted that the construction of the 1955 Plan had been made considerably more difficult by the fact that the remnants of the exaggerated

industrialation of the previous period were still present in the economy; as a result, the increase envisaged in the production of consumer goods and implements for agriculture could not be achieved, the indebtedness of the foreign trade sector continued unabated, state reserves were depleted and the circulation of money in the economy continued to rise. The recommendation of the draft document, essentially, was that

- i) since all requirements could not be satisfied at the same time, retail sales turnover could only be increased by 1-2 per cent, at most, to maintain or slightly increase the living standards of the working class.

The conditions required to achieve this were that,

- ii) free market prices had to decrease by 30 per cent. The measures required to achieve such a massive reduction should not, however, adversely affect the incentives for peasants to produce.
- iii) severe economies were needed in other areas and the level of employment in the state and economic apparatus had to be significantly reduced.

These recommendations were adopted by the Politburo, and it passed a resolution on 28th July which, in general terms, pointed out that,

- i) the position taken by the Council of Ministers earlier (i.e., on 23rd July) did not satisfy the majority of the top party leadership and, therefore, urgent economic measures needed to be introduced to halt, and reverse, the worsening economic situation.
- ii) the 1955 Plan must not repeat the mistakes of the earlier period; the tasks to be set must not be irrational and should not exhaust the country's strength.
- iii) the difficulties that emerged during the construction of the 1955 Plan must not be resolved at the expense of the following year, 1956.

After these general preliminaries, the resolution indicated a number of concrete requirements: the 1955 Plan had to allocate a total of 7500-8500 million Forints to investment, achieve a 1200 million foreign trade-Forints surplus on foreign trade and a retail sales turnover consistent with these two constraints. Finally,

the Politburo appointed the Economic Policy Committee (Gazdaságpolitikai Bizottság), in effect Gerö, its Chairman, to work out the detailed policy measures needed to remedy the economic situation. These were to cover all areas, e.g., procurements, taxation, investments, wages policy, welfare policy (to achieve a saving of 1500 million Forints), the size of the administrative work force in factories (where a 15 per cent reduction was indicated), productivity, quality of production etc.⁽³³⁴⁾ Gerö was given the job of preparing the public, by informing them about the 'character' and 'urgency' of the Politburo resolution.

It needed no deep analysis to show that the resolution had essentially ruled out any further increase in living standards and peasant (but not only peasant) purchasing power; that it would reduce the slowly reviving willingness of peasants to produce; or that it would result in the revision of many of the measures introduced after 1953. It meant, in effect, that the Politburo thought it necessary in order to reduce foreign debt to secure an export surplus by reducing the supply to the population below the level approved by the plan. Since the resolution was adopted on the recommendation of Rákosi and Gerö, in the absence of Nagy and a number of other members who were also away on summer holidays, it was not surprising that it later met fierce opposition, not only from Nagy, but others too.⁽³³⁵⁾ During the weeks that followed, Gerö and the Economic Policy Committee began to work out and submit to Politburo meetings a number of harsh 'deflationary' proposals in an attempt to 'remedy' the economic situation, all of which were approved by the Politburo. Furthermore, acting without the knowledge of the government, the Economic Policy Committee passed a number of resolutions and enacted decrees which, according to Nagy, it had no right to do.⁽³³⁶⁾

First, however, Gerö published a very long, authoritative article in the party official daily newspaper, on 1st August, even the title of which 'Let us prepare for Winter' (Készüljünk fel a télre)⁽³³⁷⁾ was designed not only to inform

but to warn the general public about the economic difficulties and, in general terms, the harsh measures which were being proposed to remedy the difficulties. Gerö, in his usual harsh style called for further sacrifices, stressed the urgent need for solving the immediate tasks in production, the liquidation of shortages especially in coal mining, metallurgy and construction, to avoid a repetition of the deplorable failures during the previous winter. In his article he made no reference to any specific measures. One half sentence - which looked as if it was *raison d'etre* of the whole article - however, clearly indicated the changed emphasis in economic policy:

the development of agricultural production is indispensable for a reduction in market prices, to make a further increase in the purchasing power of the forint possible.⁽³³⁸⁾

Following this, before Nagy's return a number of Politburo meetings were called by Rákosi during August and early September to discuss and approve the details of major cuts in state expenditure, including social benefits, and higher taxation proposals put forward by the Economic Policy Committee under Gerö. Thus, on 2nd and 9th August the Politburo approved a budget cut in economic, social and cultural expenditure amounting to 2000 million Forints for 1955. The projected savings from the reductions in the various social benefits, e.g., in social insurance, state subsidised sports, day homes and nurseries, subsidies to factory canteens, health foods, introduction of new pension plans, reduction of travel discount rates, altogether amounted to nearly 1500 million Forints.⁽³³⁹⁾ All of these directly affected the workers' standard of living. The peasants were not forgotten either. On the instruction of the Economic Policy Committee, the Ministry of Finance prepared a proposal increasing taxes on all peasants by 600 million Forints.⁽³⁴⁰⁾ The need for 'rationalisation', i.e., to reduce the staff of the various central stage and economic departments, had also been raised at

these meetings. Then, on 4th September, the discussions were extended to include employees of industrial enterprises and cooperatives. The result was that, during 1954, some 60,000 employees and intellectuals lost their jobs and another 50,000 were scheduled to go in 1955. Because of the reduction in investment for 1955, and industrial reorganisation some 60,000-70,000 manual workers were projected to become surplus to requirements and plans were drawn up to redeploy these workers in mining, light and food industries and on State and Collective Farms.⁽³⁴¹⁾ Indeed, according to Nagy, Rákosi even suggested creating 'artificial unemployment' to spread fear among the employed, which, he claimed, was the most effective method to improve labour discipline and productivity.⁽³⁴²⁾ István Friss a Politburo member, described these proposed measures as 'cruel, but necessary', while in a confidential letter Ernő Gerő pointed out that 'it is a difficult and complex task to put order into the economy', but many of the proposals were 'unpopular' and because of this it was vital that the whole leadership 'assume responsibility' and unanimously back the proposed measures. He observed that there was some disagreement and reservation about the measures among some members of the Politburo, and he pointed out the need for further discussion.⁽³⁴³⁾ This, in fact, took place a month later, on 15th September.

These proposed measures to solve the threatening problem of inflation and to re-establish budgetary equilibrium would, if implemented, have largely undermined Nagy's efforts to raise the standard of living and would have brought his ideas into disrepute. Nagy later recalled that,

to arouse panic and to justify and make their proposals for undermining the June policy acceptable, opposition elements at the head of organs directing the party, the government and the economy began predicting inflation and unemployment - in a very misleading manner, as events proved. These proposals called for a general reduction in industrial output; a large-scale cutback in social provisions

for the workers; a great reduction in the standard of living of persons living on wages and salaries; and an increase in the burden on the peasants.⁽³⁴⁴⁾

It is somewhat doubtful if the proposed measures would have been effective in increasing production, which was what in fact was needed. Assuming that they had been able to solve the problems of the economy, at what price? Nagy later accused the Economic Policy Committee of attempting to remedy the economic situation not by measures appropriate for increasing production but only by economies.⁽³⁴⁵⁾

This was the state of affairs when Nagy returned from his vacation. He was still confident of Moscow's support - while he was on vacation in the Crimea he went for an 'unofficial' visit to Moscow - and was ready to repel this latest challenge to his 'New Course' reforms. In quick succession, three Politburo meetings were called. At the first, on 8th September, Nagy criticised the 'rationalisation' measures being implemented to reduce the level of employment in the central administrative apparatus - which, of course, proved extremely unpopular among those affected - as 'hasty and ill prepared', and said they contravened the June policy line.⁽³⁴⁶⁾ Strictly speaking, it would appear, Nagy now contradicted his own report to the Third Congress, in which he had said that the central state apparatus was over-centralised, inflated and, as a result, unwieldy and over-bureaucratic.⁽³⁴⁷⁾ But while Nagy wanted to begin the process of 'rationalisation' from the top, Gerö and Rákosi defended the top bureaucratic organs and, of course, 'rationalised' the lower levels of employment.

A week later another Politburo meeting was called, on 15th September, at which a debate began - this time, in the absence of Gerö (who was 'ostensibly' ill) - about the future of the economic programme proposed by the Economic Policy Committee, which had now been supplemented by an addendum prepared by the Plan, Finance and Trade Department of the Central Committee, under

István Friss. This proposal had become known as the 'Gerö-Friss economic programme'.⁽³⁴⁸⁾ The debate was a forerunner of the 'Great Debate' that took place in the Central Committee a fortnight later. By this time a slow reversal in the anti-Nagy trend became noticeable (in the press and, of course, in the shape of the hurried departure of Gerö from the scene), which must have been inspired by the conviction that Nagy had been given renewed support by Moscow.

The focus of the debate, which elicited stubborn opposition from Nagy and some other members of the Politburo, was the proposed reduction in living standards, the intention to solve the difficulties of the national economy and restore economic equilibrium by a reduction in the purchasing power of the population, and especially the peasantry. The notion that the various forms of economies should hit those living on wages and salaries, too, was strongly opposed. In Gerö's absence it was István Friss who, as co-author of the proposal, attempted to defend Rákosi's and Gerö's ideas. During the debate it had become clear that a number of differences existed, e.g., while there was apparently an overall consensus that agriculture ought to receive increased investment at the expense of industry, and that the production of consumer goods ought to be increased, differences existed regarding the rates at which various branches of industry should be developed. It is difficult to establish whether these differences were genuine or merely tactical, to slow down industrial changes. Many expressed dissatisfaction with the narrow party leadership's ability to govern: it has shown no vision, no decisive measures had been taken, they demanded an end to the prevailing view that 'it is our fault (i.e., the party leadership's) that the correctness of the June policy is constantly questioned'.⁽³⁴⁹⁾ A particularly heated confrontation developed between Friss and Nagy. According to Friss, the fundamental problem was that without increased production it was impossible to increase living standards. Up till then, he said, increased living standards had been achieved through increased international indebtedness, by running down

stocks and by a reduction in productive capacity. He had claimed that the reasons why this situation had developed was because, 'the most part the consequences of the measures introduced were not worked out'.⁽³⁵⁰⁾ Nagy attacked the proposal at the outset because it 'lacked ideological and political consideration' and strove only for 'practical solutions' concealed behind an underestimation of the 'question of principle'. There were two concepts, he said, in economic policy - the old one, which insisted on the slow dismantling of the legacies of 'overindustrialisation' and the new one, the June line which had so far been prevented from asserting itself fully. Nothing less than the maximum development of industrial and agricultural production, he said, could lead the country out of its economic difficulties.

In a sense, both Friss and Nagy believed, and emphasised, the importance of increased production, but they argued from fundamentally different positions. Friss still believed and stressed the importance of an industrial development - which he did not wish to give up - and, at the same time, he thought it necessary to reduce, or at least to contain, peasant living standards, through a reduction in agricultural prices. Nagy, on the other hand, opposed any measure which aimed at reducing, or restricting, the vigorous development of agriculture. The flow of money to the villages, he said, 'did not present a danger', increased peasant purchasing power 'should frighten no one', it was a pre-condition for increased living standards for the workers. Nagy believed that industrial, especially heavy industrial, production served neither the increase in internal stocks nor the development of agriculture, nor foreign trade. He believed that industry, as it was at that time, was unable to satisfy the requirements of either 'capitalist' or 'friendly' nations. Therefore, he said, it was vital to restructure industrial production radically by building on the country's own resources. Yet, he said, it was characteristic that the Economic Policy Committee had failed to make a single proposal for increasing production or, more importantly, realigning

industrial production, although it had been instructed to do so.⁽³⁵¹⁾ He declared that the previous concept of relying on the 'generous help of the Soviet Union for our economic development' was mistaken and he opposed any suggestion that to overcome the present economic difficulties the government ought to turn to the Soviet Union for assistance.

Rákosi, uncharacteristically quiet, contributed very little to the debate. His main contribution was a weak attempt - which no one present believed - to trivialise the differences, denying the existence of 'two concepts' of economic policy. He admitted that although the rate of industrial development had been reduced, it might have to be cut even further. He agreed that agriculture should continue to receive more money and goods. But, he said, he still believed that the main task was to restore discipline and introduce effective economies.

The meeting ended in an 'uneasy stalemate', without an agreement. The resolution adopted rejected the Gerö-Friss proposal (and, of course, Friss's views) because it relegated the most important question of increasing production and restructuring industry to the background and saw the way out of the economic difficulties in the introduction of economies and the reuction of purchasing power. The danger in this, the resolution pointed out, was that economic policy would be divorced from the party's general policies. Any recommendation for a reduction in living standards and a slowing down in the rate of agricultural development (which should rather be increased) must be rejected, the resolution said. The resistance shown to the June line must be overcome and those hindering its implementation removed. All these points were in favour of Nagy. But, at the same time, the resolution expressed serious reservations about the 'incorrect' view that no further consultations or discussions were needed regarding the concept of 'overindustrialisation'; this had to be further studied. More importantly, perhaps, the resolution raised the alarm about the 'undesirable' developments that had taken place since June 1953, especially, the

'extravagant' mode of living and the decline in discipline, which had to be liquidated. All these points clearly represented the Rákosi-Gerö line. Finally, the meeting called upon Nagy to draft and present a Politburo report to the Central Committee Plenum.⁽³⁵²⁾ After Nagy had declined this (because of pressure of work) the job was given to Szalai.

Since, for one reason or another, no agreement had so far been reached on a clear-cut proposal, which could then be presented to the Central Committee, another attempt was made at a Politburo meeting convened on 27th September (uncomfortably near to the date of the Central Committee meeting) - still in the absence of Gerö - to try to iron out the differences and come to a unanimous view.⁽³⁵³⁾ It can, perhaps, be assumed that it was Nagy - stubbornly loyal to official party procedures and with his uncompromising rejection of 'factionalism' within the party - rather than the Rákosi or Gerö group - the obstructionists and procrastinators - who called for the meeting. Nagy, confident in the righteousness of his cause and, at the same time, faithful to the party, believed it vital, on this occasion, to go to the Central Committee with the unity of the Politburo behind an agreed economic programme, to provide 'unambiguous' directives to the party on the June policies. This, however, was not to be.

It is not known what, if any, modifications had been made by Gerö and Friss to their original proposal of 15th September for this discussion. That some modification, however, insubstantial, might have been made is indirectly suggested by Hegedüs.⁽³⁵⁴⁾ Be that as it may, whatever the modification might have been it failed to produce an agreement and the proposal was again rejected.

The tone of the debate was set by Mihály Farkas, who for tactical reasons, suddenly became a supporter of Nagy and attacked the proposal on the grounds that it failed to state categorically the main sources of the economic difficulties which, he argued, were the resistance to the June Resolution and the

errors committed in the past. Nagy, by now thoroughly prepared for the meeting, also sharply criticised the proposal - raising a number of specific objections to it. He first, however, pointed out that the coming Central Committee Plenum was the most important one since June 1953. This time, he stressed, unlike in the past, the party must be given clear direction. The proposal that was presented to the Central Committee had to demonstrate that the Politburo was in full control of the situation and had to provide leadership to both party and country. The proposal also had to emphasise the significance of the June Resolution and the extremism of the NEP policy. Issues like waste and production costs, while clearly important, were secondary and should not be allowed to 'cloud' the main issues. Nagy emphasised how important it was that the tasks ahead should be organised into a system; the economic policy of the 'New Course', he said, had to be worked out consistently.⁽³³⁵⁾

After a heated, and at times acrimonious, debate it was in this spirit that the Politburo adopted a resolution condemning the proposal on the grounds that it 'lacked analytical depth' and was 'over-cautious' in pointing out that the main sources of the economic difficulties were the deliberately slow pace of re-alignment of the industrial structure and the continuation, in many places, of the 'old practices' in economic policies. These points, according to the resolution, had to be emphasised so strongly that nobody could misunderstand them. The decisive task was to liquidate 'old practices' and to allow the policies of the 'New Course' to assert themselves fully and in all spheres of the national economy. It was through increased production and increased internal stocks that the June policy could be executed, and the only correct and practical road was 'reliance on our own strength and resources'.⁽³⁵⁶⁾

The upshot of all this was, of course, that (i) there was no unanimously agreed Politburo proposal to be put to the Central Committee and, (ii) it was impossible to conceal the widening rift in the Politburo even to maintain the

'appearance' of party unity any longer. The final battle now had to take place in the Central Committee, in front of the full membership.

After these preliminaries the Central Committee Plenum of the HWP was convoked on 1st-3rd October, 1954, still in the absence of Gerö.⁽³⁵⁷⁾ No Central Committee meeting, apart, perhaps, from the one in June 1953, attracted so much attention and generated so much excitement as this one. Some 21 member, almost one-third of its total membership, contributed to the ensuing debate.⁽³⁵⁸⁾ Two reports were submitted to the meeting: the details concerning the 'State and Tasks of the national economy' as agreed, were spelled out by Béla Szalai and the report on 'Questions relating to the collective work of the Central Committee' was delivered by Mihály Farkas. Szalai's report carefully reflected the views and utilised the lessons learned from the 'two-front struggle' which marked the discussions at the earlier Politburo meetings. Although he was careful to remain silent about the conflicts and disagreements inside the Politburo the fact that there was no official Politburo proposal on the economy was not lost on the members. After reviewing the achievements and shortcomings of the past 16 months, Szalai turned to the 'fundamental factors and sources of the present economic difficulties in the national economy' which, he said, were endangering the new programme. These, he argued, (reflecting Nagy's views) were not to be found in the policy of the 'New Course' but in:⁽³⁵⁹⁾

- i) the hesitation and lack of effort to implement that policy, the slow pace of conversion to a more consumer oriented industry

For this, as head of the National Planning office (Országos Tervhivatal), he accepted responsibility.⁽³⁶⁰⁾

- ii) the resistance to that policy, which showed itself in many forms,

and in

- iii) the theoretically unfounded and erroneous concept which perceived the 'New Course' exclusively in terms of increasing living standards.

To overcome the difficulties, he said, it was first and foremost necessary to restore the normal equilibrium between purchasing power and commodity stocks, not by reducing living standards and purchasing power but by increasing the supply of consumer goods to the population. After confirming that the resolutions passed previously were still valid, he indicated (and from then onwards he was coming closer to Rákosi's and Gerö's views) that an increase similar to that since 1953 was not possible in the next period, though he promised that every effort would be made at least to maintain the existing level. This, however, depended on how successfully production was increased and costs reduced. Szalai then went on to list selected, concrete targets:

- in 1955 both industrial and agricultural production were to increase by 5 per cent
- in industry output of the 'means of consumption' was to grow faster than of the 'means of production'; the increase in light industry's output was to be 8-9 per cent
- the share of investment in agriculture was to be the same as that planned, but not achieved, in 1954.

Szalai noted that agriculture was expected to solve the bread-grain problem in the near future. This, he said, would only be possible by increasing the peasantry's interest in production. Similarly, he said, an uninterrupted supply of raw material imports for industry could be achieved through increased incentives (by means of an increase in procurement prices) to traditional, well proven agricultural export products. In Szalai's opinion increased incentives and extended free market relations would result in significant surplus production in agriculture which, in turn, would result in an appropriate reduction in free

market prices, without weakening the peasants' purchasing power, to the benefit of the whole economy, and especially the working class.

The rest of Szalai's speech was devoted to problems of party work. He demanded that in future the party, particularly the party activists, not only needed to be told before decisions were taken on important political and economic measures, but the need for such measures to be explained to them.

Several members of the Central Committee were drawn into the debate that followed Szalai's address on the economy and the 1955 Plan. Some of these contributors to the debate blamed the pre-1953, some the post-1953 policies, while others pointed a finger at the inadequacies in the implementation of the June policy as the main source of the difficulties. Nor was the debate entirely restricted to these themes. Some named slackness in party discipline as the source, while many others were sharply critical of the party leadership, even the Politburo, for passing resolutions which were not thought through properly. It is, of course, not easy to reproduce the atmosphere of the meeting here. Most of the time it looked like open war, rather than a debate, between the pro-Rákosi and pro-Nagy groups. Besides the speeches by Rákosi and Nagy, to be discussed in a moment, there were two main contributions, inter alia, which are of particular interest and relevance and worthy of further consideration.

In the absence of András Hegedüs, the Agriculture Minister (who was visiting China), András Szobek, Minister for Procurements, spoke on agriculture. He reminded his listeners - as if they needed to be reminded - of the grave bread-grain situation in the country, and also of the mood of the peasantry. In Szobek's opinion consumer requirements could not be satisfied from domestic production even if the grain procurement plan was fulfilled in full. That, however, he admitted would not be the case: he accepted that there would be only an 80 per cent fulfilment. While in western and north-western regions of the country the peasants had some reserves, peasants on the Great Plain, and

especially in the Duna-Tisza region, were suffering from shortage of grain: at least 130,000-140,000 peasant families did not have enough bread and many collectives, too, did not have enough grain to last the full year. These individual and collective farmers, he said, were forced to buy bread and flour during the year from stocks reserved for public consumption. Szobek admitted frankly that, according to the calculations of the National Planning Office (Országos Tervhivatal), some 31,000-33,000 rail-wagons of bread-grain would need to be imported, but even that amount, he said, might not be enough. Szobek expected that the majority of peasants would fulfil their delivery obligations, but he warned that some 130,000-140,000 farmers would have to be forced to do so administratively. When threshing commenced, he said, the collectives were in the vanguard in fulfilling their deliveries. But when the low yields became known they too held back from deliveries. He reported that procurement agents in many places had been beaten up. (362)

There were, of course, others who raised issues relating to agriculture during the debate. The main feature of these contributions was the stress put on the importance of developing agricultural exports. For many, agriculture was a significantly more important source for future development than industry. According to them, agriculture, even with the prolonged survival of small-scale individual farming, had great capacity to increase production and to satisfy both domestic and export requirements. For example, Zoltán Vas pointed out that since 'we must reckon with the existence of small-scale individual farming for a long time to come' the agricultural development programme had to be worked out in such a way as to take into account that 'a decisive share of the marketed product will be supplied by small-scale individual farms.' (363) It was, perhaps, not surprising that nobody talked about the further numerical development of collectives. Indeed, to Zoltán Szántó even the distant future of 'socialist

reorganisation' of agriculture seemed in doubt. Thus, in Szántó's words, it was questionable

... whether the stand taken by the party's Third Congress, that by the end of the Second Five-Year Plan the socialist system in agriculture will become dominant, is a realistic one.⁽³⁶⁴⁾

According to Szántó there were two separate questions involved in this: whether collectivisation could be achieved by the end of 1960 (i) on the basis of mechanisation and (ii) by observing the voluntary principle. Szántó had serious doubts on both accounts.

In his contribution to the debate, Andor Berei (another tactical supporter of Nagy) sketched his views regarding the problem of equilibrium between purchasing power and commodity stocks. According to him, this was the central issue of the economic difficulties, the solution of which was the 'spring-board' for the successful execution of the 'New Course' policy. Berei came into sharp conflict with the views of Friss, co-author of the stringent economic plan, who alone in the Central Committee, in Gerö's absence, still defended the Rákosi-Gerö plan and maintained that economic equilibrium could not be achieved in 1955 without a reduction in purchasing power. For Berei it was not the disproportionate increase in purchasing power that was at the centre of the difficulties. The share of consumption in the National Income, he said, was smaller than in 1949, so a 15-20 per cent increase in purchasing power could not be considered excessive. The source of the problem, he stressed, was the fact that commodity stocks had failed to increase sufficiently and at the right time. And he gave reasons for that: (i) the desperately needed reduction and re-allocation of investment had only materialised months after the decision was taken to increase the share of consumption, and even then it had been carried out in a hasty, uncoordinated manner, (ii) the structure of the economy had

deteriorated in recent years (a large share of production did not serve the requirements of the population) and (iii) production had stagnated during the past year. In his opinion the economic structure had to be transformed (to produce more goods which were needed by the population) and production increased to restore economic equilibrium. Berei accepted that it was possible to resolve the problem of disequilibrium by a reduction in purchasing power. This, according to him, could, theoretically, be done in two ways: (i) by substantially increasing the level of taxation of the peasantry and/or (ii) by introducing rationalisation measures which, although they set out from a correct view the need to make economies and fight waste, would result in a reduction of the living standards of a significant section of society if implemented inflexibly. According to Berei, neither road was feasible: the former because it reduced incentives for the peasants to produce - putting a brake on agricultural production and development - and would weaken the worker-peasant alliance, which had been strengthened after the June Resolution; the latter, because, he warned, it would lead to unrest not only among white-collar staff but intelligentsia and workers alike, resulting in serious political consequences.⁽³⁶⁵⁾ Berei concluded his speech by supporting the proposition that in order to provide the basis for the planning agencies' work the economic programme of the 'New Course' had to be properly worked out.

As the struggle around these questions had fully developed Nagy believed the time had arrived for him to launch his determined attack on the 'left-wing opposition', the Rákosi-Gerö group and their programme.⁽³⁶⁶⁾ A large part of his speech was devoted to discussing the mistakes committed in the pre-1953 period. Following that, Nagy made a violent attack on the 'survival of dogmatism' and stressed the importance of fighting against 'leftism', and 'sectarianism' and especially against what he called the 'double-dealing' (kétkulacsosság), in sabotaging the implementation of the June Resolution at all levels.⁽³⁶⁷⁾ Like others before him, he claimed that the economic difficulties were not the result

of his policies, but of the deliberate resistance to them. He restated the policy of the 'New Course' and called for an end to this resistance. Nagy denounced those who wished to resolve the economic difficulties by a withdrawal of purchasing power, through the introduction of various austerity measures and a reduction in state budgetary expenditure, thereby reducing the standard of living, which they claimed was too high. He violently attacked those who spoke about the 'extravagant' mode of life of the people. He asked whose standard was high - the workers?, the peasants?, the intelligentsia? and replied

neither their income, their diet, their clothes nor their lodgings indicate this to be so ... How can we support a socialism that does not assure the workers bread? What enthusiasm can we expect from a socialism that is not capable of providing meat, milk and butter for the workers? The old economic policy gave no consideration either to the people or to society and through it the concept of socialism became a narrow one, conceived only in the idea of maximum industry. This is not socialism!(368)

And it was not, he said, how to build socialism. Nagy also attacked those who hoped to develop agriculture without improving the welfare of the peasantry. This, he said, conflicted with the Marxist-Leninist principle of maximising the workers' material and cultural welfare. Nagy stressed that it was impossible to raise agricultural production without improving the peasantry's standard of living. And since individual farming dominated agriculture the peasants should be allowed to sell most of their produce on the free market.

Nagy's speech was a resounding success. He had swept his audience along with him. On this occasion his presentation eclipsed Rákosi's irresolute report, which followed.⁽³⁶⁹⁾ Rákosi, on the retreat, condemned the mistakes committed even more than Nagy and insisted that the Politburo was completely united on the June Resolution and the Third Congress resolution, as well as on the questions relating to the delays and errors in industrial re-alignment and

development of agriculture. According to one participant, nobody seemed to believe him.⁽³⁷⁰⁾ Rákosi agreed with all the points raised by 'comrade Nagy', even in 'the sharp form', as he put it in which 'he had delivered it'.⁽³⁷¹⁾ He complained to his listeners that 'we have lost fifteen invaluable months' and stressed that 'we shall have to make this up now'.⁽³⁷²⁾ He was even more emphatic than Nagy on living standards, which, he promised, not only had to be maintained but increased; all other tasks were to be subordinated to this. He declared that nobody had thought that either the proletariat or the peasantry had an 'extravagant' life-style, but pointed out, however, that there were many costly institutions in the country which were not 'tailored to our pockets'.⁽³⁷³⁾ Rákosi accepted that agricultural development was a pre-condition for an increase in the living standards of the working people, primarily the working class. He admitted that if agriculture was to develop satisfactorily the peasants had to be allowed to earn a good income, and he confirmed what Nagy had said, that 'nobody should be afraid of the increased purchasing power of the peasantry'. He warned that,

we can not afford the luxury of disappointing the peasants every two years, and then having to bribe them back again on the side of people's democracy.⁽³⁷⁴⁾

But Rákosi carefully avoided either criticism or self-criticism. He accepted no personal responsibility for any mistakes, merely repeating some of the criticisms and blaming economic leaders for the difficulties and for their negligence.

Under the impact of Nagy's speech - and not forgetting the fact that its decision always reflected the views of Moscow - the Central Committee Plenum confirmed Nagy's programme. The majority of members enthusiastically applauded Nagy and promised their support for the implementation of the policies of the 'New Course'. Difficulties, however, arose when - at the end of

the meeting - the Central Committee Plenum came to adopt the customary resolution (which had implications for the events immediately after the meeting). Since no agreed proposal was submitted by the Politburo on the economy - apart from the report by Szalai on the 'State and Tasks of the national economy' - the Central Committee only adopted a resolution on the second report, by Farkas, on 'Some questions concerning the collective work of the Central Committee'. This resolution contained a scathing attack on those party 'elements' who opposed the 'New Course' i.e., Rákosi and his group, without, however, naming them. These were 'elements' who clung to 'old, false ideas', 'left-wingers' with a narrow minded 'sectarian' attitude. The resolution also sharply criticised the Politburo for its methods of operation, for neglecting to draw the Central Committee into the decision-making process - without which the leading organ of the party could not fulfil its proper role - so that its meetings often became no more than mere formalities. Clearly, the Central Committee members were getting more and more impatient and frustrated with the way the policies were evolved by the top leadership. The Plenum therefore requested the Politburo to submit important issues, of which there were plenty, to them for discussion, supported with proper information to enable them to make decisions, and not to make the Committee members fearful of voicing their opinions.⁽³⁷⁵⁾ Finally, the Central Committee instructed the Politburo first to draft a resolution on the 'state and tasks of the national economy' and then to work out the detailed programme for 1955, taking into account the lessons learned from the debate in the Plenum, and to mobilise the hitherto passive party apparatus into active support for the 'New Course'.

Despite the clear instructions and uncompromising tone of the Plenum, the period immediately after it was not one of political consolidation but of deepening political crisis, of confusion and further division within the top leadership. For almost two weeks, following Nagy's clear victory at the Central

Committee, nothing visible happened. Since the Politburo refused to allow the publication of the damning resolution of the Central Committee, the country officially learned nothing about the deliberations of the Plenum. In spite of the speech Rákosi delivered at the Plenum, he and his group refused to accept defeat, hoping to be able to reverse the Central Committee's decision in the near future. They also managed to manipulate the Politburo to vote down Nagy's request to have his speech published in the press.⁽³⁷⁶⁾ The first the general public heard about the Central Committee meeting was on 10th October, when Szalai's report was published in the party official daily newspaper, Szabad Nép.⁽³⁷⁷⁾ While it raised the issues relating to the economic difficulties, it remained conspicuously silent on the discussions and conflicts which had taken place in the Plenum. Then, on 11th October, the staff of the Szabad Nép apparently began to apply pressure for action in support of Nagy by publishing an article under the title 'Along the June Road with the Central Committee's guidance' (A Központi Vezetőség iránymutatásával tovább a júniusi úton).⁽³⁷⁸⁾ This was an indictment of the continued opposition to the 'New Course'. The article reported that the Central Committee had taken a determined stand against 'those party elements who believed that the party and government had advanced too rapidly in the direction of raising the standard of living'. It pointed out that,

all opposition to the policy of the 'New Course' not only hinders a solution to our transitory difficulties but constitutes the main source of the difficulties themselves. Our party has to conduct a most energetic struggle against any expression of opposition because these deeply hurt the interests of the working class and of the people as a whole.⁽³⁷⁹⁾

The Politburo then met on 14th October as instructed by the Central Committee to consider the draft resolution which, after several heated debates, was finally adopted on 18th October and printed on 22nd October in Szabad Nép.⁽³⁸⁰⁾

Before publication, however, two events - one of which created a storm in party circles, while the other had enormous repercussions across the country - had taken place. First, Ernő Gerő (who returned from the Soviet Union about this time), whose economic 'stature' and programme were being destroyed (calls were made for his resignation), delivered a speech on 18th October to the County Party Committee at Szolnok. With his usual firmness he declared, inter alia - much to the astonishment and abhorance of the party rank and file - that the opponents of Nagy's new policy programme would be 'swept away with an iron hand'.⁽³⁸¹⁾ Soon after this, Nagy apparently very dissatisfied with the final text of the Politburo resolution,⁽³⁸²⁾ in an obstinate, if not desperate, move rewrote the speech he had delivered at the Central Committee (though retaining parts of it) and published it as an article under the title 'After the meeting of the Central Committee' (A Központi Vezetőség ülése után). This appeared in Szabad Nép on 20th October.⁽³⁸³⁾ In this long article which made front-page news, Nagy presented his arguments to the country as a whole. He attacked his opponents, accusing them of 'dogmatism', 'lack of scientific spirit', 'lack of knowledge, experience and foresight' and even 'anti-Marxism' in their economic plans and administration. The former policy, he wrote, of 'exaggerated industrialisation', without due regard for the people, had given a 'false interpretation of socialism'. He also drew attention to the fact that,

our economic administrative agencies failed to re-align industrial production, reallocate investment and implement the June Resolution and government programme.⁽³⁸⁴⁾

He also stressed that the 'peasants are the mainstay of our people's democracy and pointed out that 'our party should never, not even for a minute, forget the significance of small-scale individual farmers'. Nagy also wrote about the importance of peasant purchasing power and their living standards, which, he

wrote, were crucial for any improvement in the standard of living of the workers.⁽³⁸⁵⁾

When the Resolution was published on 22nd October, after Nagy's article, it hardly raised any interest among the public. It was shorter than Nagy's article and differed significantly from it, not only in tone but also in content. And it is not difficult to see why Nagy objected to it so strongly that he decided to publish his own version of the significance of the Central Committee decision. Although the resolution confirmed that 'the only proper and possible path to socialism in our country' was the policy of the 'New Course', it also stressed that 'we must not forget that industrialisation' was the main means 'to build socialism' and that it was 'an indispensable factor for the development of the economy' - even a precondition for agricultural development.⁽³⁸⁶⁾ At the same time, the resolution protested against the interpretation of 'incorrect, compliant liberalism' of the 'New Course' using the motto of 'strengthening relations with the masses' as an excuse, renouncing civic and labour discipline, resulting in the waste of social property, irrational utilisation of material and equipment and an increase in the size of the unproductive workforce.⁽³⁸⁷⁾

Nagy's triumph at the Central Committee rallied a number of influential journalists (and others) on the staff of the party's official daily, Szabad Nép, (and elsewhere) into his camp. Encouraged by Nagy's article - and dissatisfied with Rákosi's policy line - they decided to step up their earlier efforts in support of Nagy. In the editorial office of Szabad Nép a three-day general meeting was convened on 23rd October to debate the resolution published the previous day. During the debate calls were made to end the opposition to the 'New Course' and for genuine party democracy. Copies of the mimeographed minutes of the meeting were sent to all members of the Central Committee, 'to stir them into action' on behalf of Nagy. This intra-party opposition infuriated the Politburo, and even Nagy had to disown it by declaring that he had nothing to do with 'factionalism'.⁽³⁸⁸⁾

After long preparation the Patriotic People's Front (PPF) held, its opening congress on 23rd October. Nagy addressed an audience of 2000 at the congress, which was held at the Municipal Theatre in Budapest (Városi Színház). He went straight to the question of power, assigning the PPF the role of political and moral 'avant garde'. He was given a tumultuous reception. Amidst a storm of applause, as if it were a 'vote of confidence' from a democratic parliament, he appealed to the delegates to continue to support his 'New Course'.⁽³⁸⁹⁾ Nagy asked them:

do the Patriotic People's Front grant to the government the help, the confidence needed for the realisation of the 'Policy of June' and for the realisation of the government programme to overcome our difficulties?⁽³⁹⁰⁾

And the assemblage of workers, peasants, writers, scientists and party functionaries rose to their feet and roared 'Yes, yes we grant it' and, as Szabad Nép reported the next day, applauded for minutes.⁽³⁹¹⁾

At this congress Nagy reached the zenith of his precarious victory. Around this time⁽³⁹²⁾ Rákosi, apparently decisively beaten, left the country, ostensibly ill, for a long vacation in the Soviet Union - partly at a health resort and partly in Moscow - not to return until 29th November.⁽³⁹³⁾ Gerö, too, had withdrawn into a hospital reserved for party leaders.⁽³⁹⁴⁾ For a while it seemed as if there was only one leader in the country - Nagy: a paragon of respectability and, it must be said, naive complacency.⁽³⁹⁵⁾ His in many ways 'unlucky' star, however, did not remain high for long. Unknown, perhaps, to him, events elsewhere were already beginning to take a downturn for him.

Meanwhile, as instructed by the Central Committee, the Politburo met on 3rd November and set-up a committee composed of Imre Nagy (Chairman), Ernő Gerö, Andor Berei (Nagy's most outspoken, if tactical, defender at the Plenum), József Bognár, László Hágy, Árpád Kiss and Zoltán Vas, to work out the

economic programme for 1955. Their work was completed at the end of November, and their long proposal (about 142 type-written pages) was submitted for discussions. But for several complicated reasons, as will be seen, this discussion could never take place because by that time it was gradually becoming known that the previous 'old Rákosi line' would be revived after the temporary set-back.⁽³⁹⁶⁾

During his stay in the Soviet Union Rákosi was very active in undermining Nagy's position. He held several discussions with Soviet leaders, submitted detailed reports to Kaganovich, a hard-line Stalinist, explaining that Nagy's group wanted to take over the leadership and change the position and policy line of the party radically. He also described the 'very difficult economic situation in the country, which he alleged had been brought about by Nagy's liberalising course. But the real opportunity for him to eliminate Nagy was provided by other events. First, in October, a development took place which was not only to change the policy line drastically but also to transform the whole political scenario. Khrushchev, Bulganin and Mikoyan went together for a visit to Peking to attend the celebrations of the Fifth Anniversary of communism there (from Hungary it was Hegedüs who attended). During their journey the three apparently agreed among themselves (and, it is suggested, also with Mao Tse-Tung) to unseat Malenkov. The elimination of Malenkov, it seems, was most important to Khrushchev and for this reason he was ready to ally himself with the old Stalinists like Kaganovich (one of the chief opponents of Malenkov) and Molotov. Rákosi's reports about Nagy fitted admirably into Khrushchev's plans - Malenkov was Nagy's leading protector and he could use Nagy and his policies in Hungary to show where Malenkov's own policies were leading the Soviet Union.⁽³⁹⁷⁾ Second, the temporary tightening up of Soviet foreign policy after the Paris agreement on 23rd October, associated with an increase in international tensions, had given Khrushchev another opportunity to undermine

Malenkov's position by reverting to the pre-Malenkov line of giving top priority to the expansion of heavy industry.⁽³⁹⁸⁾ Because of these developments, Rákosi found more receptive ears for his complaints in Moscow than ever before. Rákosi was sure, he would make it sure, if Khrushchev's line was adopted in the Soviet Union, Nagy, in Hungary, would be finished and he would once again enjoy the favour and support of the Soviet leadership.

These developments, combined with his relentless intrigues against Nagy while in Moscow, must have been more than encouraging for Rákosi. According to Hegedüs - who visited in him Moscow on his way back from China - Rákosi told him then that the Soviet leaders supported him, that he had been 'given the marshalls baton' and 'instructed to take over power from Nagy' on his return. Hegedüs confirmed that his own discussions with Molotov corroborated what Rákosi had told him.⁽³⁹⁹⁾ This was also confirmed by the fact that Rákosi, from Moscow, instructed his deputy, Farkas, in Hungary (possibly either by telephone or telegram) 'to hold the front' until his return. On receiving this instruction Farkas (always a reliable barometer of shifts in power), hurriedly called a Politburo meeting on 24th November, in the absence of Nagy, at which he began to attack Nagy by raising, for the first time, the issue of the 'inherent dangers in the phenomenon of right-wing deviatation.'⁽⁴⁰⁰⁾

When Rákosi returned to Hungary on 29th November, visibly full of confidence, he began his assault on Nagy straight away, with the support of Farkas. Within two days of his return he called a Politburo meeting, on 1st December, to discuss a report he had submitted, with the title 'General debate in connection with the events of the last few weeks' (Általános vita az elmúlt hetek eseményeivel kapcsolatban).⁽⁴⁰¹⁾ Rákosi began the attack by declaring that 'our people's democracy is confronted with political and economic difficultis, and their international effects are already being felt'. Following this, he pointed out that the mistakes recently committed - 'loss of party authority', 'coming to a

halt with the building of socialism in the countryside', 'lack of party unity', 'problems of the economy and increased standard of living', 'right-wing', even 'anti-Marxist deviation among the intelligentsia' - had created serious concern within the 'socialist camp'. For all these mistakes Rákosi placed the responsibility squarely on the shoulders of Nagy. During the debate Nagy tried desperately to defend his position and the necessity of the 'two-front struggle' (i.e., against both the left and the right), but in vain. Rákosi concluded that the 'main danger' was the danger of the 'right-wing deviation'.⁽⁴⁰²⁾ However, it was still not easy for Rákosi to draft the customary final resolution. Nagy stubbornly resisted. During the next fortnight three versions of a resolution were drafted and rejected by Nagy. Eventually, on 15th December, in the absence of Nagy, the Politburo passed unanimously a resolution (with some minor modifications) which dealt exclusively with the dangers inherent in 'right-wing deviation' and how to fight them.⁽⁴⁰³⁾ The implementation of this resolution had, in practice, already begun. The importance of this resolution cannot be exaggerated; it meant the beginning of the end of Nagy. Furthermore, on the basis of the resolution, the Politburo had already proposed that during January 1955 appropriate measures should be worked out - aimed almost entirely against Nagy's 'peasant policy' - in the following spheres⁽⁴⁰⁴⁾:

- the fees charged by MTSs for their technical services were to be more differentiated in favour of collectives
- the compulsory delivery system was to be made more restrictive
- trading by private butchers was to be restricted
- retail traders' licences in towns were to be withdrawn, if there was a good reason, because there were too many of them
- propaganda and agitation work to increase the number of collectives was to begin in the spring
- partial or full commassation of land was to begin during the autumn

- the earlier regulation, under which collective members were not allowed to leave the collectives for three years after joining was to be restored
- the level of taxation on peasants and handicraft industries was to be increased during 1955.

Clearly all these measures, without exception, were designed to undermine confidence and the policy of the 'New Course' itself.

During December the political scenario began to change rather rapidly. The vital developments in the international situation during the month decided the intra-party fight in favour of Rákosi. From December, discussions on revising the defence industry, to strengthen heavy industry, began again. Attacks by Rákosi and others on Nagy's alleged 'rightist deviation and references to his PPF as a counter-revolutionary organisation, began to be intensified. The party apparatus tuned almost overnight against the Nagy policy line. By the time the Tenth Anniversary of the convocation of the Provisional Assembly and the installation of the Provisional Government was celebrated in Debrecen on 21st December (the original scene of these events) it was clear to everyone that the fight between Rákosi's and Nagy's groups was entering an acute phase. At the famous protestant 'Great Church' (Nagytemplom) in Debrecen the clash between the two opposing groups in fact became violent at times. While Rákosi delivered a self-confident, even high-handed, speech about 'building socialism', without any reference to past mistakes, Nagy's speech - the last he made in public, until 1956 - was dull, lifeless and non-political. It seemed as if he had already withdrawn, or else that he was totally unaware of the 'budding conspiracy'. After the celebrations there was a reception for the delegates at the 'Golden Bull' (Aranybika) Hotel.⁽⁴⁰⁵⁾ According to Hegedüs, who attended this reception, the fact that there were two political groups there became manifestly obvious to all. He observes, that at one table Nagy sat with his friends, mostly writers and journalists, and at another table there was Rákosi with his adherents, the 'new

possessors of power' and they were 'eyeing each other across the tables'.⁽⁴⁰⁶⁾ Ominously, Nagy complained to his friends at the reception that he had met Farkas, who confronted him with the following 'provocative' words: 'there is no New Course ... it is rightist to pursue it, the old road must be pursued, only some mistakes need to be corrected'.⁽⁴⁰⁷⁾

In fact, by this time Rákosi - whose information link to Moscow was always considerably better and more reliable than Nagy's - already knew for certain that in the Soviet Union a new political alignment, led by Khrushchev, had emerged - at Malenkov's expense.⁽⁴⁰⁸⁾ Since Rákosi was keen to spread the news - politically it was advantageous for him to do so - most of the Hungarian leadership, too, knew about it. More importantly, the critical reports about Nagy he had submitted to the Soviet leaders while in Moscow could now be put to good use. The formal denouncement came when the Hungarian delegation was summoned to Moscow on 7th January - again, as in June 1953, to be instructed how to change their policy and reorganise their government. The delegation, composed of Rákosi, Gerö, Nagy and Szalai was almost identical to that of June 1953; the Soviet side was the same, too, except for the absence of Beria and the presence of Bulganin.⁽⁴⁰⁹⁾ On this occasion, however, the message was reversed.

The Soviet leaders rebuked Nagy for the economic problems which had arisen because of the 'New Course'. In their words it had 'wrecked' the economy which, under the crushing burden of foreign debt, was near collapse. Industrial production was down and nothing in their view could justify a rise in living standards because a large part of the collectivised system had disintegrated. With regard to politics, the Soviet leaders accused Nagy of encouraging 'factionalism' and 'popular opposition', degrading the 'leading role of the party' and thereby threatening the country with a political crisis. For all these evils one person alone was responsible - Nagy.⁽⁴¹⁰⁾ He was, apparently, reduced to silence most of the time (like Rákosi 18 months before). He did try to put up a

spirited defence and to explain the reasons for the economic difficulties, but was shouted down before he could make his point. Nagy reportedly became very agitated when he was told by the Soviet leaders that 'he had not kept before his eyes the magnificent example of Soviet kolkhozy'.⁽⁴¹¹⁾ Nagy apparently replied: 'you made not a few mistakes of your own when you formed your kolkhozy'.⁽⁴¹²⁾ This genuinely angered the Soviet leadership - how dare Nagy criticise the Soviet Union? This incident, it is believed, may have done him more harm, in the long run, than all of Rákosi's accusations.⁽⁴¹³⁾

At this stage, however, Nagy was only rebuked: his position as Chairman of the Council of Ministers was not in danger. For various complicated reasons the Soviet leaders did not wish to replace him. Having warned him to behave, he was merely instructed to reverse his industrial policy and restore order in Hungary. Shortly after his return to Hungary from Moscow, however, Nagy suffered a coronary thrombosis - it was reported in the press on 20th January.⁽⁴¹⁴⁾ While in Moscow, at the Central Committee meeting on 25th January, Khrushchev denounced the post-Stalin reversal in industrialisation; the importance of heavy industry as well as agriculture was officially stressed again.⁽⁴¹⁵⁾ This decisive change in policy could be observed in Hungary on 23rd January, when the party official daily newspaper announced the continuation of the construction of the 'Stalin Ironworks' and a number of other such projects, which had been stopped by the 'New Course'.⁽⁴¹⁶⁾ Rákosi openly insisted that industrialisation was more urgent than the improvement of living standards. Although it had not yet been announced, Malenkov in the Soviet Union had also been ousted from his position, along with these changes. Now it was the hard-liners' turn to go over to the offensive. The 'Nagy reform era' in Hungary was over.

These developments had finally provided Rákosi with the chance to engineer Nagy's downfall. Soon the Politburo called for a medical report on

Nagy ostensibly to assess whether he was in a position to fulfil his obligations as Chairman of the Council of Ministers. Apparently, a 'suitable' report was produced and Nagy was soon isolated and silenced. Within a short time, as will be seen, he was formally removed, firstly from his premiership and then from all party functions (later even from membership).

PART FOUR

1. For a strikingly candid picture of the failure of Soviet agriculture and livestock breeding see: Khrushchev's 'On measures to further the development of Soviet Agriculture' a report delivered to the Central Committee of the CPSP, on 3rd September 1953. Khrushchev revealed that the percentage decline in the number of cows during the 'Stalin epoch' (1928-1953) equalled the percentage increase in population for the same period, approximately 30 per cent. The first measures of the post-Stalin regime in the USSR to revive agriculture by offering concessions to the peasants were announced by Malenkov to the Supreme Soviet in August and by Khrushchev to the Central Committee on 3rd September 1953.
2. The leading organs of the HWP were the Central Leadership, the Secretariat and the Political Committee. But here the more familiar expressions 'Central Committee' and 'Politburo' are used.
3. The 'New Course' was expounded in a series of speeches by Soviet and East European leaders. Imre Nagy's announcement, on 4th July 1953, was the earliest. Other announcements were as follows: Georgi Malenkov, on 8th August; Georghe Gheorghu-Dej, on 22nd August; Nikita Khrushchev, on 3rd September; Vulko Chervenkov, on 5th September; Boleslew Beirut, on 29th October.
The dogmatic policies in Czechoslovakia continued for several years, in contrast to other East European states, especially, Hungary and Poland, although the speech by President Zapotocky, on 1st August, did indicate that many collectives were disbanded by the spontaneous decision of their members. The regime was left with no choice other than to legalise, temporarily, these dissolutions. President Zapotocky, Malenkov's protégé, advocated similar policies to Imre Nagy, inter alia, he too criticised the forced collectivisation and promised peasants that they would be allowed to leave the collectives to pursue private farming, if they so desired. But, Novotny, First Secretary of the Communist Party, reacted vigorously, ordering the party apparatus to oppose every untimely dissolution. The Soviets, in the struggle between Zapotocky and Novotny, ultimately, decided in the latter's favour.
In East Germany, in April 1953, Ulbricht's request for urgent economic aid was turned down by the Soviet leadership. Instead, he was asked to change policy. To resolve the economic crisis, Ulbricht decreed an increase in industrial output on 28th May which was met by fierce resistance and riots from workers. On 11th June the SED newspaper printed a declaration of the 'New Course'. After the popular uprising on 17th June showed the unpopularity of Ulbricht, the Soviet leadership decided to back him, provided he wholeheartedly embraced the 'New Course'. He confessed to mistakes and the full text of the 'New Course' was published. (See: 'Der Neue Kurse und die Aufgaben der Partei' (The New Course and the Tasks of the Party), Neues Deutschland, 28th July 1953.
Occurring at a time of the post-Stalin power struggle in the USSR, the signs of unrest in Eastern Europe were especially ominous for Moscow.

Seeing that steps had to be taken without delay - to allay internal discontent - Moscow, it is believed, first designated Hungary as the testing ground, a 'pilot' country for the new milder policy. Even today it is not known precisely why Moscow selected Hungary to initiate the revised policy line. It has been suggested that the Soviet leaders considered that the situation was the gravest in Hungary. Other East European countries would have followed suit later. There might be two possible reasons why this did not happen. One was the uprising in East-Berlin, on 17th June, which frightened Moscow and the other was the fall of Beria.

An interesting allusion here is the apparent parallelism between the 'New Course', as expounded in the Soviet Bloc, and the reformist programme carried out in Yugoslavia after 1950. The evidence seems to suggest that the Soviet leadership had studied the Yugoslav example with great care, for some time.

Chapter 10

4. Bálint Szabó, Új szakasz az MDP Politikájában, 1953-1954, Bp. Kossuth, 1984, p.7
5. Ibid., p.15
On the Soviet model the Politburo now took over the leading role from the Party Secretariat. András Hegedüs, Élet egy eszme árnyékában (a biographical interview by Zoltán Zsille), Private publication, Vienna, 1985, p.195
6. Institute of Party History Archives (hereafter cited as P.I. Archives), 276.f.53/122
7. Ibid.
8. Ibid.
9. Ibid.
10. Ibid.
11. The draft resolution, according to official sources, was prepared by Ernő Gerő, who sent the document to the members of the working party for comments and approval. József Révai also received the draft to enable him to prepare a political version suitable for publication. István Friss and Béla Szalai, too, received the draft to enable them to check the document factually. P.I. Archives, 276.f.65/253b.
Others suggested that it was Imre Nagy who drafted the June Resolution, and from the beginning encountered difficulties and that the sabotage of his programme started at this early stage. See: Ferenc A. Váli, Rift and Revolt in Hungary, Harvard University Press, 1961, p.93
12. P.I. Archives, 276.f.53/123
13. Bálint Szabó, Új szakasz az MDP ... op.cit., p.10

14. Ibid.
15. Ibid., p.13
16. Sándor Nógrádi, Történelmi Lecke, Bp. Kossuth, 1970, p.433
17. The text of Imre Nagy's speech was never published and remained unknown for 32 years. The Hungarian 'samizdat', Beszélő, published the full speech for the first time ever, at the end of 1984. See: 'Befejezetlen múlt: a Központi Vezetőség előtt', Bp. Beszélő, no.10, 1984, pp.58-76. Interestingly, as far as the author knows, Rákosi's own speech to the Central Committee has never been published to this day. It is, however, known that he not only confessed to his errors and crimes but, also, expressed his 'most sincere gratitude' to the Soviet leadership for their criticisms (of which he did not agree with even a single word). By this act, the author was told, he had managed to safeguard his position as First Secretary of the party.
18. Ibid., p.58
19. Ibid.
20. Until 1985, when it was unearthed from secret archives, this document remained unpublished. It was published for the first time, by the Budapest 'Samizdat', A hirmondó, in stencilled form, in the March-April, 1985 issue. The same text was reprinted in the West by Irodalmi Újság, Paris, as supplement to its no.3, 1985 issue, pp.11-14
21. The analysis that follows is based upon the 'Irodalmi Újság' and A hirmondó version of the Resolution, which appears to be the final amended text as approved by the Politburo on 2nd July 1953. Because Nagy in his speech often makes references to the text of the Resolution, in front of the Central Committee membes, which are not in this 'final version' it must be assumed that there were different texts before the final version was approved. The considerably tougher Nagy speech was taken from Beszélő, as indicated earlier.
22. 'Befejezetlen múlt!' op.cit., p.67
23. Ibid., p.71
24. Ibid.
25. Ibid., p.72
26. Ibid. This reference does not appear in the text of the Resolution. This may also indicate that a different version of the text was before the Central Committee.
27. Ibid.
28. Ibid.
29. Ibid., p.72

30. Ibid., p.73
31. Ibid. Nagy here referred to his responsibility for compulsory deliveries, both as Minister of Food Supplies from December 1950 to January 1952 and as Minister for Compulsory Deliveries from January to November 1952.
32. Ibid., p.74
33. Irodalmi Újság (Paris), no.3, 1985, p.12
34. P.I. Archives, 276./f.52/24; 276.f.53/124
35. Malenkov, who had been First Secretary of the Central Committee under Stalin and who became Chairman of the Council of Ministers on 6th March 1953, gave up his party secretaryship to Khrushchev on 14th March. In June he was considered the most powerful man in the Soviet Union, and his opting for the Chairmanship was interpreted as raising the highest position in the state administration to a status at least equal to that of party leader. Boris Meissner, The Communist Party of the Soviet Union, New York, 1956, pp.42-43
36. Mihály Farkas, under more than dubious procedures, was re-elected to the Politburo a few weeks later on the proposal of the Politburo meeting held on 12th August 1953. According to some it was done on the recommendation of Nagy himself, while others make Kisselev, the Soviet Ambassador to Hungary, responsible for the move. It was certainly a mistake on the part of Nagy either to suggest or to allow such a move. András Hegedüs, Élet egy eszme ... op.cit., p.198
Soon after, he was assigned the task of directing the entire ideological work of the party. With his return Rákosi's position was further strengthened. See: Sándor Nógrádi, Történelmi lecke ... op.cit., p.478
37. Sándor Nógrádi, Történelmi lecke ... op.cit., p.453 and András Hegedüs, Élet egy eszme ... op.cit., p.195
38. Sándor Balogh & Sándor Jakab (eds.) A magyar népi demokrácia története 1944-1962, Bp. Kossuth, 1978, p.215
39. In his speech Nagy singled out two leading economic organs, the former National Economic Council and the State Planning Office, as having had a serious role in the errors. In effect, these two economic organs took over the role of the Council of Ministers, disturbing the unity of management and reducing the power of the Council of Ministers. Nagy addressing the Plenum, declared that, 'if we speak of the adventurist character of our economic policy, then it is first of all the State Planning Office we are referring to. This is the most appropriate assessment of the work of the Planning Office, under comrade Zoltán Vas. The work of the State Planning Office was characterised by the absence of the most elementary requirements of Marxism-Leninism, of scientific methods, of systematic procedures, of realism, of sound work, it was characterised by confusion and muddle, haste and indecision and constant attempts to put up the targets of everything', 'Befejezetlen múlt' ... op.cit. p.69

40. Beria apparently tried to manipulate the events in East-Berlin to advance his own position in the Soviet leadership struggle. He failed and was arrested a few days after the East Berlin uprising. But his arrest was not announced until 10th July.
Francois Fejtő, A History of the People's Democracies, London, Pall Mall, 1971, p.22
41. P.I. Archives, 276.f.52/24
42. Szabad Nép, 30th June 1953
43. P.I. Archives, 276.f.53/124
44. It is likely that the text of the 'final version' differs in important aspects from earlier version(s) of the Resolution
45. The full text of Nagy's speech appeared in the party official daily newspaper, Szabad Nép, 5th July 1953, pp.1-2
46. András Hegedüs, Élet egy eszme ... op.cit., p.199
47. The announcement came from a person who, although a 'Muscovite', was never a member of Rákosi's 'foursome'. As Minister of Agriculture he was looked upon the peasants as 'the person who distributed land in 1945'. His whole appearance was more like a Hungarian smallholder rather than a communist internationalist.
Imre Nagy's programme resembled that submitted by Georgi Malenkov to the Supreme Soviet about a month later, on 8th August 1953. He, too, promised better living standards, support for light industry and agriculture and an improvement in the food situation. Furthermore, the amnesty decreed by the Soviet government on 27th March 1953 is very similar to that declared by Nagy after his appointment. For the accusations of the failure and illegalities by the previous administration, however, there was no equivalent Soviet announcement as early as 1953.
48. Szabad Nép, 5th July 1953
49. Ibid.
50. The crisis in Hungarian agriculture was parallel to the crisis in Soviet agriculture. The reasons and preconditions were almost identical. It is, of course, not the place to discuss the differences. Malenkov, too, was forced to turn towards the peasantry and to announce that the peasantry were equal pillars of society with the workers.
51. Bill Lomax, Hungary 1956, Allison & Busby, London, 1976, p.59
52. Ibid.
53. Szabad Nép, 5th July 1953
54. Ibid.
55. Ibid.

56. Ibid.
57. Ibid.
58. Ibid.
59. Ibid.
60. Ibid.
61. Ibid.
62. Ibid.
63. P.I. Archives, 276.f.94/900 ö.e.
64. Szabad Nép, 11th July 1953
65. 'Uredba o imovinskim odnosima i reorganizaciji seljačkih radnih zadruga od 30 Marta 1953' Law No. 30., Službeni List, FNRJ, IX, 14 (31st March 1953), pp.145-150
66. Szabad Nép, 6th July 1953
67. The meeting was decided upon by the Politburo, which was dominated by Rákosi. The decision was that two reports, one by Rákosi and one by Nagy, were to be delivered. The main speaker was to be Rákosi, Nagy was also to speak but his speech had to be approved by a committee.
68. Imre Nagy, On Communism 'In defence of the New Course', London, Thames and Hudson, 1957, p.67; Nagy's book has been recently re-published in Hungarian Nagy Imre 'A Magyar Nép Védelmében: Vitairatok és beszédek 1955-1956', A Magyar Füzetek Kiadása, Paris, 1984
69. Szabad Nép, 12th July 1953
70. Ibid.
71. Ibid.
72. Ibid.
73. Ibid.
74. Ibid.
75. Ibid.
76. Ibid.
77. Mátyás Rákosi, A szocialista Magyarországért, Bp. Szikra, 1955, pp.310-311
78. Ibid., p.320

79. Ibid., p.313
80. Ibid.
81. Ibid.
82. Ibid., p.314
83. Ibid., p.315
84. Ibid.
85. Imre Nagy, On Communism op.cit., p.283
86. The focus of the meeting was on Rákosi's speech. His speech occupied 7 columns on the front page of Szabad Nép, while Nagy's speech was tucked away on page 2 and was given 3 columns.
87. Bálint Szabó, (ed.) A szocializmus útján, Bp. Akadémiai Kiadó, 1970, p.124
88. Szabad Nép, 10th and 11th July 1953
89. Szabad Nép, 12th July 1953
90. Ibid.
91. Szabad Nép, 13th July 1953
92. Szabad Nép, 7th August 1953
93. Ibid.
94. Ibid.
95. Ibid.
96. Magyar Nemzet, 11th and 25th July 1953; Szabad Nép, 13th and 16th July 1953
97. Imre Nagy, Egy Évtized 1948-1954, Bp. Szikra, 1954, vol.2, p.383
98. P.I. Archives, 276.f.53/126
99. Ibid.
100. P.I. Archives, 276.f.53/128
101. Imre Nagy, On Communism ... op.cit., p.283
102. Imre Nagy, Egy Évtized ... op.cit., p.348 and On Communism ... op.cit., p.383
103. P.I. Archives, 276.f.61/305

104. Ibid., 276.f.53/133
105. Ibid., 276.f.88 cs. Rendezetlen
106. Miklós Molnár, László Nagy, Reformátor vagy forradalmár volt-e Imre Nagy, A Magyar Füzetek Kiadása, Paris, 1983, p.45
107. Bálint Szabó, Új szakasz ... op.cit., p.62
108. Ibid.
109. Ibid., pp.67-75. The analysis that follows was based on this source and no further reference will be quoted.
110. Aladár Mód, 'A 'nep' politika és alkalmazásának néhány kérdése pártunk politikájában', Társadalmi Szemle, September 1953, pp.738-749
111. József Révai, 'Harcban az új feladatok megvalósításáért', Társadalmi Szemle, October-November 1953, József Révai was appointed by the Politburo to the chief editorship of this journal, the party's theoretical monthly.
112. For Rákosi's speech, see: 'Az MDP Politikai Bizottságának beszámolója a Központi Vezetőség 1953 Június 28-i határozatának végrehajtásáról', Társadalmi Szemle, October-November 1953, pp.893-912
113. Ibid. It is interesting that this speech of Rákosi was not included in the collection of his speeches. A Szocialista Magyarországért, published by Bp. Szikra in 1955. The second enlarged edition, at the same time, contains many of the speeches he made before June 1953. From the speeches he made during the second half of 1953 only the speech he delivered to the Budapest Party Activ, on 11th July, is included.
114. Ibid.
115. Ibid.
116. Szabad Nép, 9th February 1954
117. 'Az MDP Központi Vezetőségének 1953 október 31-i. határozata', Társadalmi Szemle, October-November 1953
118. Ibid., p.915 and Szabad Nép, 6th November 1953
119. Imre Nagy, On Communism ... op.cit., p.176
120. The intellectuals at first received the new programme with enthusiasm. But later they tended to recoil from it, believing that the sincere exposure of past mistakes could lead to problems. On the one hand, some of them feared the return of 'reactionary elements', on the other the resulting 'ideological chaos'.
121. Satellite Agriculture in Crisis, Preager, 1954, p.82
122. Ferenc a. Váli, Rift and Revolt ... op.cit., p.132

123. Ödön Szabó Barla, 'Gazdasápolitika és Gazdasági Fejlődés az MDP KV 1953 Júniusi ülése után', Párttörténeti Közlemények, no. 2, 1981, p.20
124. Ibid.
125. The measures compiled were obtained from the following sources 'Magyarországi események' no. 7, August 1953, p.27; A Szocializmus útján ... op.cit., pp.124-127
126. Bálint Szabó, Új szakasz ... op.cit., p.97
127. Ödön Szabó Barla, 'Gazdaságpolitika' op.cit., p.20
128. 'Magyarországi események ...' op.cit., p.27
129. Szabad Nép, 30th July 1953
130. Ödön Szabó Barla, 'Gazdaságpolitika' p.21
131. Szabad Nép, 2nd August 1953
132. Szabad Föld, 9th August 1953
133. Ibid.
134. Szabad Nép, 2nd August 1953
135. Szabad Nép, 16th August 1953
136. Szabad Nép, 19th August 1953
137. Bálint Szabó, Új szakasz az op.cit., p.97
138. Szabad Nép, 30th August 1953
139. Szabad Nép, and Népszava, 11th September 1953
140. Bálint Szabó, Új szakasz az op.cit., p.97
141. Népszava, 13th September 1953
142. Ibid.
143. Ibid.
144. Miklós Molnár, Budapest 1956, A History of the Hungarian Revolution, London, George Allen & Unwin, 1971, p.32
145. Szabad Nép, 15th September 1953
146. Szabad Nép, 18th September 1953
147. Bálint Szabó, (ed.), A Szocializmus útján ... op.cit., p.126
148. Népszava, 4th October 1953

149. Sándor Balogh & Sándor Jakab, A magyar népi demokrácia ... op.cit., p.218
150. Népszava, 10th October 1953
151. Szabad Nép, 18th October 1953
152. Népszava, 18th October 1953
153. Szabad Nép, 7th September 1953
154. Ibid. and Szabad Nép, 22nd September 1953
155. Szabad Nép, 20th September 1953
156. Szabad Nép, 30th September 1953
157. Ibid.
158. Szabad Nép, 28th September 1953
159. Ibid.
160. Szabad Nép, 12th October 1953
161. Magyar Nemzet, 9th September 1953
162. Béla Fazekas, A mezőgazdasági termelőszövetkezeti mozgalom Magyarországon, Bp. Kossuth, 1976, p.90
163. Sándor Orbán, Két Agrárforradalom Magyarországon, Demokratikus és szocialista agrárátalakulás 1945-1961, Bp. Akadémiai Kiadó. 1972, p.132
164. Ibid., p.133
165. Sándor Balogh & Sándor Jakab, A magyar népi demokrácia ... op.cit., p.219
166. Sándor Orbán, Két Agrárforradalom ... op.cit., p.132
167. Data were compiled from the following sources:
Bálint Szabó (ed.), A magyar népi demokrácia ... op.cit., p.219
Béla Fazekas, A mezőgazdasági ... op.cit., p.88
Adatok és Adalékok a Népgazdaság Fejlődésének Tanulmányozásához 1949-1955, Bp. Központi Statisztikai Hivatal, 1957, p.236 and see p.555 of present study
168. Béla Fazekas, A mezőgazdasági ... op.cit., p.88
169. Ibid.
170. Adatok és Adalékok ... op.cit., p.238
171. Ibid.

172. Sándor Orbán, Két Agrárforradalom ... op.cit., p.133
173. Adatok és Adalékok ... op.cit., p.238
174. Sándor Orbán, Két Agrárforradalom ... op.cit., p.133
175. Adatok és Adalékok ... op.cit., p.237
176. Sándor Balogh és Ferenc Pölöskei (eds.), Agrárpolitika és Agrárátalakulás Magyarországon (1944-1962), Bp. Akadémiai Kiadó, 1979, p.29
177. Béla Fazekas, A mezőgazdasági ... op.cit., p.89
178. András Hegedüs, Élet egy eszme ... op.cit., p.209
179. Szabad Nép, 10th November 1953
180. Károly Garamvölgyi, Mezőgazdaságunk szocialista átalakítása, Bp. Kossuth, 1965, p.39
181. Sándor Orbán, Két Agrárforradalom ... op.cit., p.137
182. Ibid.
183. Ibid.
184. Ibid.
185. Ibid.
186. Ibid.
187. Ferenc Vági, 'A lakosság vásárlóereje és ellátása' in A Magyar Tudományos Akadémia Közgazdaság tudomány Évkönyve 1957, p.293
188. Béla Fazekas, A mezőgazdasági ...op.cit., p.90
189. Sándor Orbán, Két Agrárforradalom ... op.cit., p.134
190. Ibid.
191. At the same time the urban population were given a tax reduction to the tune of 555 million Forints compared with 1952, paying a total tax of 1056 million Forints, making a grand total of 3775 million Forints. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.220
192. Ibid.
193. P.I. Archives, 276.f.94/548 ö.e.
194. Economic Bulletin for Europe, United Nations, Geneva, vol. 7, no.2, August 1955, p.92
195. Ibid.

196. Bálint Szabó, Új szakasz ... op.cit., p.109
197. Ödön Szabó Barla, 'Gazdaságpolitikai ... ', op.cit., p.22
198. P.I. Archives, 276.f.94/600 ö.e.
199. Ibid.
200. Béla Fazekas. 'A mezőgazdasági üzemek fejlődése (1949-1964)', Statisztikai Szemle, February 1966, p.117
201. Ödön Szabó Barla, 'Gazdaságpolitikai ... ', op.cit., p.21
202. András Hegedüs, Élet egy eszme ... op.cit., p.209
203. Szabad Nép, 25th May 1954
204. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.222
205. Ibid., p.221
206. Ödön Szabó Barla, 'Gazdaságpolitikai ... ', op.cit., p.15
207. Ibid.
208. Ibid., p.26
209. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.222
210. Sándor Orbán, Két Agrárforradalom ... op.cit., p.141
211. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.223
212. Ibid., p.224
213. Bálint Szabó, Új szakasz az ... op.cit., p.95
214. Ibid.
215. Ödön Szabó Barla, 'Gazdaságpolitikai ... ', op.cit., p.18
216. Actual savings might, in fact, have been less because shortages appeared and stocks were quickly depleted in some instances.
Ibid.
217. Szabad Nép, 10th September 1953
218. Szabad Nép, 13th September 1953
219. Bálint Szabó, Új szakasz az ... op.cit., p.95
220. Ödön Szabó Barla, 'Gazdaságpolitikai ... ', op.cit., p.18

221. Ibid., p.19
222. Ibid.
223. Szabad Nép, 30th September 1953
224. Statisztikai Évkönyv 1949-1955, Bp. Központi Statisztikai Hivatal, 1957, p.296
225. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., pp.226-227
226. Ödön Szabó Barla, 'Gazdaságpolitikai ... ', op.cit., p.23
227. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.226
228. Bálint Szabó, Új szakasz ... op.cit., p.56
229. Szabad Nép, 25th October 1953
230. Statisztikai Évkönyv 1949-1955 ... op.cit., p.257.
231. Szabad Föld, 27th October 1953
232. Irodalmi Ujság, 1st August 1953
233. Irodalmi Ujság, 7th November 1953
234. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.228
235. Ödön Szabó Barla, 'Gazdaságpolitikai ... ', op.cit., pp.21-22
236. Társadalmi Szemle, December 1953, pp.1101-1175
237. Ödön Szabó Barla, 'Gazdaságpolitikai ... ', op.cit., p.19
238. Ibid.
239. Társadalmi Szemle, December 1953, p.1155 & pp.1170-1171. One metric quintal of 100 kilogrammes = 3.67 bushells of 60 lbs.
240. Ibid., pp.1170-1171
241. Ibid. Other figures were computed from; FAO's Yearbook of Food and Agriculture Statistics 1952 (Rome), 1953; US Dept. of Agriculture's Agricultural Statistics-1951, (Washington), 1951; Dept. of Commerce's Foreign Commerce Yearbook 1949 (Washington), 1951; Népszava, 16th May, 1951
242. Társadalmi Szemle, December 1953, p.1150
243. Ibid., p.1101

244. Bálint Szabó, Új szakasz ... op.cit., p.109
245. Ibid.
246. Although the measures showed that greater emphasis was placed on agriculture, it should be pointed out that the agricultural budget amounted to slightly less than 6 per cent of total bugetary expenditure and that this percentage included substantial investment in agricultural industry. Sándor Orbán, Két Agrárforradalom ... op.cit., p.141
247. Ibid.
248. Béla Csendes, 'Az állami begyűjtés új rendszeréről', Magyar-Szovjet Közgazdasági Szemle, February 1954, pp.135-147; The analysis that follows is based on this article and no further reference is given.
249. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.236
250. Szabad Nép, 16th January 1954
251. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.237
252. Adatok és Adalékok ... op.cit., p.173
253. Szabad Nép, 20th January 1954
254. Szabad Nép, 31st January 1954
255. Imre Nagy, On Communism ... op.cit., p.271; Rákosi may already have been speculating at this early stage on the fall of Malenkov. In August 1953 the Chinese Communist Party made a covert attack on Malenkov under the pretext of 'priority of heavy industry'. Then, in January 1954, Mao Tse-Tung sent a warmly worded telegramme to Rákosi personally in which he expressed coolness and reservations towards Nagy. Small signs, perhaps, but the scheming Rákosi could read into it meaning in respect of the on-going struggle between Malenkov and Khrushchev.
256. Miklós Molnár - László Nagy, Reformátor vagy forradalmár ... op.cit., pp.43-44
257. Szabad Nép, 9th January 1954
258. Imre Nagy, Egy Évtized ... op.cit., vol. 2, p.444
259. Szabad Nép, 9th February 1954
260. Ibid.
261. Sándor Orbán, Két Agrárforradalom ... op.cit., p.136
262. Ibid.
263. Ibid.

264. Ibid.
265. Ferenc Erdei 'A háztáji gazdaság kérdései', Magyar-Szovjet Közgazdasági Szemle, No. 8-9 (August-September), 1954, pp.676-707
266. Szabad Nép, 26th May 1954
267. Szabad Nép, 28th October 1954
268. Szabad Nép, 14th January 1954
269. Szabad Nép, 9th February 1954
270. 'A kulák problémáról' (On the kulak problem), Szabad Nép, 26th March 1954
271. Szabad Nép, 14th May 1954
272. Szabad Nép, 15th May 1954
273. Szabad Nép, 23rd May 1954
274. Imre Nagy, On Communism ... op.cit., pp.281-282
275. Ödön Szabó Barla, 'Gazdaságpolitikai ... ', op.cit., pp.25-28
276. Ibid., p.27
277. Ibid., pp.28-29
278. Bálint Szabó, Új szakasz ... op.cit., p.118
279. According to Hegedüs the delegation, composed of Rákosi, Nagy, Gerö and Hegedüs, was decided in Hungary and not in Moscow, as it had been a year earlier. András Hegedüs, Élet egy eszme ... op.cit., 212
280. Ferenc A. Váli, Rift and Revolt ... op.cit., p.111
281. It is quite likely that the Soviet leaders did not wish dissonant voices to disturb the Geneva Foreign Ministers Conference for which the Soviet had begun preparations.
282. A Magyar Dolgozók Pártja III. Kongresszúsának Jegyzőkönyve, Bp. Szikra, 1954
283. Miklós Molnár - László Nagy, Reformátor vagy forradalmár ... op.cit., p.44
284. Szabad Nép, 25th May 1954 and A Magyar Dolgozók Pártja III. Kongresszúsának ... op.cit., p.51
285. Ibid., p.54
286. Ibid., p.55

287. Ibid., p.57
288. Ibid., p.59
289. Ibid., pp.60-61
290. Ibid., p.65
291. Ibid., p.66
292. Sándor Orbán, Két Agrárforradalom ... op.cit., p.131
293. A Magyar Dolgozók Pártja III. Kongresszúsának ... op.cit., pp.406-466
294. The Hungarian Independence Front was created in 1949 to include remnants of the existing political parties under the aegis of the Hungarian Workers Party. It ceased operation in 1951 though it was resuscitated very briefly, for electioneering purposes, in the spring of 1953
295. Miklós Molnár - László Nagy, Reformátor vagy forradalmár ... op.cit., p.44; for further discussions see: Ferenc A. Váli, Rift and Revolt ... op.cit., pp.118-128
296. The position of the front in Yugoslavia must have been in the mind of Rákosi and his adherents, as well as the Soviet leadership. They must have remembered that part of the 1948 Comintern Resolution excommunicated the Yugoslav Party because 'in Yugoslavia it was the People's Front which figured in the political arena while the party and its organisation did not appear before the people in its own name', Documents on International Affairs 1947-1948, London, 1952, p.392
297. Mihály Farkas was re-elected to both bodies, the Politburo and the Secretariat, by a Politburo meeting held on 12th August 1953
298. Ferenc Donáth, Reform és Forradalom, A Magyar mezőgazdaság strukturális átalakulása 1945-1975, Bp. Akadémiai Kiadó, 1977, p.151
299. Mezőgazdasági Adattár, Bp. Központi Statisztikai Hivatal, 1965, Vol.2, p.403; the figures given in the table differ slightly from the figures given by Statisztikai Evkönyv ... op.cit., p.46 - used in the table on p.616 of the present study. Since the difference is less than 0.5 per cent, for the present purpose it is deemed insignificant
300. Ferenc Donáth, Reform és forradalom ... op.cit., p.153-154
301. Adatok és Adalékok ... op.cit., p.267
302. Ibid., p.265 and p.272; for figures in 1953 see: p.631 of present study
303. See: table on p.633 of present study
304. Magyar Statisztikai Zsebkönyv (Statistical Pocketbook), Központi Statisztikai Hivatal, Bp. 1959, pp.178-179

305. Mezőgazdasági Adattár ... op.cit., vol. 1, pp.663-664; pp. 670-671
306. Statisztikai Évkönyv 1949-1955 ... op.cit., p.182
307. Mezőgazdasági Adattár ... op.cit., vol.2, p.399
308. Adatok és Adalékok ... op.cit., p.174
309. Statisztikai Évkönyv 1949-1955 ... op.cit., p.184 and 'Adatok Hazánk Negyedszázados fejlődéséről' Statisztikai Szemle, April 1970, p.367
310. Statisztikai Évkönyv 1960, Bp. Központi Statisztikai Hivatal, 1961, p.164
311. Károly Garamvölgyi, 'A tervezett fejlődés problémái a mezőgazdaságban', Közgazdasági Szemle, no.5, 1957, p.537
312. Total maize production in 1950 was 180,000 rail-wagons; it increased to 255,000 and 291,000 in 1954 and 1955 respectively; the contractual price for pigs was 9.0-12.20 Forints/kg. in 1953 and increased to 18.0-22.0 Forints/kg. in 1954; volume of contracts increased from 123,000 in 1953 to 755,000 in 1955/56. Compiled from: Statisztikai Évkönyv 1960 ... op.cit., p.159; A mezőgazdasági termékek felvásárlása, Bp. Központi Statisztikai Hivatal, 1960, p.23 and A főbb mezőgazdasági termékek termelői mérlegei, 1938 és 1949-1960 években, Bp. Központi Statisztikai Hivatal, 1962, pp.34-35
313. D. Kovács 'Élelmiszer fogyasztás Magyarországon a 1950-1955ös években', Közgazdasági Szemle, no.1, 1958, p.91
314. Adatok és Adalékok ... op.cit., p.367
315. Statisztikai Évkönyv 1949-1955 ... op.cit., pp.172-173
316. Ibid.
317. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.237
318. Assuming unchanged labour hours, the reduction in labour inputs amounted to 2 per cent over the period while, measured in 1000 horsepower, the stock of agricultural machinery increased from 611.9 to 858.9 between 1935 and 1957.
A. Kiss, 'Változások a belterjes gazdálkodásban az elmúlt száz év alatt, 1857-1957', Statisztikai Szemle, nos. 1-2, 1958, pp.28-29
319. Adatok és Adalékok ... op.cit., p.257
320. Sándor Balogh és Ferenc Pöloskei, Agrárpolitika ... op.cit., p.30
321. Sándor Balogh & Sándor Jakab (eds.) A magyar népi demokrácia ... op.cit., pp.238-239
322. Ferenc Donáth, Reform és forradalom ... op.cit., p.156
323. Ibid., p.155

324. Dezső Nemes (ed.), A magyar forradalmi munkásmozgalom története, Bp. Kossuth, 1970, vol. 3., p.215
325. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.235
326. Ferenc A. Váli, Rift and Revolt, op.cit., p.133
327. Imre Nagy, On Communism ... op.cit., p.181 or (in Hungarian) Imre Nagy, Vitairatok ... op.cit., pp.101-103
328. Szabad Nép, 15th June 1954
329. Szabad Nép, 28th June 1954
330. Ödön Szabó Barla, 'Gazdaságpolitikai ...', op.cit., p.32-33
331. Ibid., p.34
332. Ibid.
333. P.I. Archives, 276.f.53/187
334. Ibid. The composition of the 'Economic Policy Committee' was: Ernő Gerő (Chairman), Béla Szalai (Deputy Chairman), István Friss (Head of Plan, Finance and Trade Department of C.C.), András Hegedüs (Minister of Agriculture), József Mekis, Károly Olt, Zoltán Vas and László Háy
335. Besides Nagy, Lajos Ács, István Hidas and Mihály Farkas were absent too.
336. Imre Nagy, On Communism ... op.cit., p.177 and Imre Nagy, Vitairatok ... op.cit., p.100
337. Szabad Nép, 1st August 1954
338. Ibid.
339. Ödön Szabó Barla, 'Gazdaságpolitikai ...', op.cit., p.36
340. Imre Nagy, On Communism ... op.cit., p.177 and Imre Nagy, Vitairatok ... op.cit., p.100
341. Ödön Szabó Barla, 'Gazdaságpolitikai ...', op.cit., p.37 and Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.239
342. Imre Nagy, On Communism ... op.cit., p.120 and Imre Nagy, Vitairatok ... op.cit., p.56
343. P.I. Archives, 276.f.94/217 ö.e.
344. Imre Nagy, On Communism ... op.cit., p.272 and Imre Nagy, Vitairatok ... op.cit., p.169
345. Ibid., p.177 and Ibid., p.100

346. P.I. Archives, 276.f.53/193
347. Imre Nagy, Egy Évtized ... op.cit., p.535
348. The programme did not essentially differ from the earlier proposal of the National Planning Office approved by the Politburo on 28th July 1954. P.I. Archives, 276.f.53/194. No further reference is given
349. Ibid. Raised by Matalocsi, Mekis, Hidas and Apró
350. Ibid.
351. Imre Nagy, On Communism ... op.cit., p.178 and Imre Nagy, Vitairatok ... op.cit., p.100
352. Interestingly, no reference could be found for the setting of a date for the Plenum meeting. Hegedüs refers to 'when the Central Committee met in the middle of October' and it is possible that that was the original date, i.e., still a month away. In the event, the meeting was held on 1st-3rd October, leaving very little time to achieve a consensus of views within the Politburo, assuming that that was the intention
353. P.I. Archives, 276.f.53/196
354. Hegedüs recalls that 'at the end of September, when I left for my month's visit to China, the Gerö-Friss proposal was finalised'. András Hegedüs, Élet egy eszme ... op.cit., p.216
355. P.I. Archives, 276.f.53/196
356. Ibid.
357. The discussion that follows is based upon the following sources: 'A Magyar Dolgozók Pártja Központi Vezetősége, 1954, Október 1-3-i ülésének rövidített jegyzőkönyve', P.I. Archives, 276.f.52/27; Tervezet, A Magyar Dolgozók Pártja Központi Vezetőségének határozata népgazdaságunk helyzetéről és gazdaságpolitikai feladatunkról, 1954, Október 18. P.I. Archives, 276-10.k./464; Sándor Nógrádi, Történelmi Lecke ... op.cit., pp.441-442; Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., pp.240-242
358. It would not only be tedious but also unnecessary to discuss the various contributions
359. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.240
360. Béla Szalai was replaced by Andor Berei as head of Planning Office soon after the Central Committee meeting in October 1954. Szalai was given the most of Minister for Light Industry, but, characteristically, he remained a member of the Party's highest organ, the Politburo. István Friss, too, lost his post as Head of the Plan, Finance and Trade Department of the Central Committee and became head of the Institute of Economic Science

361. In the personnel changes that followed the Central Committee meeting, Ferenc Erdei replaced András Hegedüs as Minister of Agriculture
362. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.241
363. P.I. Archives, 276.f.52/27
364. Ibid.
365. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., pp.241-242
366. Ibid., p.242
367. Sándor Nógrádi, Történelmi Lecke ... op.cit., p.442
368. Tibor Meray, Thirteen Days that Shook the Kremlin, London, Thames and Hudson, 1958, p.23
369. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.243
370. Sándor Nógrádi, Történelmi Lecke ... op.cit., p.442
371. Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., p.243
372. Ibid.
373. Ibid.
374. Ibid.
375. Sándor Nógrádi, Történelmi Lecke ... op.cit., p.441
376. Bill Lomax, Hungary 1956 ... op.cit., 23
377. Szabad Nép, 10th October 1954
378. Szabad Nép, 11th October 1954
379. Ibid.
380. Szabad Nép, 22nd October 1954
381. Gerö, himself, although clearly guilty of opposing the 'New Course', had never admitted to the mistakes and made no self-criticisms ever. Tamás Aczél-Tibor Méray, Tisztító Vihar, Adalékok egy korszak történetéhez, London, Big Ben Publishing Co., 1959, p.249
382. Apart from the problem regarding the text, Nagy demanded that both Rákosi's and Berei's speeches to the Central Committee should be published. P.I. Archives, 276.f.53/206

383. Szabad Nép, 20th October 1954
384. Ibid.
385. Ibid.
386. Szabad Nép, 22nd October 1954
387. Ibid.
388. For the role of the Szabad Nép rebels see: Tamás Aczél-Tibor Méray, Tisztító Vihar ...op.cit., pp.239-258
389. Miklós Molnár, Budapest 1956 ... op.cit., p.35
390. Tibor Meray, Thirteen Days That ... op.cit., p.24
391. Szabad Nép, 24th October 1954
392. The exact date is not known. The most likely date, however, is either 23rd or 24th October - i.e., the first or second day of the PPF Congress, which Rákosi must have considered a rebuff. But since, according to Hegedüs, it was decided that Farkas was to be his deputy and Nagy was to look after the congress, it may have been a few days earlier. András Hegedüs, Élet egy eszme ... op.cit., p.216
393. Ibid.; Szabad Nép reported it the next day, i.e., 30th November
394. His nerves may have suffered at his defeat in the C.C, although some refer to his having gone in to undergo treatment for his stomach ulcers and eyes (he was threatened with blindness). Tibor Meray, Thirteen Days that ... op.cit., p.24
395. The divergence between Nagy's speeches, his 'dreams' and expectations, and political reality was obvious as it was, indeed, again two years later, in 1956, when he proclaimed 'neutrality' and an 'end to membership of the Warsaw Pact'. On both occasions, his own position was held by a thread - he could not deviate from the limits set for him by Moscow. Miklós Molnár, Budapest 1956 ... op.cit., p.35
396. Ödön Szabó Barla, 'Gazdaságpolitikai ... ', op.cit., p.41
397. For a fuller account of these developments, see: Tibor Meray, Thirteen Days That ... op.cit., pp.24-25 and Paul Kecskeméti, The Unexpected Revolution, Stanford University Press, 1961, p.49
398. For a fuller, official, account of the developments in the international situation, see: Sándor Balogh & Sándor Jakab (eds.), A magyar népi demokrácia ... op.cit., pp.244-246
399. András Hegedüs, Élet egy eszme ... op.cit., p.219
400. P.I. Archives, 276.f.53/205
401. Ibid., 276.f.53/206

402. Ibid.
403. Ibid., 276.f.53/209
404. Ibid., 276.f.53/213; 53/214
405. For a fuller account, see Tamás Aczél - Tibor Méray, Tisztító Vihar ... op.cit., pp.259-282
406. András Hgedüs, Élet egy eszme ... op.cit., p.219
407. Ferenc A. Váli, Rift and Revolt ... op.cit., p.155
408. András Hgedüs, Élet egy eszme ... op.cit., pp.219-220
409. Paul Kecskeméti, The Unexpected Revolution ... op.cit., p.50
410. Tibor Meray, Thirteen Days That ... op.cit., p.25
411. Ibid., p.27
412. Ibid.
413. Ibid.
414. Szabad Nép, 20th January 1955
415. Ferenc A. Váli, Rift and Revolt ... op.cit., p.156
416. Szabad Nép, 23rd January 1955

**Chapter 11: From Controlled Relaxation to Revolution,
February 1955-December 1956: a return to old policies?**

11.1 Rákosi resurgent, February 1955-February 1956: collectivisation resumed

Malenkov's official resignation as Chairman of the Council of Ministers in the Soviet Union, on 8th February 1956, was followed shortly by the downfall of Imre Nagy in Hungary. The fall of the two men had important repercussions and was accompanied by a new shift in economic policy. The new thinking introduced by Khrushchev was a curious mixture of neo-Stalinism, modest political relaxation, decentralisation and 'peaceful coexistence' with Yugoslavia and the West. In the sphere of economics the primacy of heavy industry was reaffirmed and the previous policy, emphasising light, consumer, industries was repudiated. The new line was, of course, soon followed in Hungary. Rákosi's return to power, however, did not immediately bring a return to the economic policy pursued before the 'New Course'. Although the priority of heavy industry was emphasised again this emphasis, in the initial stages, was more moderate, and even the calls for the resumption of collectivisation were rather restrained. The reasons for this were complex but can mostly be attributed to external and internal political factors, which tended to place certain limitations on Rákosi's power.⁽¹⁾

Rather impatient attempts to bring agriculture under tighter control, however, and the old theme that 'socialist reorganisation of agriculture' should be resumed, cautiously, did return. One of the earliest indications of this was the resolution passed by the Politburo at its meeting on 26th January 1955, which stated that

socialist reorganisation of agriculture ought to be put back on the agenda ... and the numerical development of collectives should begin during the autumn and preparatory agitation and propaganda campaign, already, in the spring ... and depending on local conditions general and partial commassation and the three year rule ought to be re-introduced.⁽²⁾

Then, on 6th February, a long article by János Matolesi openly emphasised that

the present backwardness of agriculture can only be eliminated by putting production on a socialist, large-scale basis, if working small and medium peasants join the collectives.⁽³⁾

Furthermore, at a Politburo meeting on 10th February, Rákosi cautiously declared that

we do not want to change the correct policy, only the excesses.⁽⁴⁾

From subsequent events it could be seen that the most important of the 'excesses' was Nagy's 'hindering of the socialist transformation of agriculture'.

Another less direct sign involved the playwright, Gyula Háy. Shaken by the revelations made under Nagy's term of office, he wrote a play in 1954 called 'The Justice of Jasper Varró' (Varró Gáspár igazsága), depicting the plight of the poor peasantry under the Kolkhoz system. The play was printed at the beginning of 1955 and rehearsals in the 'National Theatre' (Nemzeti Színház) began, but after his comeback Rákosi prevented its performance.⁽⁵⁾

Next, a vigorous campaign began against 'right-wing deviation'. The Central Committee Plenum met on 2nd-4th March 1955, in the absence of Nagy⁽⁶⁾, and unanimously passed a resolution⁽⁷⁾ (apparently it was ready in advance) confirming the new Soviet line. Without completely negating the validity of the June 1953 Resolution (which was basically sound) the Central Committee focused its attention on the mistakes and distortions committed in

its implementation, ever since 4th July 1953, which were largely attributed to 'rightist deviation'. Thus,

the causes of the serious difficulties which have become manifest in the situation of our national economy can be found primarily in the fact that since June 1953, rightist, anti-Marxist, anti-party and opportunist views gained currency.⁽⁸⁾

The main characteristics of this 'rightist deviation' were declared to be⁽⁹⁾:

- excessive retreat from heavy industry
- retarding the development of the collective farm system in agriculture and 'idealising' and 'praising' small-scale private farming
- the inclination of the press to ignore the positive achievements of the earlier period

because of these,

- there was a drop in production and productivity
- the increase in living standards had no firm foundation; the working class had been duped with promises.

The resolution criticised Nagy for supporting and holding dangerous 'rightist, anti-Marxist, anti-party and opportunist' views with respect to Hungary's economic development:

particularly great harm has been done by those right-wing views ... which have appeared concerning the main issues of the party's agrarian policy ... certain petty-bourgeois theories - crushed by Marxism long ago - have been revived and even published in some periodical concerned with theory ... on the basis of false tenets, some people began to deny the imperative necessity of the socialist transformation of agriculture and under this pretext started to wreck the collectivisation movement. Such views are largely responsible for the fact that there was no numerical increase in our collective farms last year ...⁽¹⁰⁾

The resolution, by pointing out the fact that even the reduced procurement plan remained under fulfilled, hit on the nub of the agricultural problem: the peasantry's silent resistance to the purposes of the state:

some party members have adopted an incorrect attitude on the question of procurement. It is due to this right-wing attitude and to the undermining work of the kulaks that in 1954 even the correctly reduced delivery plans were not fulfilled. The importance of produce collection was not sufficiently stressed and the slackening discipline in produce collection was watched idly.(11)

At this stage, however, a collectivisation plan had not yet been fully worked out. The resolution merely went on to chart a new compromise between reality and ideology, promising to continue the concessions to the peasants and, at the same time, indicating the necessity to expand the collective sector, on the basis of the 'voluntary principle':

The Central Committee ... clearly sees the opportunities inherent in the development of production of individual peasant farms ... however, being aware of the limits to which small-scale peasant farming can be developed, the Central Committee deems it necessary that, by observing the voluntary principle laid down by Lenin, the party and state authorities should do widespread political, economic and organisational work in the interest of the consolidation and enlargement of the collective farm movement.(12)

The Central Committee, at this stage, did not pass a resolution against Nagy personally nor did it indicate his future. He still remained in his position. It did, however, pass a separate resolution condemning Nagy's letter to the Central Committee and stating that since he could not be present, because of illness, the Central Committee would return to his case when he had recovered. Serious negotiations with Nagy must have begun during this time. Apparently, the Soviet leadership expected that Nagy, like Malenkov, would confess to 'errors of judgement' and exercise 'self-criticisms'. But Nagy, perhaps for the first time in

his communist career, refused either to recant or to resign, insisting that he be given the opportunity to present his own case to the Central Committee.⁽¹³⁾ The Soviet leaders even dispatched Suslov to Hungary in an attempt to persuade Nagy to withdraw voluntarily. When this failed the axe fell.

The case against him, drafted in part by Suslov, was presented at the special Central Committee Plenum on 14th April 1955. Here Nagy was attacked in person and accused of a string of political wrong-doings and opinions, including 'factionalism', 'right-wing opportunism', 'anti-Marxism', 'nepotism' and 'clericalism'. Thus,

comrade Nagy, in the interest of realising his rightist, opportunist policies resorted to un-party like, anti-party and even factionalist methods which are completely incompatible with the unity and the discipline of the Marxist-Leninist party.⁽¹⁴⁾

The main charges against Nagy's economic policies were neglect of industrialisation, encouragement of laxity and lack of work discipline and hindering the 'socialist transformation of agriculture'. Thus,

comrade Nagy tried to put brakes on the motor of socialist construction, socialist industrialisation and, especially, the development of heavy industry and in the countryside the movement of the agricultural cooperatives, which is the decisive method of socialist construction of the villages.⁽¹⁵⁾

In his closing speech Rákosi linked Nagy's mistakes to the views he had held in 1949 and quoted at length from the text of the 1949 Resolution.

Acting on these charges the Central Committee then dismissed Nagy from his premiership, expelled him from all his party offices (in November 1955 even from his party membership) and relieved him of his university post and Vice Chairmanship of the Patriotic People's Front (PPF). A few days later, on 18th April 1955, the National Assembly duly announced Nagy's removal and, on the

recommendation of the Central Committee, confirmed the appointment of András Hegedüs as his successor (who remained in office until 25th October 1956). At the same time the Assembly 'approved' the budget for 1955.⁽¹⁶⁾

Nagy's programme had most directly benefitted the countryside - where he was regarded as someone who gave land to the peasants and then saved them from further enforced collectivisation. It was not surprising, then, that the immediate reaction to his dismissal came, spontaneously, from the villages. Strikes by farmers quickly gathered momentum and food shortages developed, particularly of meat.⁽¹⁷⁾

Following the March Plenum the regime had been particularly concerned with the problems of agricultural organisation and with the tempo and degree of collectivisation to be imposed. The main problem was how to attain greater collectivisation without so alienating the individual peasant as seriously to endanger the country's food supply. For a while it seemed as if the regime was less than prepared to launch a full, direct, assault on the individual farmers. At the Conference of District Party Committee Secretaries, on 25th-26th March, Rákosi and Lajos Ács, after castigating 'rightist views', were at pains to clarify the party's position on further collectivisation. On the whole, they indicated that a full, eventual, collectivisation was intended. Rákosi declared that

for many years to come there will be tens and hundreds of thousands of individual farmers. If we were to forget this fact in our work it would undoubtedly give the impression that the party and the government cared less than they do for the individual farmers. The spreading of such wrong views would cause serious harm to the People's Democracy and to the peasantry itself. This misconception should be dispelled at all costs. We do and we shall adhere to the decision of the Central Committee, which clearly states that we will continue to give the same support as before to the individual farmers, as expounded in the June 1953 Resolution.⁽¹⁸⁾

and,

we help individual working peasants in every way in order to induce them to produce as much as possible until they decide spontaneously to join the collectives, seeing their attractive examples.⁽¹⁹⁾

despite his stress on the importance of individual farmers Rákosi, at the same time, also stated that a significant increase in agricultural output was only possible through 'socialist reorganisation of agriculture':

during the past 18 months some individual farmers have developed the notion that, as a matter of fact, we had given up the idea of developing the collectives or at least had shelved it for many years to come. Therefore, if we want to increase the collectives soundly, with the strict observance of the voluntary principle - and that is the only way we can do it - then the comrades must carry out serious political enlightenment work in support of the collectives.⁽²⁰⁾

During preparations, however, the plan for collectivisation gradually became more ambitious. At the Politburo meeting on 8th April the original plan to commence the collectivisation campaign on a voluntary basis during the autumn was brought forward to the end of the summer. In the intervening period the aim was stated to be the consolidation of existing collectives in order to improve 'their management, yields and profitability to exceed that of individual farms', so that by their exemplary farming results they would promote the process of collectivisation.⁽²¹⁾ This aim was no more, perhaps even less, than that of the June 1953 Resolution. During April and May 1955 a barrage of propaganda and agitation began in the press and the countryside ignoring completely the resistance of the peasants and the bad harvest results in 1954 and putting the blame squarely on 'enemy hostility' and 'right-wing deviation' for 'unfurling the flag against the socialist reorganisation of agriculture and encouraging the dissolutions and withdrawals from the collectives'.⁽²²⁾ During the preparations the observance of the Leninist voluntary aspects of collectivisation had been continually stressed, although its value could not have been any more than before

1953, because at the same time it was accompanied by quantitative requirements and the re-introduction of the dreaded policy of commassation of land in the formation of new collectives, a practice which was suspended in June 1953. At the Politburo meeting on 26th May, Rákosi outlined, and the Politburo endorsed, a fairly moderate plan for collectivisation, which specified that some 50-60,000 families should join the collectives by the end of 1955 and the same number again during 1956. This, if realised, would have resulted in collective membership reaching or slightly exceeding the peak achieved before the June 1953 Resolution by the end of 1956. It was further envisaged that by the end of the Second Five Year Plan (1960) some 500,000 small and medium peasants, with about 5 million cad. yokes, i.e., approximately half the total, of arable land were to be organised into collectives. With regard to the richer peasants, the kulak question, the resolution stated that the process of 'socialist reorganisation of agriculture' would progress under the theory of 'sharpening class struggle'.⁽²³⁾

Following these preliminaries, the Central Committee Plenum met on 7th-8th June and passed a resolution on 'The further tasks concerning the socialist reorganisation of agriculture and increasing agricultural production' (A mezőgazdaság szocialista átszervezésének és a mezőgazdasági termelés fellendítésének további feladatairól), which confirmed the goal of collectivisation.⁽²⁴⁾ The keynote speech was delivered by András Hegedüs. He confirmed that collectivisation, after all, was to start at the beginning of the autumn - but, avoiding the mistakes committed during the pre-1953 period, largely because, he declared, 'today the pre-conditions already exist and we can proceed in bigger steps'.⁽²⁵⁾ Hegedüs also outlined the conditions under which collectivisation was to progress. These were included in the usual way in the resolution, which provided for the following measures:⁽²⁶⁾

- i) the 'voluntary principle' would be strictly observed; although agitation and propaganda campaigns conducted by party organisations would not constitute a violation of that principle
- ii) collectivisation would be carried out under the (Stalin's) theory of 'sharpening class struggle'
- iii) commassation of land would be used in the formation of new collectives - but peasants were to receive land of equal value in the commassation exchanges; kulaks were to receive land in remote areas
- iv) after declaring that the collective 'was not a house with a passage-way' he announced the reintroduction of the three year rule, i.e., collective members could only apply to the General Meeting of the collective to withdraw after three years of membership
- v) simultaneously with the collectivisation, agricultural output should be increased.

Regarding the last statement, the resolution bluntly declared that the desired improvement in agricultural production was not to be sought at the expense of collectivisation. The 'struggle for collectivisation' and the 'struggle for higher outputs' should be combined:

the two principle tasks - the socialist reorganisation of agriculture and the development of agricultural production - must be resolved simultaneously, as a 'dual-task'.⁽²⁷⁾

The resolution linked collectivisation to the unrealistic objectives of:

- i) raising agricultural production by 25 per cent
- ii) strengthening the worker-peasant alliance
- iii) converting the medium peasants into firm allies, and
- iv) isolating the kulaks

Because of the prevailing bread-grain problems in the country, the resolution stipulated that a compulsory minimum of 3.3-3.4 million cad. yokes of sown area should be devoted to bread-grain production. Each individual and collective farmer was obliged to allocate a specified sown area to bread-grain which was to

be fixed and entered into their delivery books by district councils, a decree announced on 5th August.⁽²⁸⁾ Peasants who failed to comply with this regulation and fulfil their allocated target were to lose all compulsory delivery concessions. And since the regime was concerned with the problem of non-fulfilment of compulsory deliveries, the resolution declared that the compulsory delivery system was here to stay for ever:

in our country compulsory deliveries are not a temporary regulation but a permanent and characteristic feature of our economic system, which will be maintained even in socialism,⁽²⁹⁾

and it called for the application of the full force of the law against those who violated the delivery obligations - free market rights in grain were to be suspended until all peasants in the village (collective guilt) fulfilled their compulsory deliveries and compulsory bulk-purchase plan (in addition to the former) by the state, the terms of which, the resolution stated, were favourable to the peasants (i.e., approximately the same price as the free market price). The aim of the regime, apparently, was not financial gain at the expense of the peasant but an increase in total grain collection. By treating the whole village as a unit, of course, the regime intensified local pressure on recalcitrant farmers and sought to restrict the growing black markets, in an attempt to alleviate the shortfall in bread-grain collection by the state. Indeed, on 12th June Ernő Gerő revealed that Hungary had changed from being a grain exporting to a grain importing country because of the failure of grain collections - and large quantities of fodder, sugar and fats were also having to be imported.⁽³⁰⁾ Between the second half of 1954 and the first half of 1955 the regime had to purchase 500 million deviza Forints worth of flour, bread-grain and fodder grain on Western markets.⁽³¹⁾

The long-term cure, however, was sought in collectivisation. For the moment, the resolution summed up the regime's plan for increased collectivisation through moderate means. It stated that,

in conformity with the resolution of the Third Party Congress, the collectivisation movement must be developed quantitatively through the voluntary enlistment of individual farmers at a pace which would permit the socialist sector of agriculture to gain predominance by the end of the Second Five Year Plan.⁽³²⁾

This, of course, still pointed toward a slow rate of collectivisation. Since the area under cultivation by State Farms, included in the socialist sector, represented 13 per cent, the resolution implied a goal for Collective Farms of at least 37 per cent of the arable land area by the end of 1960. This increase would not have carried the collectivised area very significantly beyond what it had been in June 1953, before Nagy's premiership when, including the area occupied by private household plots, it was about 26 per cent, with a total membership of 376,088.⁽³³⁾

The Central Committee's, and the subsequent resolution's, obsessive concern with the questions of 'sharpening class struggle', the 'isolation of kulks' and the middle peasants was unjustified by reality because - as a result of the pre-1953 policies - many of the kulak holdings (the above 25 cad. yokes category) had already been liquidated and after 1953 the number of remaining kulak holdings, together with the 20-25 cad. yokes category just below it, did not increase in number, but rather declined from 1954 on. Between June 1953 and June 1956 the number of kulak holdings decreased in each year by 1,400, 2,000 and 600 respectively while the number in the 20-25 cad. yokes category decreased by 4,100 between 1954 and June 1956.⁽³⁴⁾ Thus, the issues regarding the 'kulak danger' and 'sharpening class struggle' were deliberately exaggerated in order to provide the framework for collectivisation.⁽³⁵⁾

While Nagy's policies had been repudiated, especially his low priority treatment of heavy industrial development, the investment plan for 1955, adopted at the March Plenum, on the whole still reflected the policy of the 'New Course'. Clearly, after the reversal of investment policy in June 1953 and, especially, in 1954 - the effects of which had not been fully absorbed yet - another reversal must have presented genuine difficulties. This fact, perhaps, explains the setting of lower targets for 1955; even these were not achieved, however. Actual total investment at current prices, was 10,892 mill. Forints (the lowest since 1950 and 728 million Forints below that in 1954 (which was 11,620 mill. Forints).⁽³⁶⁾ The share of industry was 4,698 mill. Forints (40.4 per cent) - with heavy industry taking 3,853 mill. Forints (82 per cent); light industry 397 mill. Forints (8.5 per cent); food industry 448 mill. Forints (9.5 per cent). The new regime apparently realised the importance of adopting a strongly agrarian-oriented investment plan. The share of agriculture in total investment, at 2,668 mill. Forints, was slightly below that in 1954 (at 2,677 mill. Forints) but in relative terms, at 24.5 per cent, it represented a larger share of the total investment than in 1954: of this the share of State Farms was 982 mill. Forints (36.8 per cent), MTSs 444 mill. Forints (16.6 per cent), forestry 373 mill. Forints (14 per cent) and other state organisations 525 mill. Forints (19.8 per cent) - making the total investment allocation to the state sector 2,324 mill. Forints (87.1 per cent), to the collective sector 341 mill. Forints (12.8 per cent), and to other cooperative agencies 3 mill. Forints (1.1 per cent). It was only during 1956 - and not because in the last quarter of that year all investment temporarily stopped due to the crisis - that agricultural investment declined to 1,800 mill. Forints, representing about 16 per cent of total investment. As a result of the level of investment and, perhaps, because Nagy's investment policy in agriculture was making itself felt in 1955, mechanisation in agriculture significantly increased between 31st December 1954 and 31st December 1955: agriculture

received 5,975 tractors, 3,709 tractor-ploughs, 638 harvesters, 468 threshing machines etc. - the momentum of mechanisation, however, slowed down again during 1956 when the increases were 1,838, 2,591, 237 and 326 respectively.⁽³⁷⁾ Compared with 1954 (see: p.784) there was a decline in the overall utilisation of artificial fertilizers in 1955; this level then remained unchanged in 1956, as shown in Table 11.1:⁽³⁸⁾

**Table 11.1 Annual Consumption of Artificial fertilizers
in 1955 and 1956**

Year	Consumption in tons			Consumption in kg/cad. yoke		
	S.F	C.F	National	S.F	C.F	National
1955	118.5	62.8	256.0	105.9	51.1	27.3
1956	106.5	91.0	256.7	96.0	54.1	27.4

Source: See n. 38, p. 978

The reduction in consumption of artificial fertilizers was largely due to the radical reduction in imports.

One of the main weaknesses of the economy was in foreign trade, where the continued deterioration caused serious concern for the government. In 1955, while the import plan was 'over fulfilled' by one per cent, the export plan was under fulfilled by 7 per cent. The deficit in the balance of payments was brought about by the decline of more than 25 per cent in exports to Western countries: according to calculations of the Central Statistical Office debts to western countries had increased by 785 mill. deviza Forints during 1955. This was only slightly offset by the reduction in debts to socialist countries by 436 mill. deviza Forints.⁽³⁹⁾ Improvement in the balance of foreign trade, however, conflicted with the new policy of industrialisation - which became more conspicuous during

the execution of the 1955 plan - and with the further strides towards the development of heavy industry made during the preparation of the Second Five Year Plan, beginning in August 1955 - delayed once more by the political turmoil - which envisaged an annual average rise of 11 per cent in heavy industrial production between 1956 and 1960.⁽⁴⁰⁾ A reduction of 500 mill. deviza Forints in debts was planned for 1956, but only 37 mill. deviza Forints reduction was achieved, partly because the Plan was totally unrealistic and partly because of the uprising that year.⁽⁴¹⁾

Following the March and, especially, the June Central Committee meetings the numerical development of collectives was again pushed for a while still, at least officially, on a voluntary basis, although this was frequently backed up by heavy-handed agitation and propaganda campaigns for collectivisation of individual farmers.⁽⁴²⁾ Pressures on, and prosecution of, the kulaks became more and more intensified too; official spokesmen began to complain that kulaks and other 'class enemies' were sabotaging the delivery programme:

last year, kulaks and speculators in the villages grew much stronger. They have in every way endeavoured to undermine discipline among the citizens, they have hampered delivery schedules ...⁽⁴³⁾

The result was that dissolutions of and withdrawals from collectives came more or less to a halt and the number, area and membership of collectives, after two years of decline, began slowly to rise once again. It is difficult, even today, to measure the degree of success the regime had achieved during this period of 'voluntary' collectivisation. This is so for several reasons. First it must be borne in mind that during the first half of the year, as in 1954, dissolutions of and withdrawals from collectives continued, all be it at a lower rate. Second, lack of monthly figures on the development of collectives does not permit a month by month evaluation; all the statistical publications given are end of year levels.

Third, much of the contemporary press information is shrouded in official claims that do not give an accurate picture. Nevertheless, according to one source, during 1955, mostly during the first six months of the year, 30,000 members withdrew from collectives in approximately equal proportions from Types I, & II and Type III.⁽⁴⁴⁾ According to another source, during the first six or seven months, while 7-8,000 families had left, 21-22,000 families had joined the collectives.⁽⁴⁵⁾ Contemporary press reports noted that between 1st April and the end of June, 147 new collective farms were formed and, in the same period, 15,000 new members were added to total membership⁽⁴⁶⁾, while another reported that between 1st January and 1st August 30,000 peasants had joined the collectives.⁽⁴⁷⁾

Be that as it may, without doubt collectivisation showed very modest success during this phase. Indeed, from the middle of June to the beginning of August official spokesmen publicly voiced their dissatisfaction with the 'unsatisfactory' progress and even 'stagnation' of collectivisation on numerous occasions.

All this was to change during August. Rákosi, not content with the very modest gains in collectivisation in the, more or less, 'voluntary' phase, now decided to step up the rate of collectivisation. The Politburo met on 11th August and, after condemning the 'lack of progress', Rákosi told its members that if the rate of collectivisation could only be increased by the application of administrative methods, i.e., by coercion, that would be a 'lesser evil'. He hinted that 'when someone was called in to pay taxes that could not be regarded as an administrative method'.⁽⁴⁸⁾ Henceforth, the 'voluntary principle' was thrown overboard and a new vigorous collectivisation policy inaugurated with immediate effect. During the first 20 days of August, it was reported, 5,000 new members were added to total membership, to bring the total increase, between 1st January and 21st August, to 35,000; during the same period, 156 new Type III

Collective Farms, as well as 66 Types I and II farms, were formed and about 20-25 new collective villages were created. i.e., where 50-80 per cent of the local population or arable land area was in the collective sector.⁽⁴⁹⁾

The pressure for collectivisation was further increased by a Politburo meeting on 31st August, which passed a resolution obliging party and state organisations 'to double their efforts' in collectivisation. The resolution pointed out that prevailing conditions permitted a 'great leap forward' and stated that it was desirable to achieve the goal of collectivisation set for the end of 1955 by the end of September, in order that communal work could then begin during the autumn.⁽⁵⁰⁾

Why this sudden change in policy in August? It would appear that, apart from Rákosi's growing impatience with the slow progress, there were two fundamental, objective, reasons for the dramatic increase in the rate of collectivisation. First, by August it had become known that, because of the good weather, the 1955 harvest was excellent; this prompted Rákosi to believe that a much higher rate was possible without the difficulties he had to face during 1952/53.⁽⁵¹⁾ Second, for the first time, the average crop yields on State and Collective Farms exceeded those on individual farms; this brought the question of private ownership of land into question.

In 1955 (the last full year before the uprising), partly because of the good weather (plentiful rainfall), partly because of hard work by the peasantry, and partly as a result of Nagy's policies, either still operating or indeed continued by his successor, e.g., investment, incentives, agricultural production developed favourably. The fact that some 1,500 rail wagons of quality seed went into the soil also contributed to the good harvest results.⁽⁵²⁾ The levels of agricultural production in many branches, especially crops, were better than at any time since 1945 (including 1951) and comfortably exceeded even the pre-war levels: compared with 1938 and 1949 total, gross and marketed agricultural outputs, at

constant prices, were 108 and 128 and 105 and 127 respectively (see p.775), while the increases in total gross and marketed production compared with 1954 were 11.5 and 21 per cent respectively.⁽⁵³⁾ As a result, in 1955 total agricultural procurement was more than 28 per cent greater than in 1954⁽⁵⁴⁾ and the increased crop procurement plan was over-fulfilled by 3 per cent.⁽⁵⁵⁾ Some improvement in livestock production, especially pigs and poultry, also took place: the number of livestock at the end of 1955 was generally higher than in 1954, although the number of cows failed to grow satisfactorily (see p.777). The quality of livestock raising also showed a slow improvement and yields of dairy products increased.

Because of the good harvest and the financial assistance provided for State and Collective Farms, average yields on both significantly improved and, as noted, exceeded those on individual farms for the first time. The development of yields in 1955 is shown in Table 11.2:⁽⁵⁶⁾

Table 11.2 Development of average yields in 1955 for selected products

Crop	Average yields of 1955 as percentage of years		Average yields of S.F C.F.	
	1931-1940	1954	as % of individual farms	
Wheat	113.9	132.4	138.1	119.0
Rye	107.7	118.6	137.3	125.4
Autumn barley	151.2	158.6	120.3	110.2

Source: see n. 56, p. 979

It should, however, be noted that although yields on collectives were better than those on individual farms for most crops, their total gross and marketed production and procurements per unit of arable land were still below those of

individual farms. This was so for several reasons: first, their relatively lower share in intensive branches of production such as horticulture and their backwardness in livestock raising and marketing etc.; second, their still relatively low level of mechanisation and continuing labour shortage;⁽⁵⁷⁾ third, the low level of technical education of their management personnel in 1955, for example, only 157 persons completed the 10 month chairman's course and 423 the accountant's course.⁽⁵⁸⁾ Many chairmen and top managers on collective farms lacked any appropriate qualification and many managerial posts remained unfilled. The distribution of management by level of training, in 1955 is shown in Table 11.3:⁽⁵⁹⁾

Table 11.3 - The distribution of Collective Farm managers by level of professional training in 1955

Name	University	number with		number without professional training	Total
		Secondary training	Elementary		
Chairmen	40	636	899	2184	3759
Agronomists(a)	49	142	77	33	301
Accountants	28	314	1791	1442	3635
Brigade Leaders	4	83	1361	3515	4963

(a) members and employees

Source: see n. 59, p. 979

Finally, concerning procurements, the lower level per unit of arable land was because of their lower delivery obligations and the fact that increasingly a larger proportion of the labour-day payment (munkaegység) was made in kind to their members, e.g., in 1955 71.5 per cent of each labour-day unit worked was paid in kind.⁽⁶⁰⁾

In 1955 total industrial production, at 1954 prices, was also 9.6 per cent more than in 1954,⁽⁶¹⁾ despite the fact that one-fifth of industrial enterprises failed to fulfil their plans.⁽⁶²⁾ The increase was aided by a 1.9 per cent increase in the size of the workforce⁽⁶³⁾ and the increased share of investment projects completed - most of which were stopped under Nagy. More important, however, was the improvement in labour discipline and productivity under the new political climate and the reorganisation and tightening of 'slackened' norms. Quality and choice, however, did not improve.⁽⁶⁴⁾ Because of the appreciable increase in industrial and agricultural production National Income rose by 8.9 per cent compared with 1954.⁽⁶⁵⁾ At the same time, the growth of consumption, or rather real wages and real incomes, slowed down: while in 1953 and 1954 per capita total consumption increased by 9 and 7 per cent respectively, in 1955 the increase was only 3 per cent.⁽⁶⁶⁾ Compared with 1949 the index of real wages of workers and employees was 106 in 1955 while the increase, compared with 1954, was 3.5 per cent.⁽⁶⁷⁾ The slow down in the increase in real wages of workers and employees was partly due to the reorganisation and tightening of norms and other measures which affected all strata of the population, e.g., pension contributions increased from one to three per cent - which alone resulted in a 700 mill. Forints reduction in total net earnings;⁽⁶⁸⁾ and, after two years of cessation, the subscription rates for 'Peace Loans' were increased. There were also increased taxes for childless couples, stricter conditions for claiming sickness benefit and disguised price increases, all of which in one way or another affected real wages.

Because of the excellent harvest, and the incentives offered to the peasants to sell on the free market after compulsory deliveries had been made, the real incomes of the peasantry, despite increased compulsory deliveries and tax burdens, developed more favourably than planned and significantly exceeded those of industrial workers: compared with 1949 the peasants' real income and

consumption in 1955 were 18 and 25 per cent higher respectively, and 8 per cent higher than in 1954.⁽⁶⁹⁾ According to later calculations the increase in the purchasing power of the peasantry in 1955, at 2,300 mill. Forints, was the highest⁽⁷⁰⁾ in any year 'till then, and the peak in the real incomes and consumption of the peasantry was reached in 1955 rather than 1954, as had often been suggested earlier.⁽⁷¹⁾ It should, however, be noted that the increase, if any, in the real incomes of many poor peasants, who after fulfilling compulsory deliveries were left with no surplus to sell on the free market (or only if they reduced their own consumption) was considerably less. The good harvest results also benefitted the incomes of collective farms and their members: while the value of one labour-day unit (munkaegység) in 1954 was 25.71 Forints, this increased in 1955 to 31.93 Forints. Furthermore, the proportion of collective farms which closed the economic year with a deficit declined from 58 per cent in 1954 to 21 per cent in 1955; the total deficit was reduced from 300 mill. Forints to 128 mill. Forints within the year.⁽⁷²⁾

Thus, it can be seen that, in the sphere of incomes the beneficial influence of the post-1953 measures continued to make itself felt. That an even more dynamic increase in real incomes did not occur was due to the marked extension in the compulsory delivery system and in the tax burden levied on the peasantry in 1955. With regard to the former, while the rates of compulsory delivery quotas established in 1954 remained unaltered for 1955⁽⁷³⁾, a number of products, above those stipulated by the basic compulsory delivery regulations - which the state originally intended to purchase on the free market - were brought under the umbrella of compulsory deliveries, for both collective and individual farmers, thereby violating the compulsory delivery regulations which were supposed to have been established for several years in advance. From now on, the delivery obligations levied on the peasantry were made up of three parts:⁽⁷⁴⁾

- i) tax in kind - for which the peasants received no compensatory payment;

- ii) basic compulsory delivery obligation, laid down in the original regulation - for which the peasants received low, 'nominal' compulsory delivery prices;
- iii) extended compulsory obligation newly prescribed by the 1955 regulations - for which the peasants received 'free' state procurement prices.

The last, while generally not as disadvantageous to the peasants as the basic compulsory deliveries, created resistance and a feeling of animosity towards the regime among the peasants and adversely affected the party and state authorities' relations in the countryside, not only because it meant an increase in compulsory deliveries, but also because of the regime's breach of promise. It also, of course, adversely affected the peasantry's income and resulted in the renewed decline of the free market too. The reason behind this, it was officially explained, was the rapidly accumulating foreign debt, and an effort to try to increase the exports of agricultural products.⁽⁷⁵⁾

In 1955 the regime also increased the level of taxation on the peasantry - although even with the increase the taxation of the rural population did not reach the pre-June 1953 level. In 1954, out of the total 3,550 mill. Forints levied on the population as a whole, the share of rural money taxes was 2,194 mill. Forints and the tax-in-kind amounted to a value of 240 mill. Forints.⁽⁷⁶⁾ The actual amount of money taxes collected by the state from the rural population in 1954 was 2,108 mill. Forints in money taxes and 200 mill. Forints in tax-in-kind, leaving arrears to the tune of 86 mill. Forints of money taxes and 40 mill. Forints of tax-in-kind respectively. At the same time, the regime collected 150 mill. Forints through the compulsory insurance system against fire and damage by hail.⁽⁷⁷⁾ In 1955 the government increased rural money taxes by 143 mill. Forints, to a total of 2,337 mill. Forints and levied an additional 240 mill. Forints of tax-in-kind, making the grand total rural taxation of 2,550 mill. Forints. In addition, the decree on taxes also stipulated that 250 mill. Forints out of the total debt arrears of the rural population would have to be collected in 1955.⁽⁷⁸⁾

Besides taxes, a large proportion of the debts, 319 mill. Forints⁽⁷⁹⁾, represented redemption loan-debts incurred by the peasants in respect of land received under the Land Reform of 1945. Because of the hardships of ensuing years many peasants, especially the poorer peasants, were either unable 'to redeem' or paid off this loan only in part. Now, in its attempt to speed up the process of collectivisation, the regime used this un-paid debt as a lever against peasants who resisted the pressure to join the collectives by demanding payment in full from those who were outside, while suspending payment by those who were, and remained, in the collectivised sector.

In August 1955, largely, as noted earlier, in response to the good harvest results, the programme of collectivisation, and the pressure on peasants to enter the collectives, were stepped up again using the old methods which were so familiar during the collectivisation drive of 1951/2. While in August there were still many official complaints about the slowness of collectivisation, by the autumn all these complaints had died away. The peak of this new wave in collectivisation was in September-October and it lasted, with diminishing results, until about the spring of 1956. During this period the anguished peasants once again became the subject of harassment, confiscation and impossible demands.

While until August, under the 'voluntary stage', some administrative measures were used in establishing collectives, e.g., making withdrawals from collectives more difficult, by the occasional, and rather moderate commassation and agitation against small tenant farmers (leasing land from the State Land Reserve Fund) (kishaszonbérlet), making property rights more and more insecure and increasing the general level of economic burden on the individual peasants (though this was more bearable because of the good harvest), the situation in respect of all these and other devices worsened considerably during September and October. As before the chief methods of getting the peasants to enter the collectives continued to be:

- i) economic and financial support for collectives,
- ii) social benefits for members of collective farms,
- iii) political, social and economic pressure on individual peasants

A decree published on 30th July announced that collective farms would be specially favoured in receiving supplies of seed-grain, graftings, insecticides, small machinery and other equipment, in conclusion of contracts for breeding and fattening of livestock, and in the extension of loans.⁽⁸⁰⁾ In similar fashion it was promised that members of collectives were to receive privileges in free medical treatment, family allowances, maternity benefits, pensions, tax relief and reduced delivery quotas on the produce from private household plots.⁽⁸¹⁾

It has been suggested that peasants might have been attracted by the improved results of some collectives, and also encouraged by some of the concessions, e.g. by the reduction in delivery quotas despite the good harvest, in their decision to enter the collective. There is no evidence to support this. Neither contemporary press nor internal party reports ever indicated (or exploited) such cases. Clearly, it was the widespread utilisation of administrative measures which played the crucial role in forcing the peasants into the collectives.⁽⁸²⁾

The attack on the peasants, as before, was accompanied by heavy-handed agitation and propaganda campaigns. Since local members of collectives generally refused to participate, officials from outside areas were brought in for the purpose of agitation.⁽⁸³⁾ Some 1,200 'people educators', 'experienced' party and factory workers 'capable of exercising leadership' were reported to have been sent by the regime to the countryside to strengthen and help the collectivisation campaign - one-third to MTSs and State Farms.⁽⁸⁴⁾ In many districts and villages these agitators violated the law, using excessive pressures, even terror, against working peasants who refused to give up their land 'voluntarily' and join the collective. It would appear from the available evidence that, in some instances, party functionaries who blatantly violated the law, e.g.,

the use of actual physical violence, were brought before the courts, some even expelled from the party, but generally party and government authorities closed their eyes to 'milder' forms of coercion.⁽⁸⁵⁾

The two perhaps most effective and speediest ways to facilitate the extension of the collectivised sector were through the attack on small tenant farming (kishaszonbérlet) and the reintroduction of commassation of land. Regarding the first, administrative authorities began to dishonour contractual arrangements valid for several years ahead and give notice to peasants to quit the land they leased from the State Land Reserve Fund. In 1955 this measure alone resulted in 500,000 cad. yokes addition to the collectivised land area; but only a minority of these small tenant farmers actually became members of the collectives.⁽⁸⁶⁾

The June 1955 Resolution had reintroduced the special, and without question the most effective administrative weapon of harassing the individual peasants and compelling them to enter the collective farms, namely, 'partial and general commassation of land' (részleges és általános tagosítás), i.e., to consolidate the holdings of state and collective farms by regrouping their land into one piece. Since general commassation of land was, at least theoretically, permitted in localities where 80-90 per cent of the peasants had joined the collective, while partial commassation of land could be carried out without any limitation - hence giving organisers of collectives more far-reaching powers - the latter was considerably more widely used, and abused, than the former.⁽⁸⁷⁾ On 31st August the Politburo designated 200 villages where general, and 200 collectives where partial commassation of land were to be carried out, within specified dates, by the end of the summer.⁽⁸⁸⁾ In 1955 the level of commassations was the same as during the early 1950s: the 1955 commassation directly affected 97 working peasants in each locality on average, which corresponded to the average number of peasants affected by commassations

during the early 1950s. There was, however, a significant difference compared with previous years. Since the number of rich peasants decreased significantly over the period, which is confirmed by the fact that only 4-5 richer peasants were directly affected in each locality, the reason d'etre of commassations, i.e., the alternatives of accepting inferior quality land in exchange or joining the collectives, were much less concealed now than during the early 1950s.⁽⁸⁹⁾ As before, commassations, the absence of proper compensation, greatly reduced the willingness of the individual peasant to produce.⁽⁹⁰⁾ Moreover, because of the threat of commassations the individual peasant was not only unwilling to make investments but was also reluctant to use the necessary quantity of fertilizers on his land, with adverse effects on productivity, yields, etc.⁽⁹¹⁾ The 1955 commassations, of course, came too late to have an effect on the 1955 production results; their adverse effect was to be felt the next year.

Among methods used to force peasants into collectives was an arsenal of other arbitrary and 'Draconian' administrative measures - called for by Rákosi during the summer - which were applied against peasants who failed to fulfil sowing plans, the new delivery quotas or other obligations.⁽⁹²⁾ The most brutal method, perhaps, was the so-called 'transfer' (transzferálás) of peasants, when, because of tax or delivery arrears, peasants 'without any advance notice', were forcibly moved out of their own homes and land and 'transferred' to other parts of the country.⁽⁹³⁾ And often, if no 'reason' at all could be found, peasants who were most highly respected in their own villages were simply singled out and harassed until they agreed to join the collective. Similar measures had been taken against the better-off peasants and the 'kulaks'. Since the number of kulaks had fallen over the years, the attacks were now on 'kulaks and better-off peasants'. And in many ways it was like the 'old days' again. In the summer of 1955 the Rákosi regime tacitly reinstated the infamous 'kulak list'.⁽⁹⁴⁾ The fight against kulaks - or rather 'rich peasants' as they were referred to in a wider

sense - had been revived, in the spirit of 'sharpening class struggle'. They were denounced as the only people who opposed the government's policy of developing collectives, and who were even encouraged by 'treacherous emigres' in the West.⁽⁹⁵⁾ In villages where a general commassation programme had been carried out they were ordered, without further ado, to leave their land by a set date, as it was designated to become Collective or State Farm land.⁽⁹⁶⁾ District and village party and government authorities were instructed to take resolute action against the class enemy's anti-kolkhoz activities, and to prevent 'kulaks' and other class-alien elements from infiltrating the collectives.⁽⁹⁷⁾

The early results of the autumn collectivisation campaign were encouraging for the regime. During September and October the organisation of collectives moved from the counties in the Trans-Tisza region (i.e., eastern Hungary, with many poor peasants a hotbed of radicalism) to the Trans-Danubian region (i.e., western Hungary, a stronghold of small and medium peasants). Within one week in September, in the county of Somogy, 985 new members entered the collectives⁽⁹⁸⁾ and in the counties of Somogy, Komárom and Fejér, 28 new 'Cooperative Villages' were inaugurated,⁽⁹⁹⁾ while in the counties of Vas and Zala, it was reported, Cooperative Villages were inaugurated, 'one after another, by the dozen'.⁽¹⁰⁰⁾ Since the aim of the regime was the exclusive promoting of the development of the higher, Type III, collectives (i.e. kolkhozes) the peasants were mostly organised into existing collectives. In many instances even lower, Types I and II, collectives were forcibly 'reorganised' into the higher type: the number of Type III collectives increased by 21 per cent, while the number of Types I & II declined by 17 per cent.⁽¹⁰¹⁾

By November 1955, the target set by the Politburo for the acreage collectivised had been overfulfilled by 40,000 cad. yokes, and membership, too, increased by more than planned: during the second half of 1955 the total number of collectives increased by about 450, 67,000 families entered collectives⁽¹⁰²⁾

and total membership grew by almost 76,000.⁽¹⁰³⁾ At the same time, 219 new 'Cooperative Villages' were created.⁽¹⁰⁴⁾ The majority of families had entered the collectives during the autumn campaign - in September alone some 20,518 families had joined.⁽¹⁰⁵⁾ Encouraged by these early results, the leadership decided at the Central Committee meeting in November 1955 to keep up the campaign and make collectivisation a 'permanent task'.⁽¹⁰⁶⁾ Thus, agitation, propaganda and coercion continued during the first months of 1956 and by the end of February 1956 a further 21,000 peasants had been forced into the collectives.⁽¹⁰⁷⁾

During these months, many, especially, the poor peasants gave up their land rather than attempt to fight against the pressure. Some were simply rejoining collectives. Most of those entering for the first time were poor peasants with a few acres of land: the average area per member brought into the collectives in 1955 was 4.4 cad. yokes; by 1956, however, this figure declined to 3.6 cad. yokes.⁽¹⁰⁸⁾ There were counties, however, where the average was considerably less, hardly more than the size of their private household plots. Despite the regime's increasing use of force, especially in the Trans-Danubian region of the country - ignoring the earlier promises not to repeat the mistakes of the pre-1953 era - its aim regarding the middle peasants was not achieved. Contrary to the party's expectations, the middle peasant once again proved the most resistant to official policy. This is confirmed by the fact that the proportion of middle peasants in collectives, i.e., farmers with more than 7 cad. yokes, declined from 28 per cent at the end of 1954 to 27.1 per cent by the end of 1955.⁽¹⁰⁹⁾ The small number of middle peasants who entered were in places where new collectives were formed, or where the pressure of 'general' or 'partial' commassation in their villages forced them to join.⁽¹¹⁰⁾ Indeed, the predominance of poor peasants entering the collectives caused some concern within the party's leadership. This is indicated by the fact that Rákosi raised

this issue at the Politburo meeting on 1st December 1955, pondering what was to happen when 'we gradually run out of poor peasants'. Then, he declared, 'we shall have to move with force against the middle peasants', and he designated the use of commassations as the main weapon against them.⁽¹¹¹⁾

Although the numerical results of the autumn collectivisation campaign, and selective economic indicators such as yields, may have looked favourable, the reality inside many collectives looked drastically different. Even more difficult than forcing the peasants into the collectives was getting the collectives to function properly. Although the peasants initially gave into pressure, a large percentage of the 450 newly formed collectives existed only 'on paper', as nominal groupings, where labour discipline was extremely slack and communal work never really began.⁽¹¹²⁾ By late 1955 there were already signs that in many collectives, where there was often not even work for the newly recruited members - partly because of organisational problems and partly because of lack of resources for investment - they became disillusioned and demoralised, and either seldom showed up for work or simply began to drift away from the collectives again.⁽¹¹³⁾ This was despite the decree provision that membership was compulsory for at least three years. Members who left after that period were not entitled to receive the same land they had brought in, but were to be compensated with land of 'equal value' elsewhere in the village, so as not to break up the collective fields.⁽¹¹⁴⁾ At this stage, this 'drifting' was on a small scale but it became considerably more serious by the spring of 1956. Nevertheless, the alarm was raised at the Politburo meeting on 1st December 1955, which demanded that

efforts must be made to ensure that collectives begin to carry on with collective work, otherwise the entire system will disintegrate ... we must not allow matters to reach the stage when the situation of 1953 (i.e., dissolutions) is repeated.⁽¹¹⁵⁾

Another problem giving some concern to the regime was that when they entered the collective the majority of peasants kept back more animals and equipments for their 'oversized' private household plots than was officially permitted. Apart from natural resistance on the part of the peasants, there were two main objective reasons for their reluctance: first because many collectives did not have the financial resources to pay for them⁽¹¹⁶⁾ and, second, the peasants kept 'postponing' handing them over because of lack of fodder to feed them and lack of stabling.⁽¹¹⁷⁾ The regime had passed several decrees, in fact, regarding the terms of payment to be made to peasants contributing livestock and equipment to the collective when they joined. Such payments were, of course, always obligatory but more often than not, in practice, no such payments were made. This policy increased the resistance of the middle peasants in particular. In an attempt to end these abuses by regulating the time and terms of payment, a Ministry of Agriculture decree in September 1955 specified that 25 per cent of the sum to be paid to members would have to be put in the collectives' 'reserve fund' and 75 per cent had to be paid to the contributing members, in four equal yearly instalments.⁽¹¹⁸⁾ To facilitate this, credit was made available for the collectives. A large percentage of the newly formed collectives which decided to take on the credit commitments, however, rapidly became heavily indebted.⁽¹¹⁹⁾ It was, then, not surprising that by early 1956 reports were flooding in noting that newly formed collectives were unable to meet their delivery obligations, and that their production and income prospects were giving cause for serious concern. Yet, the ideological prejudice of the regime against measures introduced by Nagy during the 'New Course' was clearly demonstrated when the Politburo, on 18th January 1956, introduced two new measures which adversely affected the operational prospects of collectives even further; first, it revoked the 1953 concession, cancelling delivery arrears accumulated before 1953 - henceforth, part of the arrears could be suspended only on condition that

the collective fulfilled its delivery obligations to the state in the coming years in full, and, second, credit debts, also suspended in 1953, had to be repaid: in 1956 this amounted to almost 444 mill. Forints.⁽¹²⁰⁾ It is not known how much of this debt was in the event discharged, but considering the poorer 1956 harvest it represented a significant burden and depressed the mood of collective members even further.

The peasants' resistance to collectivisation can, also, be seen in their attitudes towards private plot farming. Criticisms of 'overconcentration' on private plots continued throughout 1955. Private plots were enlarged far beyond what was officially permitted under the laws. In response to an earlier Council of Ministers resolution, a decree was issued by the Minister of Agriculture providing that collective members had to transfer to the collective all personally farmed land in excess of a one cad. yoke private plot.⁽¹²¹⁾ Members were allowed to keep one private cow, any others had to be sold. The collective, it was stipulated, had the first option on purchasing this excess livestock, and if it did not choose to buy it the farmer had to sell it elsewhere and surrender 20-35 per cent of the selling price to the collective. Those who failed to comply with the regulation limiting private plot sizes and livestock numbers were set compulsory delivery quotas on all the land they farmed at the assessment rate for individual farmers, and these quotas were made retroactive to 1954.⁽¹²²⁾ Despite these stringent regulations, concern with the 'unhealthy growth' of private plots and excess livestock continued and there were frequent calls to control the situation. On 7th May 1955 Ferenc Erdei revealed that already 25,000 cad. yokes more land was in collective private plots than permitted; the figure continued to grow during 1955.⁽¹²³⁾ The farm and private plot concessions granted by Nagy in 1953 created a reaction among the peasant population which could not be effectively controlled and indirectly contributed to the disorganisation of the collective sector. Complaints about collective members who tilled their land illegally and

were preoccupied with private livestock instead of working on the collective were abundant throughout 1955. In some instances members only visited the Collective Farm when they had to borrow a team of horses for their private plots.⁽¹²⁴⁾

The widespread use of coercion to force the peasants into collectives, however, achieved the exact opposite of what was intended. By the end of 1955 peasant attitudes towards collectivisation began to harden. The use of force also weakened the party's position in rural areas even further. Moreover, it generated a high degree of 'unease' and 'uncertainty', not only among the ranks of the rural party, but also among Central Committee members. But in a speech to the Budapest Party Academy in late autumn, Rákosi defended his policy, declaring that 'one can only learn to swim in water'.⁽¹²⁵⁾ In other words, only inside the collective could the peasant 'learn' to become a convinced collective farmer. And first he had to be made to join the collective. Rákosi's declaration, however, failed to dispel the growing doubts of many rural party members, especially those who were called upon to apply the coercive measures. By the end of 1955 there were already signs that the rural party activist was beginning to 'lose faith' in the effectiveness, and even the correctness, of the methods used; many became cynical and hesitant if this was indeed the 'only correct method to collectivise'.⁽¹²⁶⁾ And this was sensed by the peasants, who responded by progressively increased resistance to collectivisation. With great astuteness they perceived the opportunities presented by the situation and fought back in every way they could: by 'drifting' out or withdrawing from the collectives, working on their private plots, and seldom showing up for work in the collective, withholding their production and refusing to deliver food for the cities.

The problems of growing peasant resistance and the prospects of the polarisation of organised 'peasant unity' were used by Rákosi as a pretext to abandon the organisation of the Patriotic People's Front (Hazafias Népfront),

which had created so much tension between him and Nagy a year before. To reduce the importance of the movement in the cities presented no great difficulties, since it was sufficient not to develop it further or merely to maintain formal relations between the mass organisations (tömegszervezetek) and people's front committees (népfrentbizottságok) affiliated to the Patriotic People's Front (PPF). The situation was considerably more complicated, however, in the villages, where farmers' circles (gazdakör) and other clubs, e.g., reading clubs (olvasóegyesület) had been established by the PPF within its organisational structure. These farmers' circles played an important part in rural life, in fact, in the pre-communist era. During the first period of collectivisation, 1948-1949, they were dissolved on the grounds that they were rallying points for 'enemies of collectivisation' and all their property and funds were confiscated. With the establishment of the PPF the Nagy regime revived these farmers' circles, and their property had been returned, apparently as part of the regime's attempt to broaden its base of popular support. In addition, it was probably hoped that the mingling of individual and collective peasants would weaken the reluctance of the former to collectivise. There were, however, a number of press complaints that individual farmers in the circles often refused to admit collective farmers into their groups. Because these branch organisations formed an integral part of the PPF, the 'withering away' of the movement in rural areas could only be solved by detaching them from the PPF or banning them altogether. On Rákosi's proposal, taking the first option, they were separated from the PPF and attached to local adult educational organisations, under ministerial direction. Rákosi justified his action by declaring that during the process of collectivisation the circles could develop into centres for peasant resistance.⁽¹²⁷⁾

In the meantime, important internal and external developments had been taking place in the wider political sphere, which soon culminated in the historic

political crisis of 1956. The progressive disaffection within party circles and the more gradual articulation of popular discontent have been termed the 'elite' and the 'mass' process respectively in the genesis of the 1956 uprising.⁽¹²⁸⁾ While the mass process did not materialise until the summer of 1956 - after the impact of the intra-party debate and the 20th Soviet Party Congress began to activate the wider public - disaffection at the top began to spread much earlier. While Rákosi, after his victory over Nagy, attempted to re-establish 'the cult of personality' around himself, slowly but surely, opposition within and outside the party began to develop against his attempt to restore his former political power. The opposition to the regime had developed through three distinct phases:⁽¹²⁹⁾

- the first phase began after the Soviet-Yugoslav reconciliation talks, in May-June 1955, by intellectuals, chiefly journalists, writers and other party members had ended, in their defeat, in December 1955;
- the second, more significant, phase opened with Khrushchev's anti-Stalin speech at the 20th Soviet Party Congress in February 1956 and closed in July 1956 with the removal of Rákosi;
- the third phase of opposition was directed against his successor, Gerö, and ended in October in the Hungarian uprising.

Following Nagy's fall most of his adherents, mainly intellectuals and party members - journalists, writers, scientists, artists, university students, together with other intra-party opposition groups, fell into a depressed silence for a while. These heterogeneous groups may not have had a common cause but they shared a deep disappointment and resentment at the failures and crimes of the regime.⁽¹³⁰⁾ They were resentful of those like Rákosi whose policies they saw as an abuse of their ideals and, above all, they were disaffected because of the recent harsh treatment of Nagy and the misrepresentation of his June policy as 'rightist' anti-Marxist deviation by the March 1955 Resolution of the Central Committee.

After his return to power Rákosi moved speedily in the first week of May to a final purge of the remaining journalists who had favoured Nagy's position in October 1954.⁽¹³¹⁾ Some of them were dismissed, some transferred to lesser newspapers, some sent abroad as foreign correspondents; no arrest, however, was made. Finally, the party's official newspaper, Szabad Nép, was 'cleansed' of opposition elements and re-staffed with mediocre, compliant journalists. Rákosi's seemingly secure position, however, was suddenly and unexpectedly undermined by events which revived the 'flagging' spirit of Nagy's followers. The most important one was the visit of Khrushchev and Bulganin to Yugoslavia between 28th May and 2nd June 1955, to re-establish relations with Tito. But beside Soviet declarations that all the accusations against Yugoslavia by Stalin when he expelled Yugoslavia from the Cominform in 1948 had been false, Tito held out for more - he wanted an admissions that each country was free to choose its own road to socialism. And Khrushchev was prepared to give this concession, including the winding up of the Cominform (in the event disbanded in April 1956), whose main task in the recent past had been anti-Yugoslavia propaganda. The Soviet-Yugoslav reconciliation, and the rehabilitation of Tito, had seriously shaken Rákosi's prestige (even in the eyes of some of his own followers) and threatened his position since he, among all East European leaders, had been the leading and most hostile opponent of Tito and he had also been personally responsible for the show-trial and execution of the alleged 'Hungarian-Titoist', László Rajk, in 1949. His anti-Titoist record suddenly became a great liability for him - if Tito was, after all, innocent than Rajk, too would have to be rehabilitated. In Hungary, however, this Soviet-Yugoslav rapprochement was in no way apparent. On 28th May 1955, the day of Khrushchev's declaration in Belgrade, a meeting of the communist party group of the Hungarian State Publishing House was being held in Budapest.⁽¹³²⁾ At this meeting, Miklós Gimes, once the editor of Magyar Nemzet, stood up and, after noting that

Hungarian and Soviet policies seemed to be out of step, called on the party leadership to draw its conclusions from the Belgrade declarations and change its attitude to Yugoslavia, urging revision of the anti-Titoist trial of Rajk and his followers.⁽¹³³⁾ It was clearly an attempt to implicate Rákosi in responsibility for the faked trial. Gimes stirred up a hornets' nest. But Rákosi was not willing to 'clear' Rajk's name and, of course, to admit his own guilt. Within a few days Gimes and others were expelled from the party, while some of his less vocal supporters at the meeting were severely reprimanded.

After Khrushchev briefed the Hungarian (and Czech) leaders in Bucharest on his way home, a communique was issued which expressed hope that 'to strengthen the cause of peace and socialism' friendly relations would be re-established with Yugoslavia.⁽¹³⁴⁾ On his return, Rákosi was still dragging his feet in responding to the new Soviet-Yugoslav line.⁽¹³⁵⁾ At the Central Committee meeting which followed, on 7th-8th June, Rákosi merely 'greeted' Yugoslavia and promised that the 'Hungarian Workers' Party would work with all its strength to improve and deepen good relations with Yugoslavia', and did not raise the all important issue of rehabilitation.⁽¹³⁶⁾ His grudging concession to Tito was the release of Rajk's wife, Julia, from prison in July. For this Tito repaid him in a speech at Karlovac on 27th July with an acrimonious denunciation of 'certain' Hungarian leaders who prevented the restoration of good relations, continued 'their old detrimental policies', and failed to accept the responsibility for the break (with Yugoslavia) and its consequences (i.e., the execution of Rajk and other innocent men).⁽¹³⁷⁾

Thus,

these men have their hands soaked in blood, have staged trials, given false information, sentenced innocent men to death. They have had Yugoslavia mixed up in all these trials, as in the case of the Rajk trial, and they now find it difficult to admit their mistakes before their own people.⁽¹³⁸⁾

Rákosi's response, and his first public reference to the issue, was in his speech at Csepel on 8th August, in which he still failed to mention the Rajk case (indeed, he failed to mention it even as late as the November Central Committee meeting) but feebly shifted the responsibility for the anti-Yugoslav and anti-Tito campaign of past years to his Secret Police Chief, Péter Gábor (already in prison). In his speech, Rákosi even pretended that complete uniformity of opinion had been achieved within the party.⁽¹³⁹⁾ For a while the outward appearance was that Rákosi had won the day and succeeded in re-consolidating his power. Indeed, the public revision of the Rajk trial had to await almost another year, when the impact of the 20th Soviet Party Congress put the process of his (and others') rehabilitation into motion. And only months after that did Hungarian policy towards Yugoslavia begin to change to some degree.

Failure to rehabilitate Rajk created further tensions and played no small part in even further alienating the intelligentsia, who became increasingly restive; it also increased disaffection even within leading party circles. The Rajk case and the rehabilitation of the victims of the show trials, however, were not the only subject of discontent. Lack of some degree of free criticism in cultural affairs was another important issue throughout the summer, creating tensions within intellectual circles. Conformity and sectarianism prevailed, the party leadership banned the production of certain dramas and the publication of certain books. In September 1955 the issue of Irodalmi Újság⁽¹⁴⁰⁾ was confiscated by the police because it contained two critical pieces of poetry - one by László Benjamin, ridiculing the 'writer' Minister of Culture, József Darvas, who 'after lecturing the writers should himself show how to write' and the other, by Lajos Kónya, hinting at the misery of the peasants brought upon them by the ongoing 'land commassation' policy.⁽¹⁴¹⁾

The writers, already exasperated by the sanctions and prohibitions which hit dozens of novels, plays and poems, reacted with unprecedented temerity. The

seizure of the journal was the last straw and it provided an excellent opportunity for the disaffected intellectuals to launch a broad protest movement against the restoration of Rákosi's former power and to resist the loss of freedom they had gained under Nagy's more liberal cultural policy. Lack of satisfactory response from the authorities, after official protest, and the subsequent dismissal of the 'offending' chief editor, on charges of publishing 'anti-party writings' exacerbated the situation even further and spurred the intellectuals into action of a more organised nature. The members of the Presidium of the Writers' Association, almost all of them party members, submitted their resignation en masse. This was a prelude to an even more daring action. Some weeks later, at a meeting of their party cell held between 10th-13th November 1955, a draft letter, signed by 59⁽¹⁴²⁾ intellectuals and artists, which became known as the 'Writers' Memorandum', was read, and after it was overwhelmingly endorsed (by 200 votes to 6, in the presence of two Central Committee members) it was delivered to the party's headquarters on 14th November).⁽¹⁴³⁾ The memorandum, deploring censorship and the 'administrative' and 'despotic' methods employed in the whole of the regime's cultural policy, declared that the intellectuals and artists had had enough and asked for greater freedom for creative artists to pursue their work unhindered.

The significance of the document was not primarily in the content but in the deed. Insofar as the content was concerned it was a rather cautious protest, wrapped in communist jargon, against a displeasing cultural policy of the party. Everyone concerned, however, knew that it was much more than that: it was a denunciation of the entire policy of the party and its present leadership. And although it did not mention Nagy's name it was a covert statement of faith in Nagy's policies and his 'New Course'. The memorandum created a sensation. Next day the whole country had already heard the 'rumours' of the 'rebuff' Rákosi had received from the writers. People did not have the text, but that only made

it more exciting. But Rákosi, not used to affront of such open opposition to him and his regime, reacted without a moment's hesitation and with unprecedented publicity. His first retaliation against the writers was aimed at Nagy. Although Nagy had not been involved in either drafting or adopting the memorandum, Rákosi believed (even if he had no proof) that Nagy must have been aware of it or, perhaps, that he was even the prime motivator. He seized the opportunity provided by the memorandum to strike out against his adversary. Soon after the memorandum was delivered, on Rákosi's direct orders, Nagy was summoned by the Central Control Committee (Központi Ellenőrző Bizottság) which, after enumerating the charges against him - his refusal to make his confession of error and his gathering around himself an anti-party group which had become the 'rallying point of the enemies of socialism'⁽¹⁴⁴⁾ - expelled him from the party, on the same line as the March and April 1955 Resolutions, for 'rightist deviationism', for 'incompatibility with the party spirit' and for diversionary activities.⁽¹⁴⁵⁾ The official confirmation of his expulsion was announced on 3rd December 1955.⁽¹⁴⁶⁾ Nagy, who during the summer was quietly composing the political dissertation that was intended to be his ideological 'defence' of his 'New Course', was devastated by the expulsion.⁽¹⁴⁷⁾ It was apparently after his expulsion from the party that the embittered Nagy added two chapters - one, on 'Ethics and Morals in Hungarian Public Life' and the other on the 'Five basic principles of international relations and the question of our foreign policy' - to his political testimony in December and January 1956 containing harsh condemnation of the prevailing orthodoxy and cautious criticisms of Soviet interference in Hungary's political life and thereby 'setting foot on the road to Damascus'.⁽¹⁴⁸⁾

Having silenced the journalists and had Nagy expelled from the party, Rákosi was ready to move against the rebellious writers. They were first summoned to a large meeting (attended by some 2000 functionaries) of the

Budapest Party Activists held, on Rákosi's initiative, on 6th December in the building of the 'Iron and Steel Workers' Trade Union' (in the same hall in which Rajk and his friends had been sentenced to death). Here, in a stormy meeting, which was described as having had the atmosphere of a lynch trial⁽¹⁴⁹⁾, they were publicly denounced. A Central Committee Resolution was read out condemning the writers because they had:

- launched an attack on the leaders of the party and the state,
- organised a faction to propogate their bourgeoise political and literary ideas, and
- instigated the criticisms of the March 1955 Resolution of the Central Committee

The text of the Resolution was apparently drawn up without the knowledge of the Cental Committee, whose members were supposed to sign it, and numerous signatures were in fact missing, although the Resolution was said to have been 'passed unanimously'.⁽¹⁵⁰⁾ This was a clear confirmation that even the Central Committee was divided on the question of how the case of Nagy should be handled; how he was expelled from the party. Many members of the Central Committee sympathised silently with the writers' resistance and believed that it was incorrect to represent Nagy's June policy as 'rightist' but were too afraid to oppose Rákosi openly. The existence of 'silent sympathy' was revealed by Rákosi himself when, in his report to the Politburo meeting in December on the work of the Central Committee meeting in November, he complained that although the meeting had resolved the basic tasks it had set out to discharge successfully, it must nevertheless be noted that:

there are signs, and we must not gloss over them, that several comrades at the meeting did not entirely agree with the March 1955 Resolution of the Central Committee, nor with the party's present policy, but did not dare to say so, and

remained silent. This state of affairs cannot be maintained for long.⁽¹⁵¹⁾

He recommended that the way out of this undesirable situation lay in increased struggle against the 'rightist' manifestations.

After the meeting the promoters of the memorandum were summoned, one by one, by high-ranking officials of the Central Control Committee (Központi Ellenőrző Bizottság), who tried to convince them of their mistakes and persuade them to withdraw their signatures from the memorandum. After several weeks of considerable pressure and threats most of them obliged. Those who refused were either expelled from the party or severely reprimanded.⁽¹⁵²⁾

For almost two months an atmosphere of uncertainty, fear and isolation descended upon the writers, and Hungarian public life generally. It appeared as though the opposition to Rákosi had been silenced and suppressed once and for all. But it was an illusionary calm and, once again, the 'wind of change' came from Moscow. Unknown to Rákosi, and perhaps even to many leading communists in the Soviet Union, Khrushchev was preparing for the fateful 20th Party Congress. The unsuspecting Rákosi, addressing the Congress on 17th February, i.e., one week before Khrushchev's revelations, proudly announced that by 1960 Hungary would have laid down 'the solid economic foundation of socialism'.⁽¹⁵³⁾ The famous anti-Stalin speech Khrushchev delivered to a closed session on 24th February 1956, in which he bitterly assailed Stalin for his paranoid misdeeds and blunders, threw all the East European countries, especially Hungary, into a state of turmoil. The Congress thus strengthened the position of Nagy and his followers and all those urging change in earlier policies. At the same time, it precipitated the fall of Rákosi.

11.2 The impact of destalinisation, February-October 1956: collectivisation in ferment

When Rákosi returned from the 20th Congress he appeared to be unworried. Khrushchev's report, after all, dealt specifically with Stalin's domestic misuse of power and his bungling of Soviet-Yugoslav relations. He made no reference to Stalinism in East European countries. Leaders there would have to draw their own conclusions, on the one hand, from what they had learned from his attack on Stalin and, on the other hand, from the general drift of discussions at the Congress. Rákosi, not quite sure what was going on in Moscow, had, rather uncharacteristically, misread the changing political climate and even expected the early demise of Khrushchev. When he arrived back in Budapest with a copy of Khrushchev's 'secret speech' in his hand⁽¹⁵⁵⁾, he apparently told his friends not to worry as 'in a few months Khrushchev will be a traitor and everything will be back to normal'.⁽¹⁵⁶⁾ It seems that he either failed to sense the danger to his position or believed that he would be able to ride out the storm. Be that as it may, while Moscow clearly signalled the end of the Stalin era, for the first time 'that tested veteran of the revolutionary movement'⁽¹⁵⁷⁾ - who was always the first in his mechanical imitation of the Soviet Union - did not follow Khrushchev's example in condemning the mistakes of Stalinism.

For about one month following the Congress there was no reaction from Budapest. Rákosi did his level best to minimise Khrushchev's bombshell, and to forestall its effects he tried to keep the full text of the speech secret. He only circulated specially prepared excerpts from it within the party.⁽¹⁵⁸⁾ But Khrushchev's revelations could not, of course, be kept secret for long and details of the speech rapidly became known both inside and outside the party.⁽¹⁵⁹⁾ People in party organisations, universities, offices and factories, silent until that moment, began to discuss feverishly the probable effect of the Congress on

Hungary. Debates in the Politburo, convened on several occasions to discuss the draft report submitted by Rákosi on his return from the Congress, showed the existence of serious disagreements among the top leadership over his attempt to minimise the significance of the 20th Congress. ⁽¹⁶⁰⁾ Indeed, the original decision to convene the enlarged Central Committee Plenum on 9th March, to hear Rákosi's report on 'The 20th Soviet Party Congress and the further tasks of the Party', in the event had to be postponed for several days. But even after these debates Rákosi did not significantly modify his position.

In his report to the enlarged Central Committee Plenum convened on 12th-13th March, Rákosi, underlining the 'well known merits of Stalin' showed no inhibition about formally repudiating the 'cult of personality' as 'alien to Marxism' and declaring that the principle of 'collective leadership' was basic for a proletarian party and that a revolutionary should not be afraid of admitting mistakes. He insisted, however, that the June 1953 Resolution had been 'essentially implemented', that the Soviet Congress had led him to conclude that the mistakes had already been corrected, that the party's main policy direction in Hungary was 'correct in all spheres' and that the party was 'strong and united'. 'Our national economy', he declared, 'rests on healthy foundations'. ⁽¹⁶¹⁾ Some delicate questions, however, were raised by Central Committee members regarding Farkas' culpability, the delays in rehabilitation and the growing problems of collectivisation, where further establishment of collectives, in some cases, was only 'on paper', in other cases, not even formal establishment took place but 'lip-service' to the policy was paid. Among the more prominent contributors to the debate were János Kádár - speaking for the first time since his release from prison - who pointed out the apparent divergence between declared policy and implementation in practice, the importance of material incentives for the peasants and increased output from collectives. He also emphasised the urgent need for rehabilitations. Another speaker was József

Révai, who, while opposed to the views of Nagy, objected to the fact that his expulsion from the party had been carried out by the Central Control Commission (Központi Ellenőrző Bizottság), without the knowledge of the Central Committee. He also spoke about the mishandling of the 'kulak question' and the development of the Patriotic People's Front (PPF).⁽¹⁶²⁾ Rákosi, however, stubbornly resisted all criticisms and again blamed Nagy for all the mistakes; anyone who held a different opinion was a 'right-wing deviationist'.⁽¹⁶³⁾ He did, however, promise more 'collective leadership', the conclusion of rehabilitations by 4th April, an upward wage revision, worth 800 mill. Forints and a Politburo discussion on how to 'strengthen socialist legality even further'. The Central Committee in the end approved Rákosi's reassuring report and, although the Resolution finally adopted reaffirmed the desirability of collective leadership and increased intra-party democracy, improved economic planning, a more liberal cultural policy and greater 'political content', through workers' leadership, for the PPF, it generally confirmed Rákosi's earlier policies.⁽¹⁶⁴⁾ The outcome of the Plenum, however, caused widespread disappointment. Many believed that the promises made by Rákosi amounted to no more than 'empty words' and that his attitude proved that he had 'learned nothing from the past' and had no real desire for a change in the political line. The great expectations of many Central Committee and party members after the 20th Congress remained unsatisfied by the Plenum and its Resolution.⁽¹⁶⁵⁾ Much was expected, and many objected to the fact that not enough was said about the Stalin question, the Rajk trial and the role of Farkas. Reports reaching the party leadership on 17th March indicated that

the great expectations that had materialised after the 20th Soviet Party Congress and before the March Central Committee Plenum were not fully satisfied by the resolution and the report. More was expected....⁽¹⁶⁶⁾

A large number of party member called for the 'renewal' of the party leadership, indicating that they had enough of 'self criticism, and better qualified people were needed to lead the country'.⁽¹⁶⁷⁾ The party itself was in turmoil.

From the second half of March onwards, partly because of the lack of new measures and partly because of the spread of details of Khrushchev's speech, dissatisfaction began to grow. The various central institutions were inundated with correspondence, published in the press, demanding that the 'new line' be implemented in Hungary, that the more popular leaders replaced earlier (including Nagy) should be rehabilitated, that the Central Committee should be more sincere with, and rely more on, party members, and that they should 'speak with workers as adults' about the country's economic problems. Complaints were also voiced that the leadership was forcing people to rely on foreign news media for their information about vital events.⁽¹⁶⁸⁾ The protests at economic difficulties and bureaucratic oppression had multiplied. At the Politburo meeting on 5th April, discussing the tasks emanating from the 20th Congress and the March Central Committee Plenum Resolution, it was pointed out that signs of fear, uncertainty and distrust were much more in evidence among party members at party activists' meetings throughout the country.⁽¹⁶⁹⁾

Rákosi, driven increasingly by the pressures of party and public opinion, took the first steps and adopted a policy of 'controlled political relaxation'. While in other East European countries Stalinists took defensive action by resigning, Rákosi was more stubborn and decided to 'hang on' in the hope that he would be able to calm the political situation. His two main concessions in the sphere of politics, inter alia, in attempting to control the new surge of opposition, were to rehabilitate Rajk and to establish a debating club, the Petöfi Circle (Petöfi Kör), both of which, in the event, backfired and contributed to his final eclipse.

On 27th March 1956, at a meeting of Party Activists in the small town of Eger, in order to demonstrate the party's compliance with the new Moscow line,

Rákosi delivered a cautiously worded speech on the delicate question of Rajk's rehabilitation. He grudgingly conceded at last that the Rajk trial was based on 'provocation' but he blamed it on the 'imperialist agent' Beria and 'Gábor Péter's gang'. He went on to say that,

therefore the Supreme Court in accordance with the Central Committee's June Resolution has rehabilitated Comrade Rajk and other comrades. Other cases have similarly been reviewed, the innocently condemned have been rehabilitated, and others have been pardoned.⁽¹⁷⁰⁾

His announcement, without acknowledging his role in the trial, and his plan to stage a 'show trial' at which Gábor Péter would take the blame, provoked a new wave of criticism. As a result of further pressure at the Budapest Party Activists meeting held in the Sportsstadium (Sportcsarnok) on 18th May, Rákosi finally accepted responsibility for the trial, the 'cult of personality' and the illegalities.⁽¹⁷¹⁾ Rákosi's forced self-criticism failed, however, to achieve its aim - it was considered unconvincing and earned him no credit. Instead it led to renewed pressure.

On 17th March, ostensibly to introduce a degree of liberalisation in the cultural sphere, the party had given permission for the setting up of a debating forum in Budapest, called the Petröfi Circle, within the framework of DISZ (Federation of Working Youth).⁽¹⁷²⁾ The Circle was replicated in most provincial cities. It was intended to be a sort of 'evening group' for carefully staged discussions on various topical and theoretical questions. Instead, the group became an outlet for the growing disenchantment of students, writers, intellectuals, peasants and influential party members. The Circle eagerly embraced the decisions of the 20th Soviet Party Congress and demanded their implementation in Hungary in the form of destalinisation of the party. The Circle's discussions always began with a statement 'in the spirit of the Congress',

after which they talked about Hungarian realities. At first, its small meetings, discussing literary and related topics, did not attract mass public attention. But as the debates probed deeper and deeper into subjects embarrassing for the regime - the Second Five Year Plan, on 22nd May (more about this in a moment), the problems of historiography, on 30th May, the bankruptcy of Marxist-Leninist philosophy in Hungary, on 14th June - it rapidly gained mass public interest. By the summer of 1956 the Circle had grown into a movement providing a platform for the opposition to Rákosi's regime. According to the Stalinist Ernő Gerő, it had even become a 'second political centre' in the country, a rival to the party.⁽¹⁷³⁾ The climax of the series of debates, which particularly aroused mass public interest, was reached on 17th June, with a discussion on 'Socialist Legality', when Julia Rajk, the widow of László Rajk, dramatically accused her husband's 'murderers', who, unpunished, were 'still sitting in ministerial seats', and declared that

I shall never rest until those who have ruined the country, the party, destroyed thousands and pushed millions into misery receive their just punishment, Comrades, help me in this struggle!⁽¹⁷⁴⁾

Ten days later, on 27th June, at the final debate, on the position of the Hungarian press and information, which was attended by some 6,000 people and lasted until dawn, the party's cultural policy came under attack. Now there were open declarations that mere personnel changes in the party's leadership were insufficient, and calls for structural changes in the system itself, for revolutionary action and for the return to power of Imre Nagy.⁽¹⁷⁵⁾ The atmosphere at the meeting was no longer one of debate but of near revolt; there were even calls for Rákosi's resignation.

This open challenge to his leadership, and the party, was too much for Rákosi to tolerate. The Central Committee, originally scheduled to meet on

10th July, was hurriedly convened on 30th June. Assisted by the evidence from the Poznan riots on 28th June, Rákosi succeeded once again, for the last time in his life, in persuading the apprehensive Central Committee to retaliate against the mounting opposition. After identifying the Petöfi Circle as the centre of anti-party attacks, the Central Committee passed a resolution condemning the Circle's 'anti-party manifestations', noting that some of its members had gone so far as 'to deny the leading role of the party' and expressed 'bourgeois, counter-revolutionary views', and alleging that the open opposition to the party had been organised by a faction around Imre Nagy.⁽¹⁷⁶⁾ The resolution banned future meetings of the Circle and, after a summary of proceedings, expelled some of its principal speakers from the party. This, however, made little difference since the opposition continued what they had begun in the Petöfi Circle in other metropolitan intellectual clubs, in rural conferences, as well as in the press, and their influence continued to raise rapidly.⁽¹⁷⁷⁾ Rákosi blamed Nagy for the organised opposition against him. In fact, while it was true that Nagy and his supporters were greatly encouraged by the post 20th Congress developments, Nagy himself carefully avoided getting involved in organising, or even participating in, a formal opposition faction. This was partly because of his genuine dislike of factions and partly because of his unwavering loyalty to the party. Nagy was confidently biding his time and awaiting his readmission to the party. It was not, in fact, until mid-October, when Nagy was finally reinstated to the party, that he made his first official appearance on the political scene.

Rákosi, encouraged perhaps by the manner in which the Poznan rebellion had been dealt with, submitted a plan to the Politburo on 16th July proposing the arrest of 400 to 500 of his leading opponents, including Nagy, the dissolution of the Writers' Association and the Petöfi Circle, and the preparation of a trial of the anti-party conspirators.⁽¹⁷⁸⁾ His colleagues in the Politburo were aghast, and frightened by such plans. A return to stalinist terror was no longer

acceptable after the 20th Congress either to them or, indeed, to the Soviet leaders. On 17th July, prompted perhaps by the Hungarian Politburo members themselves, Anastas Mikoyan, First Deputy Chairman of the USSR Council of Ministers, arrived unexpectedly from Moscow and appeared at the reconvened Politburo meeting with a brief message - Rákosi must resign. Rákosi had become extremely unpopular both in Hungary and with Tito, who on the occasion of his Moscow visit, had demanded that the Soviet leadership should remove him. At the same time, Mikoyan arranged Rákosi's replacement by Ernő Gerő. Had the choice fallen on Nagy, or some other more liberal communist leaders, e.g., Kádár, rather than Gerő, staunch stalinist, the Hungarian uprising might have been avoided. But Nagy was becoming too nationalistic for Moscow's liking.⁽¹⁷⁹⁾ Rákosi, very reluctantly, resigned, on grounds of 'ill health' and his replacement by Gerő was announced the next day, at the full Plenum of the Central Committee which was in session on 18th-21st July 1956. Rákosi's reign was over for ever.⁽¹⁸⁰⁾

In economic, and in particular agricultural policies during this period there was no counterpart to the moderately liberal shift in the political sphere. While some concessions were made to deflect attention of an increasingly discontented population from politics to economics, there remained a noticeable contradiction between the continued emphasis on the policy of accelerated industrialisation and collectivisation - both of which were regarded as relics of the Stalinist period - and the feeble attempts to liberalise in other areas. Hardly had Rákosi arrived back from the 20th Party Congress, than it became obvious that the collectivisation drive was not only going to be maintained but was even to be pursued with increasing vigour. Encouraged by the almost 21,000 new entrants to collectives during January and February, a Politburo resolution on 3rd March 1956, raised the 1956 target for peasant families joining the collectives from 60,000 to 100,000; they were to bring in more than half a

million cadastral yokes of land, and the aim now was to complete the 'socialist reorganisation of agriculture' by 1960.⁽¹⁸¹⁾ Rákosi's simplistic thinking about how to reach this target was well illustrated when he declared that

we shall have to eliminate, altogether, the prevailing anti-entering mood amongst the peasants.⁽¹⁸²⁾

Since by this time he had run out of any real and effective arguments to induce them to join, as a last resort he simply suggested that

we shall have to tell the peasants that in three years' time there will be nothing else but collectives, so the sooner they get it over with entering the collectives the better.⁽¹⁸³⁾

Despite the figures, collectivisation, however, had lost its dynamism. Indirectly aided by Khrushchev's speech at the 20th Congress, and because of the mounting and increasingly obvious political crisis from about the spring of 1956, it had become almost impossible to pursue the policy of collectivisation by coercion any further. The changed atmosphere had been sensed by the peasants in some parts of the country as early as the autumn of 1955. By the spring of 1956 this opposition towards newly established collectives had begun to spread to other regions. The insensitivity of the Rákosi regime towards the peasants was clearly demonstrated by the decision to continue with land commassations until the autumn of 1956, to reduce certain social concessions and to increase taxes - all of which, directly or indirectly, created further hardships for the individual peasants. At the same time, it should be noted, to aid the process of collectivisation, a decree published earlier granted full income tax exemptions from 1956 to peasants joining the collectives.⁽¹⁸⁴⁾ Moreover, at the end of May - by which time it had become known that the 1956 harvest was going to be well below the good year of 1955 - a Politburo resolution increased the produce

delivery quotas for the year.⁽¹⁸⁵⁾ It was not surprising, then, that by the spring not only were protests about the state taking away land leased by the peasants from the state Reserve Land Fund - to small form tenant farming - becoming less frequent but peasants were beginning to 'offer' their own land to the state again.⁽¹⁸⁶⁾

After long preparation and delay due to the political changes, the Rákosi regime had published draft directives for its Second Five-Year Plan. These were hailed by an editorial in the party's daily newspaper, Szabad Nép, as a 'grand national programme for socialist construction and the further elevation of our people'.⁽¹⁸⁷⁾ Encouraged by the slight improvement in the economy in 1955, the plan represented a return, with some modifications, to the course charted in the First Five Year Plan (1950-1954). In an unprecedented step, to comply with the wishes of the Central Committee not to conceal the economic difficulties and to show how they were to be overcome - and to show that he had embraced the principle of intra-party democracy - Rákosi had chosen to release the plan as a set of 'draft directives', rather than as a finished document. There was to be a month of public discussion, in the hope that suggestions and observations would 'uncover reserves of the people's economy not yet considered in the draft directives'. The discussion was to be confined to details and not to include the actual framework of the draft directives. Another purpose may have been to divert the attention of the increasingly disenchanted and no longer entirely passive public to economic questions, and to arouse popular interest and support for the regime. Although the new plan, on the whole, reaffirmed the goal of heavy industrial development and collectivisation, it tried to pursue these without making the 'old mistakes'. Rákosi's internal democracy in the economics sphere backfired, however. The public discussion that followed subjected the Rákosi-Gerö plan to a devastating array of criticism. By July some 35,000 critical suggestions and observations had been submitted by numerous economic

and agrarian experts, party and state functionaries, workers and peasants.⁽¹⁸⁸⁾ Concurrently with the release of the 'draft directives', in an effort to calm the post-20th Congress political atmosphere, and to enhance workers' interest in the plan, the regime had given some limited economic concessions to the population. On 1st May a range of consumer good prices were reduced, resulting, according to the regime, in an estimated 900 mill. Forints saving per annum for consumers.⁽¹⁸⁹⁾ Because of the rapidly worsening political situation, however, there was hardly any response among consumers and, of course, there was no economic foundation for the price cuts. The only direct administrative concession in the sphere of agriculture was that some of the pressures on the kulaks were relaxed. An editorial on 14th April, under the title 'Should kulaks' relatives and their family members be admitted into the collectives?' (Fel lehet-e venni kulákok rokonait, családtagjait a termelőszövetkezetekbe?)⁽¹⁹⁰⁾, had posed the question whether the descendants of kulaks could be useful members of collectives, discussed how to boost production and raised the question of increased support for individual farmers. It pointed out, inter alia, that

those who have fears for the collective movement on account of improved agro-technology and increased output of individual farmers are setting out on the wrong trail⁽¹⁹¹⁾

and concluded that a peasant who was more cultured and produced more was closer to the collective because he understood its advantages better. In the event, the regime magnanimously allowed kulaks' relations to join the collectives.⁽¹⁹²⁾ At the same time, in an attempt to boost morale in the villages, middle peasants who had been unjustly categorised as kulaks were 'rehabilitated' and removed from the 'kulak list', thus lessening their economic burden. This process was carried out during the summer throughout the country.⁽¹⁹³⁾ Other urgent economic concessions, such as reviewing tax debts

and allocating new credits and machines to collectives struggling with chronic economic difficulties, were discussed at length but not implemented. Because of inertia and preoccupation with political developments these urgent questions were relegated to the background.⁽¹⁹⁴⁾

These limited emergency measures, however, proved to be far too little and too late and made very little impact on the rapidly growing political and economic discontent among the working population or on the functioning of the economy. On 4th June a report on the economic situation by the Agitprop Department of the Central Committee indicated very severe supply difficulties in industry and revealed that instead of the usual 2-3 months supply stocks at the Supply Organisations were already down to about one month.⁽¹⁹⁵⁾ Moreover, strikes and go-slows broke out at several factories on 2nd July in protest against low wages and industrial disorganisation and reports coming in to party headquarters assessing the public reaction to the Poznan riots indicated that in Hungary too the ground was fertile for such 'provocation'.⁽¹⁹⁶⁾ The peasants had drawn great strength from the 20th Congress - the main thrust of which, as far as they were concerned, was against coercion and for more democracy and a critical spirit - and their resistance, as collectivisation continued unabated, became more and more open. By the middle of 1956 reports were reaching the authorities that the numerical development of collectives, for all intent and purposes, produced results merely 'on paper'.⁽¹⁹⁷⁾ Other reports indicated that the number of dissolutions and, especially, calls for dissolution, albeit still sporadic, was on the increase in many areas of the country, and especially in the Trans Danubian region.⁽¹⁹⁸⁾

It was against this background that the Central Committee meeting on 18th-21st July discussed the internal political developments, the implications of the events in Poznan, the Second Five-Year Plan and the state and further tasks of the economy.⁽¹⁹⁹⁾ The inaugural speech by Gerö on the first day, and the

Central Committee resolutions on the second day, already indicated the policies Gerö was intent on pursuing i.e., a continuation of Rákosi's economic policies but in more moderate terms. In his speech, which was mainly on internal and international political developments, Gerö tried to convey the impression of steering a 'safe' middle course. He called for a 'clean sheet' and a 'two-front struggle' against both 'left-wing' and 'right-wing' deviationist views - though omitting to mention Nagy's name.⁽²⁰⁰⁾ The Central Committee resolution, in brief, acknowledged that from 1955 onwards the party's leadership had repeated some of the earlier mistakes, endorses the 'two-front struggle' and guidelines for the further development of the economy, and called for the democratisation of state organs and mass organisations (with an increased role for Parliament, Local Councils and the PPF), for a gradual reduction in the overcentralisation of the economy (by giving more autonomy to enterprises and reducing the number of 'success indicators') and for the continuation of collectivisation and the strengthening of collectives. The keynote speech on the Second Year Plan and the economy was delivered by András Hegedüs, who was retained as prime minister, on the third day of the Plenum.⁽²⁰¹⁾ He announced that the original 'draft directives' of the plan, published three months previously had been modified as a result of the public debate.⁽²⁰²⁾ While forced industrialisation continued to be the objective of the economic policy, he said, this was to be in more moderate form: lower investment, a lower growth rate and a more balanced structure of investment were needed, he declared, to cope with the difficulties that had emerged.

Although the full elaboration and implementation of the plan was prevented by the events in October, it is of interest to look at the details of the approved plan. For industry,⁽²⁰³⁾ compared with 1955, the planned increase in the output of socialist industry was 47-50 per cent by 1960 (instead of 50-52 per cent), still with an emphasis on heavy industrial development - the ratio of

Category 'A' (means of production) to Category 'B' (means of consumption) was set at 58-60 per cent to 38-40 per cent. Two-thirds of the planned increase in industrial production was to come from higher labour productivity, which was to increase by 36 per cent (42, 20, and 34 per cent respectively in heavy, light and food industries) and there was to be a simultaneous reduction in costs of 16 per cent over the period. The planned increase in National Income was 40 per cent (instead of 42-43 per cent) and 20-22 per cent of this increase was to be allocated to investment. Total planned investment, still ambitious, was 76-78,000 mill. Forints (instead of 78-80,000 mill. Forints) which was 10-12,000 mill. Forints more than actual investment during the First Five Year Plan. The planned increase in foreign trade was 50 per cent, while the real wages of workers and employees and real incomes of peasants were to rise by 25 per cent in both cases; subscriptions to 'Peace Loans' were to end.⁽²⁰⁴⁾

The most interesting part of the plan and the Central Committee resolution was the section devoted to agriculture. It reflected the general concern of the regime with the stagnation of agricultural production. Though the plan admitted that production 'has not risen appreciably above the pre-war level', it called for an increase of some 27 per cent in the period 1956-1960:⁽²⁰⁵⁾ 11 per cent for bread grain, 41 per cent for maize, 25-30 per cent for livestock for slaughter, 35-40 per cent for milk. These increases were to be accomplished mainly by raising crop yields and extending the fodder base for livestock: yields per cad. yoke, compared with 1955, were to rise by 10-12 per cent for cereals, 30 per cent for maize, 25 per cent for potatoes and 22 per cent for sugar-beet. Greater use of fertilizers and insecticides was to be made possible by expanding the chemical industry. The plan envisaged that the country's grain problem would be solved in the period 1956-60 and adequate reserves created. The planned state investment in agriculture was set at 13,000 mill. Forints, while another 1000 mill. Forints was to be invested by the collectives from their own

funds.⁽²⁰⁶⁾ This, representing about 17 per cent of total investment, was lower than in 1954 and 1955, but above the average of 13.7 per cent reached during the First Five Year Plan period. Much of the investment was to go into increased mechanisation: the tractor park was to expand by the equivalent of 19,000, 15 horse-power tractors, or from one tractor for 400 cad. yoks to one for 228 cad. yokes.

This, however, was only half of the agricultural programme, which the plan (and the resolution) described as 'dual' in nature. The other half, 'simultaneously with the growth of agricultural output', was the continued drive for the numerical development and strengthening of the collectivised sector, although, at least in theory, this was to be pursued in a milder form. Representing a tactical retreat, the new collectivisation policy returned to the goals set by the Resolution of the Third Party Congress in May 1954, revising both the target and the conditions under which collectivisation was to proceed. At first the two halves of the agricultural programme, i.e., higher output and the maintenance of collectivisation, might appear to be contradictory, since individual peasants, comprising by far the largest section of the peasantry, would not be likely to increase their production if they were faced with the renewed pressures of collectivisation and the likelihood of loss of their independence. The Resolution, therefore, condemned the use of force and stressed that collectivisation was to be 'gradual' and based, once again, on 'strict adherence to the principle of voluntary accession', and stated:

it must be ensured, through the economic and cultural elevation of collective farm membership that the advantages of collectives unfold with such persuasive force as to induce the MAJORITY of the peasants to choose the road of large-scale socialist farming.⁽²⁰⁷⁾

Thus the resolution scaled down the previous goal, set by Rákosi in March 1956, on reaching 100 per cent collectivisation, to a considerably more modest target of bringing 55-60 per cent of the total arable land area into the socialist sector, i.e., Collective and State Farms, by the end of the Second Five Year Plan period.⁽²⁰⁸⁾ To facilitate the progress of collectivisation, representing a change in tactics, the resolution transferred the emphasis from the establishment of the higher Type III, to the lower, Types I and II, forms of collectives, which it declared should be encouraged and supported, although it held out the Type III, i./e., full kolkhozy, as the ultimate goal. The plan, and the resolution, also recognised that individual farmers could not be ignored altogether if the planned rise in agricultural output was to be achieved, and promised them greater incentives, as well as 'material conditions with the help of which they can exploit their existing possibilities more effectively'.⁽²⁰⁹⁾ The plan also stated that the Machine Tractor Stations 'should carry out 70 per cent more work for individual farmers'.

Finally, ostensibly in response to the public debate on the Second Five Year Plan, the plan document raised the desirability of introducing a more flexible planning mechanism, reduce over-centralisation and invigorating local councils by increasing their financial autonomy.⁽²¹⁰⁾

The removal of Rákosi and the Central Committee resolution reduced the internal political tensions for a brief period, but the situation remained critical. Gerö's appointment not only failed to elicit any great enthusiasm but, in fact, increased suspicion, both inside and outside party circles, regarding the party's policy intentions. Despite the fact that some economic concessions were again made, or promised, to the peasantry and reform intentions had been announced, most of these measures were perceived as a response to a crisis situation and added to rather than diminished the regime's ever-mounting economic and political problems. In a speech to the Győr-Sopron County

Committee of the PPF in August, Hegedüs announced the publication of a decree which stated that individual peasants did not have to pay back taxes of up to 50,000 Forints, and the system by which capital was supplied to the collectives was extended and rationalised. It was decided to convert long and medium term credits to a uniform period of 25 years and a uniform interest rate of one per cent, and new credits were also to be given for 25 years for the purposes of building, soil improvement and plantation, while 10-15 years credits were to be given for the purchase of equipment and livestock. At the same time, collectives were given equal status with the state sector in the allocation of building materials.⁽²¹¹⁾ On 26th August Ferenc Erdei announced that new regulations were soon to be published to make conditions for new entrants into collectives more attractive: compensation for livestock, farm buildings, seeds and new plantations was to be paid out in cash; a double or treble rent value was to be fixed for vineyards and orchards, income expected from work already performed was to be paid in advance and, finally, payment of rent to aged collective members was no longer to be dependent on active work in the collective.⁽²¹²⁾ Furthermore, modifications were to be introduced to give lower, Types I & II, collectives an advantage - compared with individual farmers - with regard to prices paid for MTS services and the supply of fertilizers and other materials, and some types of collectives - mainly those specialising in fruit and vegetables - were to be given priority in the distribution of 'reserve land' and exemption from land commassation.⁽²¹³⁾

Apart from these concessions, made or promised to the peasantry, intentions had also been announced to introduce more flexible planning methods and decentralisation of management in various areas of MTS, agriculture and industry, so as to give MTS, collectives and enterprises a higher degree of autonomy. In the months preceding the events in October, Hungary appeared to have taken perhaps the most significant steps in this direction. With regard to

agriculture, it was decided that for the agricultural year 1956/57 no control figures for sown area would be established - except for bread grain and that there were to be no control figures for livestock. After this reform agricultural plans for collectives and individual farmers would have consisted essentially of schedules for state procurements, with a more or less closely defined commodity composition. Moreover, in establishing these schedules local councils were to be given more independence from the central authorities. In the same vein, plans were in existence for:⁽²¹⁴⁾

- i) collectives to be authorised to undertake such processing activities as the bottling of wine and the production of butter and cheese,
- ii) the revision of the compulsory deliveries system in 1957, and
- iii) the MTS to be given the right to set their own norms.

With regard to industry the Planning Office apparently began preparations after a meeting on 25th September for certain reform measures which focused on the 'rationalisation' of the command economy, to be introduced in a two-phase package - a smaller, piecemeal adjustment in 1957 and a more fundamental change in 1958.⁽²¹⁵⁾ The measures were designed to limit the number of compulsory directives and to give more independence to firms to enable them to decide, for example, the format of their production. A price reform was also under consideration, with the aim of creating an industrial price system closer to the costs of production but without, of course, abandoning the fixed, two-tier price system separating industrial wholesale from retail prices.

All these measures, either already introduced or envisaged, in agriculture, sought to take account of farmers' discontent and resistance to joining the collectives, especially the more advanced type, by providing some facilities for modest forms of cooperation. But efforts after the July Central Committee meeting were too late, and not enough, to stop the rapidly increasing

ferment. Their implementation in any case, was cut short by the events in October. The delay in reforms was no longer only an economic problem. It had become an integral part of the deepening political crisis, which hindered the implementation of even these limited reforms. As the summer wore on, the surface of Gerö's Hungary began to heave from the rebellious pressures at work underneath it. The mounting criticisms by various segments of Hungarian society brought into public discussion many problems that had long been taboo, including not only the methods, but the very logic of the regime's collectivisation policy. Although this was now claimed to be 'voluntary' in nature, and the harsh tactics of the previous period had supposedly been repudiated, in reality it was nothing of the sort and the various forms of direct force continued to be applied. But in the changed political climate the use of force had even less chance of success than before: more and more peasants simply refused to join, while many more left the collectives, and by the autumn the peasants' resistance appeared to have brought the regime's collectivisation policy to a standstill. Contrary to popular belief, withdrawals from and dissolutions of collectives on a larger scale had begun not under the pressure of the uprising but during the summer of 1956 and, after a slight increase in October, surged up - reaching a peak in November and December 1956 - after the revolution was crushed.

It would appear from available evidence that by early August, peasants resistance to collectivisation assumed such proportions that the regime succeeded in forcing only one-tenth as many peasants into the collectives as in the same period of the previous year. At the same time, the number of peasants who decided to leave and the number of collectives which decided to dissolve themselves grew almost as rapidly.⁽²¹⁶⁾ Reports from local organisations indicating actual withdrawals and dissolutions or calls for dissolution were flooding in throughout August and September. Withdrawals from and/or dissolutions of collectives on a larger scale were first reported at the beginning

of August from Zala county in western Hungary. According to the report the situation there, 'especially in the last few days', became critical and the problem, the report noted, was not only 'that in many collectives communal work never began' but that in about 34 villages calls for dissolution became so intense and widespread that there was 'a danger that the mood for dissolutions will spread to other parts of the country'.⁽²¹⁷⁾ The existence of this danger was, indeed, corroborated by reports from the counties of Győr, Szolnok and Csongrád, which noted similar aspirations for dissolutions among the peasants. Another report also submitted in early August, to the Politburo, spoke of 'serious disorders' in Somogy county, where, the report noted, in about 25-30 collectives, 'serious problems existed' because members were dissatisfied and 'had expressed a strong desire' to leave the collectives. Similarly, later in August, other reports were reaching central organisations from a number of other localities, e.g., from 12 collectives in Baranya county, and several other collectives in 20 villages in Vas county where members were calling for the dissolution of their collectives.⁽²¹⁸⁾ By the middle of August the drift of peasants from the collectives grew to almost a flood in some counties of the Trans-Danubian region, where in some villages there were even threats that the peasants would stage a 'small-scale Poznan' if the authorities attempted to prevent the dissolution of the collectives.⁽²¹⁹⁾ Police intervention to stop peasants distributing the collective's assets, attempted in some places, became highly dangerous.⁽²²⁰⁾ During September, largely in response to the commencement of the regime's hated commassation of land programme, the situation deteriorated further in affected areas and applications for withdrawals from and dissolutions of collectives increased considerably. A report prepared in September indicated that in Somogy county members in 40 collectives, out of a total of 327, had already announced the dissolution of their collectives, while in numerous others some 3-4,000 families out of the total of 11,852, more than one third of the

members, had indicated their desire to leave the collectives and return to individual farming.⁽²²¹⁾ There are no comparable data for other counties but it can safely be assumed that Somogy county was not an isolated phenomenon. A report submitted to the Politburo at the end of September noted that, at a conservative estimate, more than 100 collectives in the Trans-Danubian region alone existed 'merely on paper', with a membership united not by the idea of communal work but by the thought of dissolution.⁽²²²⁾ During September the peasants' pressure for dissolutions spread rather quickly to other regions of the country. The main reasons given officially for the withdrawals and/or dissolutions can be summarised as follows:⁽²²³⁾

- (i) excessive use of force in forming collectives,
- (ii) inadequate leadership and weak economic management of collectives,
- (iii) low incomes, lack of economic independence and uncertain future,
- (iv) expectations of large income and asset distribution by members from the dissolution of the collective,
- (v) tensions inside the collective between middle and poor peasants, and
- (vi) the struggle of individual peasants for the return of their original ancestral land.

On the whole, the scale of withdrawals and dissolutions of collectives can be linked to the level of force used in the establishment of the collectives and to management and organisational problems. Dissolutions occurred on a larger scale in those counties where during 1955 and 1956 the force used in organising collectives was the greatest. A report submitted to the Politburo at the end of September noted that the main reason for the dissolutions was the 'excesses committed in establishing collectives during 1955 and 1956'.⁽²²⁴⁾ At the beginning of the dissolution process occasional reference was made to the 'destructive' influence of the 'enemy' and 'kulak' but even then this argument carried little credibility.

It is probably not an exaggeration to say that the party's commassation programme which was being implemented during September, was largely responsible for the final show-down between the peasants and the authorities. In many places it evoked great anger and sharp, often open, confrontation between the two. The extent of the September commassation programme surpassed the levels of any previous years. According to a report by the Ministry of Agriculture on 15th September, the number of general commassations approved by 8th September was 1137 and the number of land reorganisations, i.e., partial commassations, was 30, affecting in all 423 villages and 15 towns.⁽²²⁵⁾ This was a large-scale programme, and in many places it poisoned the relations even between the individual and collective peasants - individual peasants refused to speak to and avoided collective peasants, and especially, their leaders. An important contributory factor in the rapidly deteriorating situation was the fact that in many places party and local council officials, as well as newspapers, themselves disapproved of and often condemned the commassation programme. The disputes and wranglings over commassations not only angered individual peasants but also adversely affected the members of newly formed collectives, as well as existing ones, which were themselves scheduled for commassation.

A further reason for the withdrawals and dissolutions was the low incomes paid by collectives. While this was always a serious problem, under the prevailing political crisis the low dividend paid because of the lower than average harvest in 1956 further increased discontent. According to one source the poor 1956 harvest meant that a dividend of 2.5 kgs of bread grain per labour-day unit could only be paid in some collectives if the others limited their distribution to no more than 4 kgs and handed over the remainder to the weakest farms. It was also anticipated that many individual peasants would be forced to reduce their own consumption to pay taxes and fulfil their deliveries to the state.⁽²²⁶⁾ So the rural scene in the autumn of 1956 gave cause for serious

dissatisfaction. If they had met their obligations to the state in full many peasants would have had hardly any food left. So the peasants were forced to strike back at the regime as best they could; they withheld production, refused to deliver food and decided to dissolve their collectives. The regime lacked the power to stop them. The Minister of Procurement, András Szobek, in his report to the Central Committee on 23rd October 1956, the day the disturbances broke out, noted that there had been a sharp decline in deliveries in many parts of the country:

during recent weeks, but especially during the last few days, both contractual and compulsory deliveries declined dramatically.(227)

He went on to say that

the reason why up to now no open confrontation has occurred is because I have instructed procurement agents to be extremely patient.(228)

Dissolutions, and calls for dissolutions, had also begun in response to the extensive propaganda campaigns waged by the opposition against the leadership's policy on the development of collectives and against compulsory deliveries. There had been a whole series of interesting debates and published articles which examined the faults of the policy of collectivisation, and of collectives, and discussed the importance, and future, of individual farming. Since these debates and articles set the main trend of developments immediately before the revolution is it instructive to look at some of them at length.

The party's weekly peasant newspaper, Szabad Föld, initiated the debate, in September 1956, with an article by András Sándor, 'New roles for the Collective Farms' (Új szerepet a termelőszövetkezeteknek), which raised the issue of the role played by the lower, Types I & II farms in collectivisation and

discussed critically the ongoing 'feud between the authorities and collective members'.⁽²²⁹⁾ Another more extensive article by István Márkus, reporting on a debate organised the Writers' Association (attended by some 1400, mostly middle peasants and collective members) and published under the title 'Summing up in Somogy' (Somogyi Összegezés) created even greater interest and caused further uncertainty among party functionaries.⁽²³⁰⁾ Márkus, a rural sociologist (with three of his associates) studied the history of four typical villages in the county of Somogy for two months. They found that collectivisation had at first succeeded among the very poor peasants (who had nothing to loose), but that when the regime had attempted to collectivise the 'middle' peasants it had encountered intense opposition. This opposition had become apparent by 1950 and led to the regime to employ force. These policies, although helping to extend the collectivised sector, had at the same time demoralised those peasants who clung to their farms with detrimental results. There had been a significant change for the better in 1953, when the Nagy regime put a stop to the policy of force and permitted peasants to leave the collectives. When the new drive for collectivisation began in 1955, after the fall of Nagy and the return of Rákosi to full power, the various forms of direct pressures and force were applied again even 'more openly and more generally than during 1951/52'. After this historical survey, Márkus turned his attention to the problems of the collectives and possible solutions. The substance of his argument was not to oppose socialised agriculture as such but to challenge the whole concept of collectives and the regime's policies which had sacrificed productive efficiency in agriculture to dogmatism and centralised control. These policies could bring about the collapse and abandonment of individually worked farms - and thus the consolidation of those lands in large-scale farms - but could not create economically viable large-scale farms. Márkus proposed that if future collectivisation was to be successful, sweeping reforms were necessary to meet the following demands of the peasants, which he called the 'essence' of his programme:

- (i) collectives which were economically viable should remain, those which were not should be allowed to dissolve,
- (ii) collectives should be allowed to choose their own members when they were established, and even to accept 'kulaks' if they so desired,
- (iii) collectives should have a maximum of freedom in conducting their operations,
- (iv) collectives should be allowed to purchase and maintain their own agriculture machines rather than employing the services of state-run MTS - which should be disbanded.

Márkus' article was taken up as the subject of debate by the Petöfi Circle on 25th September, when all the speakers were reported to have agreed that 'fundamental changes' were required in the regime's agricultural policy:

the hall was jam-packed ... scientists, collective farm chairmen, writers, agricultural experts and leaders of village councils attended ... the debate lasted until after midnight. The speakers all, without exception, took the position that collectivisation is necessary but criticised its effects.⁽²³¹⁾

Following this, on 7th October, Szabad Föld agreed that the Márkus article was an excellent one and declared that,

the summary of the experience acquired in Somogy county shows that there is something wrong with the development of agriculture along socialist lines. The leaders of the great drive for collectivisation which began in 1949 in county Somogy and, we may add, in other districts disregarded the prevailing conditions, the social and economic situation; thus in more than one case collectivisation was forced in a direction disliked by the village, against the will of the mass of the peasantry.⁽²³²⁾

On 17th October another article, 'Garden Hungary' (Kertmagyarország), was again taken up by the Petöfi Circle as the topic for a debate in Kaposvár, in Somogy county, discussing the problems and future of collectives and the significance of individual farming.⁽²³³⁾ On the basis of this debate numerous debates were organised in other districts, inviting county leaders from Baranya,

Zala, Hajdu-Bihar and Bács, among others, involving some 1,200-1,300 people.⁽²³⁴⁾ Finally, on 21st October, Szabad Föld carried an article by István Dobi, Chairman of the Presidium of the National Assembly, in which he admitted 'serious mistakes' and 'unscrupulousness of shocking proportions' in the campaign to organise collectives. He also admitted that

many thousands of good individual farmers were put out of production and bad collective farms substituted, poorly run by disillusioned, embittered peasants.⁽²³⁵⁾

These debates, conducted under the patronage of the party, showed there was a deep cleavage between those who wanted to continue collectivising and those who were opposed to it. The language of the opponents, in fact, was very similar to that of Gomulka's supporters in Poland. They did not oppose collective farming per se, nor the efforts to conduct propaganda campaigns in favour of it, but their insistence that it should be genuinely voluntary and that only economically viable farms should be formed would have put an end to any large-scale programme. Furthermore, Márkus' proposal that collective farms be allowed to have their own heavy machinery was directed against the system of state control that operated through the Machine Tractor Stations. It is reasonable to assume, however, that many of those who favoured these proposals were not so much concerned with improving the collective farms as with abolishing them altogether.

These debates, publications and propaganda campaigns reflect the situation in agriculture immediately before the revolution began, on 23rd October 1956. Under the prevailing atmosphere of peasant discontent and dissolution ferment the regime resorted to defensive action and contrary to statutes, acquiesced at the end of September in individual withdrawals from the collectives.⁽²³⁶⁾ But apart from this it failed to respond to the rapidly

deteriorating situation; other desperately needed changes in agricultural policies were not adopted. A proposal prepared by the Agricultural Department of the Central Committee, on the basis of a meeting attended by agricultural leaders of county party committees on 22nd-23rd October, indicating to the Politburo that 'very fast radical changes were needed in agricultural policies',⁽²³⁷⁾ was far too late to have any decisive impact. Although by the autumn the regime's agricultural policies had all but bankrupted the reputation of the cooperative movement in Hungary, and deeply antagonised the individual farmers, the unconstrained freedom of debate and propaganda campaigns in favour of the peasants did not create an overt revolutionary mood among them. It did, however, achieve two important things: first, it greatly increased the uncertainty among party and state functionaries and, second, it made the rural population aware that urban areas were equally opposed, inter alia, to the agricultural policies of the regime. Any remaining doubts were, of course, dispelled by the uprising in Budapest on 23rd October, when it became crystal clear to everyone that the 'city' and the 'countryside', perhaps for the first time in history, were genuinely united in the pursuit of a single goal. That was the reason for the spontaneous, all be it rather cautious, support given by the peasantry to the urban revolutionaries.

A final assessment of the success of the collectivisation campaign over the Rákosi and Gerö periods, from January 1955 to October 1956, is now in order. The development in the number of collectives and their membership is shown in Tables 11.4 and 11.5, on pages 918 and 919.⁽²³⁸⁾ First, however, a word of warning. It is difficult to measure the success of the collectivisation campaign over this period in numerical terms accurately. This is so for three main reasons: first, the data are concealed by the various official claims and the figures provided by the various official sources are often not entirely consistent; second, the figures given include collectives and their membership which existed

merely 'on paper' as nominal groupings and did not carry out proper communal work, and, third, changes in the number of collectives and in membership conceal the formation and dissolution and joining and leaving of collectives. No information is available about these, and the lack of monthly figures means they cannot be properly calculated. Nevertheless, it can be seen from the tables that while withdrawals and dissolutions continued over much of the period, in 1955 total membership of collectives increased by almost 76,000 while the number of collectives increased by 435. Taking the period from December 1954 to October 1956 as a whole, the total number of collectives increased by 630, while the increase in total membership was 127,000. The number of collectives and the total membership and land area never recovered the June 1953 level and was substantially below the peak reached at the end of 1952. On closer examination the figures show only a nominal change in the total number of collectives after December 1955, although the emphasis on Type III collectives during the collectivisation drive is clearly shown by a significant increase in their number. After June 1956 both the number of collectives and their membership began to decline marginally when, during the summer, peasants entering and leaving the collectives were more or less balanced; there was a nominal increase in the area, however, which may be attributable to the fact that peasants began to 'offer' land to the state. The number of collectives, membership and area under collectives began to rise again from September, largely owing to the extensive commassation programme commencing in that month. Finally, for the sake of completeness, it should be noted that the number of MTS declined from 364 in December 1954 to 312 in December 1955 and 287 by December 1956. These changes were largely due to rationalisation measures. With regard to State Farms the change, with a decline from 494 in June 1954 to 486 in June 1956, was even less pronounced. (239)

TABLE 11.4 - Development of collectives between 31st December 1954 and 15th October 1956

Time	Number of Collectives		Total agricultural land area	of which Type III	Total arable land area	of which Type III	Total collective land area as percentage of total	Type III arable land area as percentage of total	
	Types I & II	Type III							
31st Dec 1954	1142	3239	4381	1881.7	1548.0	1478.0	1193.0	15.6	12.6
31st Dec 1955	1057	3759	4816	2281.0	1983.0	1776.0	1519.0	18.9	16.2
30th June 1956	952	3911	4863	2481.2	-	-	-	-	-
30th Sept 1956	950	3907	4857	2508.0	2232.0	1954.0	1718.0	20.8	18.3
15th Oct 1956	1057	3954	5011	2614.6	2268.2	2192.7	1897.4	-	-

Source: See M. 238, p. 988

TABLE 11.5 - Development of membership between 31st December 1954 and 15th October 1956

Time	Total membership	of which in Type III	Total number of families	of which in Type III	Total membership as percentage of total agricultural employment
31st Dec 1954	229.952	174.583	186.681	136.442	11.8
31st Dec 1955	305.501	253.355	244.953	197.028	15.3
30th June 1956	343.397	294.536	271.990	228.424	17.3
30th Sept 1956	342.884	292.837	272.741	228.150	-
15th Oct 1956	357.020	298.474	289.584	235.571	-

Source: see n. 238, p. 988

In short, in spite of all the pressures, coercion and, often, terror, the success of the regime's collectivisation policy was, to say the least, extremely modest. Whether the new tactics might have succeeded in attaining the goal set for 1960 is a question left unanswered in the rubble of the revolt.

Meanwhile, in the political sphere, the removal of Rákosi, the main target of the opposition forces, had brought a reduction in political tension in the country. Attacks on the regime by the small organisation groups, both inside and outside the party, lost their momentum. And with the universities closed for the summer vacation, a relative calm descended momentarily upon the country. As a result, Gerö, believing that the immediate political crisis was over, made some symbolic concessions but on the whole attempted to continue the former policies. As a political gesture, he arranged the arrest of Mihály Farkas and other secret police agents (including Farkas' son) lifted the sanctions against rebellious writers and, in September, gave permission to the Petöfi Circle to organise meetings again. To rescue the rapidly deteriorating economy, and especially to relieve the mounting pressures on the foreign trade sector caused by the growing foreign indebtedness, he secured the help of the Soviet Union, obtaining 10 mill. dollars and 60 mill Rubles in the form of long-term credits on 4th October.⁽²⁴⁰⁾

During the calm summer months Gerö was mainly engaged in the difficult task of winning not only the full support of Moscow but, especially, Khrushchev's help and mediation on his behalf to obtain Tito's endorsement for his leadership - Tito was not altogether happy with the replacement of Rákosi by Gerö. Towards the end of the summer the country was even left without effective leadership: on 8th September Gerö left for a holiday in the Soviet Union and the next day János Kádár departed, leading a delegation to attend the 8th Congress of the Chinese Party. Until their return, on 7th October, the leadership was left in the hands of the two secretaries, Lajos Ács and István

Kovács, and András Hegedüs; all three, according to rather unkind official descriptions, were 'the embodiment of uncertainty and impotence'.⁽²⁴¹⁾ While on holiday in the Crimea, Gerö, together with Khrushchev, 'accidentally' met Tito, also on holiday in the Soviet Union, first, on 30th September, for preliminary talks and then again, this time joined by Kádár - on his way back from China - Mikoyan and Suslov, on 6th October. After Gerö's repeated apologies for having 'slandered the Yugoslav leaders' his promises to correct past mistakes and plea for support and the re-establishment of friendship - the discussions helped along by Khrushchev - Tito, torn between his desire to please Khrushchev and his prejudice against Gerö, had finally shown willingness to forget the past, on one condition: that Imre Nagy be readmitted to the party. To continue the discussions and work out the details of a possible new accord, Tito invited a Hungarian delegation to Belgrade.

Meanwhile, at home, as soon as the summer was over, and the opposition began to feel deceived, the pressure and attacks upon the regime intensified again. Dealings in international diplomacy could not hide the public's dissatisfaction with Gerö. The opposition, perceiving the regime's vulnerability, focused on two issues: the complete rehabilitation of Rajk and the readmission of Imre Nagy to the party and the leadership of the country. Rajk's reburial, with honours, had long been demanded by his widow and his friends. In the face of mounting pressure the party agreed and the final act in the history of the 'Rajk affair', his reinternment, took place, with due pomp, on 6th October, and was attended by some 300,000 people. The reburial, apart from providing a perfect occasion for a mass demonstration, caused a 'profound crisis of conscience' among functionaries and activists,⁽²⁴²⁾ adding further to their uncertainty and vacillation.

During this time, intermittent negotiations took place between the party centre and Imre Nagy, who formally asked for readmission to the party on 4th

October, but despite the advice and efforts at persuasion of Mikoyan and Suslov he refused to exercise 'self-criticism'. Delayed partly by the absence of Gerö and Kádár abroad and partly by Nagy's stubbornness, it took the Politburo nine days to endorse his reinstatement, on 13th October. But even at this late state of the growing political turmoil a heated argument developed between Gerö and Nagy before the latter's final readmission. Since no agreement was reached, however, on whether Nagy would be given a post in the power structure, the 'Nagy affair' remained far from resolved. His case could have been settled - and the subsequent revolution perhaps avoided - had he been allowed to rejoin the government, possibly even to replace Hegedüs as prime minister (and Kádár made first secretary). Gerö, however, resisted with all his power.⁽²⁴⁴⁾ The next day, 14th October, Gerö - having now complied with Tito's request - departed at the head of the delegation, comprising Kádár, Kovács, Apró and Hegedüs, to Belgrade, taking up the invitation issued in the Crimea to reach an accommodation with Tito and, at the same time, hoping perhaps to use the occasion to block Nagy's re-entry into politics.⁽²⁴⁵⁾ During their absence, lasting over a week, Lajos Ács, in charge at party headquarters, apparently kept sending telegrams to Gerö warning him about the growing political tensions at home and urging the leaders to return immediately. But not wishing to offend their hosts and endanger their new reconciliation, the delegation stayed in Yugoslavia for some days after the main business was concluded.⁽²⁴⁶⁾ Gerö's visit finally bore fruit with the signing of a declaration of 'friendship and cooperation' between the two countries. This was perhaps Gerö's only success in his three months term of office; it made little impression on the Hungarian public, however.

While Gerö was away a crisis unexpectedly exploded in Poland, incomplete accounts of which appeared in the Hungarian press. This latest news, in the midst of growing criticisms, speculation and revolutionary ideas appearing

in many papers and journals, was the final event needed to 'fire' Hungary. By standing up against Soviet interference in Polish internal affairs Gomulka had succeeded in reaching an accommodation with the Russians and being accepted as First Secretary of the Party; on 21st October he was able to announce that Poland was to go her own way. This, for the Hungarian opposition, both organised and popular, was oil on fire. The Hungarians saw a reflection of themselves and their own aspirations in the Poles and their political crisis.

During the weekend of 19th-22nd October, university students and intellectuals throughout the country, taking advantage of the Polish developments - and helped by the split in the Hungarian party leadership over the past years -stepped up their agitation. Without overtly attacking the system itself, the voice of the opposition became nationalistic and anti-Soviet: by 16th October it was openly demanding that Soviet forces should leave the country. Overnight the idea of petitions and resolutions spread like wildfire, the demands, varying from 5 to 16, were everywhere different. Following the resolutions enthusiastically passed in the provincial cities of Győr and Szeged on 22nd October, the re-activated Petöfi Circle in Budapest adopted a resolution which, apart from calling for the revision of the Second Five-Year Plan, the expulsion of Rákosi from the party, the public trial of Farkas, the publication of foreign trade agreements and freedom of expression in literature, included the proposal that Imre Nagy should rejoin the Central Committee and the government. On the same day a mass meeting of students at the Technical University of Budapest, joined by engineers and workers from many factories also adopted an even more radical resolution which made 16 demands:⁽²⁴⁷⁾

1. withdrawal of Soviet forces,
2. new, secret, party elections,
3. reinstatement of Nagy as Prime Minister,
4. public trial of Farkas and his accomplices,
5. multi-party general elections,

6. re-examination of Soviet-Hungarian relations on the basis of equality,
7. economic reorganisation as recommended by experts,
8. publication of foreign trade agreements,
9. revision of industrial production norms,
10. similar revision of the agricultural delivery system,
11. release of political prisoners,
12. freedom of expression and the press,
13. removal of the Stalin statue in Budapest,
14. restoration of Kossuth's coat of arms,
15. expression of solidarity with Poland and
16. the convocation of a Youth Parliament.

After learning that the Writers' Association proposed to express its solidarity with Poland on the following day, 23rd October, by laying a wreath at the statue of General Bem, a hero of Hungary's War of Independence of 1848-1849, who was of Polish origin, the meeting decided to organise a silent demonstration to express their sympathy with the Poles on the same occasion.

The top Hungarian leadership - Gerö, Kádár, Hegedüs and Kovács - had, of course, no knowledge of these latest disturbances breaking out all over the country. Their special train returning from Belgrade arrived in Budapest in mid-morning of 23rd October. They were feeling extremely pleased at having succeeded in obtaining Tito's support - convincing him that as successors to Rákosi they were acceptable friends and allies. But their feeling of triumph was quickly spoiled when Ács, who, together with the rest of the Politburo members (and relatives), had waited anxiously for their return at the station, wasted no time in briefing them about the political situation and impending student demonstration.⁽²⁴⁸⁾ But even a hurriedly convened Politburo meeting was unable to stop the developments.

Early in the morning of 23rd October the student demands had become known throughout Budapest. Radio Budapest referred to the planned demonstration but later announced a communiqué from the Minister of the Interior prohibiting it. The ban was, however, lifted during the early afternoon, when the demonstration was already underway. Thousands of young people took part, including students, factory workers, soldiers in uniform and others.

Standing beside the statue of General Bem, Péter Veres, President of the Writers' Association, read a manifesto to the crowd, who also listened to a proclamation of the students' sixteen demands. Most of the crowd afterwards crossed the Danube to join demonstrators at the huge Kossuth Square, in front of the Parliament Building, where about 300,000 people had gathered, wanting to hear Imre Nagy and demanding redress of their own and Hungary's grievances. After repeated calls Nagy reluctantly addressed the crowd briefly from a balcony of the Parliament Building. So far there was nothing to suggest that the demonstration would end in any other way than the crowds returning home. An episode, however, at 8.00 pm in the evening greatly embittered the people. The public was eagerly awaiting a speech by the First Secretary, Gerö, which he was to broadcast at that time. The general hope was that he would take into account the popular demands expressed by the students and would make some conciliatory announcement. Gerö's speech, however, made none of the hoped for concessions. He described the demonstrators as 'mobs' and 'enemies of the people', whose purpose was to 'undermine the power of the working class ... to shake people's faith in their party', and whose criticism of the Soviet military presence and of exploitive trade agreements did not contain a grain of truth because the truth was that,

the Soviet Union not only liberated our country from the yoke of Horthy fascism and German imperialism but after the war, when our country lay prostrate, the Soviet Union also stood by us and concluded agreements with us on the basis of full equality, and that it still continues this policy.⁽²⁴⁹⁾

The harsh tone of his cold, arrogant voice brought home to his listeners, perhaps more than anything until now, the nature of the power they wished to reform. The very same evening a large crowd of students went to the Radio Broadcasting Building, with the intention of making another attempt (the first, on the evening

of 22nd October, had failed) to have their 16 demands broadcast, in order to bring them to the attention of the nation as a whole. Once again, the leadership stubbornly refused to permit the demands to be read over the radio. The building was protected by a detachment of Security Police, who panicked and opened fire on the still unarmed crowd, killing a number of people and wounding others. In so far as any one moment can be selected as the turning point which changed the peaceful demonstration into a violent uprising, it would be this moment, when the intensively hated and universally feared secret police attacked defenceless people. (250)

An uprising swept the capital and the national ferment grew swiftly, with the army joining the revolutionaries. The fighting that broke out on the evening of 23rd October pushed Nagy and his followers back into power. But the 'liberal' faction of the party was unable to stem the course of events. The uprising closed a chapter and opened a new one in the history of post-war Hungary and in agricultural economic developments.

11.3 The Revolution and the Peasantry, October-December 1956: collapse of collectivisation

Few historical events have received as thorough chronological and analytical attention as the Hungarian Revolution, which began on 23rd October as a peaceful mass demonstration by students and flared into armed revolt, raging for several days. In the present context, then, consideration will be limited to those aspects of its development that relate directly to the peasantry and agriculture.⁽²⁵¹⁾

In a period of thirteen days the revolution, in the political sphere, passed through three distinct phases. The first phase extended from the initial limited Soviet military intervention to Gerö's fall and Nagy's rise to power. During the night of 23rd/24th October the Central Committee of the HWP was hurriedly convened (the meeting was originally scheduled for 31st October), and after protracted and heated debate Gerö finally agreed to the reinstatement of Imre Nagy to the Central Committee and the Politburo, and also to his appointment as a sort of 'figurehead' prime minister, to replace András Hegedüs, who remained as First Deputy premier, for a few days. Gerö was confirmed as First Secretary of the party, but the Central Committee approved limited personnel changes, in both itself and in the Politburo, to include some moderates and centrists, inter alia, János Kádár.⁽²⁵²⁾ At the same time, in the light of the potential unreliability of the Hungarian Armed Forces, and the weakening of the Secret Police (ÁVH), the regime hastily asked for assistance from Soviet troops, which had recently been reinforced and had been on the alert since 20th October. Their intervention, in the event, misfired since it both crystalised the Hungarians' objectives and presented them with a visible enemy to fight. If their earlier demands were, perhaps, too diverse to be politically effective, they could now focus on getting the Russians out of their country. Early in the morning of 24th

October fighting broke out at several points in Budapest between Soviet troops, helped by Hungarian Secret Police, and the insurgents, later to be named 'freedom fighters' - comprising striking workers, intellectuals, soldiers and a large proportion of students and youth generally. The ordinary police sympathised with the rebels, giving them weapons or fighting on their side. Certain units of the Hungarian army, too, fought as such on the side of the insurgents, but the army as a whole disintegrated from the start of the revolution. Hungarian soldiers, as distinct from most senior officers, handed over light weapons to their compatriots and opened the door of munition stores. The first military confrontation between the Soviet armed forces and the insurgents resulted in some casualties on both sides, and in the destruction of much Soviet military hardware, but since it was limited in scope - the hesitant Soviet leadership still hoped for a political solution to the troubles - it soon subsided to an essentially defensive deployment. For a brief spell after this only isolated clashes occurred in the Budapest area, while in the provinces local communist officials handed over power with hardly any resistance.⁽²⁵³⁾ Here, the first days of the revolution saw the transfer of power from the communist bureaucracy to the new Revolutionary and Workers' Councils.⁽²⁵⁴⁾

In his first prime ministerial radio broadcast⁽²⁵⁵⁾, on 24th October, Nagy - having apparently agreed to the imposition of a curfew and martial law, imposed in his name by the Central Committee - called upon the insurgents to lay down their arms and stop fighting in order to avoid further bloodshed. He promised an amnesty and pledged his government to extend democratisation of the country in every field of party, state, political and economic life, on the basis of his June 1953 programme, to raise living standards and to pursue the development of 'socialism' in a manner 'corresponding to our national characteristics'. He excoriated 'hostile elements' who had joined the 'ranks of peacefully demonstrating Hungarian youth' and 'turned against the People's

Democracy and the power of the people.⁽²⁵⁶⁾ The surrender deadline was then postponed several times without effect, until it was finally abandoned altogether.⁽²⁵⁷⁾ However, the rebel resistance in Budapest faltered somewhat but it was renewed on 25th October after Soviet tanks and Hungarian security forces opened fire on an unarmed group of demonstrators in front of the Parliament building, killing more than 170 people. This massacre shocked and embittered the nation. By this time even the Soviet leadership had come to realise that Gerö's position was no longer tenable. On 24th October Mikoyan and Suslov arrived in Budapest to assess the political situation. They found that despite the reorganisation of the party's leading bodies Gerö remained in command, but that his effective power did not extend much further than a few government and party strongholds. After long discussions the Politburo, guided by Mikoyan and Suslov, decided that Gerö had to resign and be replaced as First Secretary of the party by Kádár. The news of Gerö's departure and Kádár's appointment was broadcast shortly after midday on 25th October, and was greeted with joy by the Hungarian people; the insurgents, too, derived some encouragement. The following day Gerö, accompanied by the most discredited leaders of the old regime, including Hegedüs, sought the security of Soviet territory. With their departure Nagy was finally free to move from party headquarters to the Parliament building, symbolically severing his dependence on the party.

Soon after the announcement of the changes both Kádár and Nagy went on the air to appeal for order. Kádár⁽²⁵⁸⁾ acknowledged that the uprising two days before had initially been 'honest and peaceful', but he claimed it had degenerated (after a few hours), 'in accordance with the intentions of anti-democratic and counter-revolutionary elements', into an 'armed attack against the state power of the People's Democracy'. He promised that after the restoration of order the government would conduct talks with the Soviet

government 'in the spirit of complete equality'. Nagy's address,⁽²⁵⁹⁾ immediately after him, was more conciliatory, although he, too, referred briefly to the 'small group of counter-revolutionaries' who had provoked the disorders. But he did promise that, after order had been restored, he would submit an 'all-embracing and well-founded programme of reforms' to the National Assembly. The implementation of that programme, he said, demanded the reorganisation of the government 'on the basis of a revived Patriotic People's Front (PPF), rallying within its ranks the broadest democratic forces of the nation'. He too announced, more clearly than Kádár, that his government had begun negotiations, again 'on the basis of complete equality', with the Soviet Union concerning, inter alia, the withdrawal of Soviet forces stationed in Hungary. Finally, he called upon those who took up arms 'but not with the intention of overthrowing our People's Democracy' to stop fighting and promised that no penal proceedings would be instituted against them. Clearly, this declaration reflected the ineffectiveness of earlier appeals to stop fighting and the promise of amnesty.

Negotiations between Mikoyan and Suslov and the Hungarians on the extent of reforms necessary to stabilise the political situation in the country resulted in a declaration by the Central Committee, 'led by comrade Imre Nagy, on the afternoon of 26th October.'⁽²⁶⁰⁾ This declaration recommended the election of a new national government, 'on the basis of the broadest national foundation', which would 'make good, without fail, the crimes of the past' and initiate negotiations, 'on the Polish model', with the Soviet government. It approved the election of Workers' Councils in the factories, but emphasised that the maintenance of socialism could not be put in question. The Soviet leadership was apparently willing to tolerate a reformist government as long as the supremacy of the party was maintained, if necessary by the presence of Soviet and armed forces.

In the meantime, strikes and fighting continued in Budapest and spread throughout the country, with rebels attacking or in control of various provincial centres, e.g., Győr, Szeged, Szolnok, Pécs, Miskolc, Sopron, Vác and Hatvan. They were reinforced by the mass desertions of Hungarian troops to their side. Revolutionary leaflets, signed by the 'Provisional Revolutionary Hungarian Government' and 'National Defence Committee' appeared throughout the country, with calls for: a national government, the rescinding of martial law, denunciation of the Warsaw Pact, withdrawal of Soviet troops, an immediate political amnesty, putting Hungarian socialism on a really democratic basis, disarmament of the Secret Police, continued demonstrations, 'until victory' and recognition of Nagy and Kádár as members of the 'Revolutionary Hungarian Government'. Concurrently, across the country the much hated symbols of communist rule disappeared: red stars were removed from public buildings, the communist coat-of-arms was cut out of flags and there was the occasional bonfire of party publications.

It was against the background of revolutionary activities and pressures, and continual negotiations with the Russians, that Nagy prepared to announce the formation of his new government, which he did at midday on 27th October. In order to gain public confidence, he invited both communists and non-communists to join him. The non-communists were two former leaders of the Independent Smallholders' Party, Zoltán Tildy (back from prison) as minister without portfolio, and Béla Kovács (also just back from prison) as minister of agriculture, both of whom commanded some sympathy but, on the whole, carried little weight, and Ferenc Erdei, Deputy Premier. With his record of eager subservience to the Stalinists while a representative of the National Peasant Party he was more of a liability than an attraction to the non-communists. The non-communists, at this stage, served in a personal, non-party, capacity. The Social Democrats had not yet joined in the government. Nagy's changes were,

however, largely cosmetic, as the majority of his government were communists, primarily centrists like Kádár and revisionists like György Lukács. This government was a sort of transition between a not totally de-Stalinised one-party government and a coalition. Because of the tight cordon that surrounded the party headquarters and the Parliament building (with Nagy virtually a prisoner), this government was not at first able to function fully or independently. It certainly did not impress the insurgents and the revolutionary committees immediately denounced the communists' predominance in the large 26 member government. The formation of this government, however, marked the beginnings of Nagy's personal liberation - at least he had taken measures on his own, and openly. With this the first phase of the revolution ended.

The second phase was one of gradual consolidation. It witnessed the evolution of the Nagy government - under a great surge of popular pressure reflected in the unceasing flow of delegations to Nagy - toward a multiparty coalition. It was a period during which Nagy, casting aside his former hesitation, slowly but surely became convinced of the validity of the revolutionary cause and the need for his government to satisfy the legitimate demands of the people. It was presumably also a period during which Nagy was under judgement in Moscow.

On the morning of 28th October Nagy ordered an immediate cease-fire and instructed the security forces to fight only if attacked. He also indicated that a new national army would be formed. The Soviet troops patched up a temporary truce, and in the provinces they withdrew from the towns to camp in the countryside. Fighting, apart from a few isolated skirmishes, stopped after this date, largely on the insurgents' terms. The cease-fire became fully effective by the time a new cabinet took office on 30th October. Later on the same day, when broadcasting the programme of his new government,⁽²⁶¹⁾ Nagy rejected the view that 'sees the popular movement as a counter-revolution' and

promised to disband the Security Police (ÁVH) after the restoration of order. The resentment against the ÁVH , however, was so universal and deep that he was obliged to take this decisive step the following day, on 29th October. As a result Nagy freed himself from the control of the ÁVH for the first time. In his speech, Nagy undertook to review wages and salaries, production norms and welfare benefits and promised aid to both private and collective farms and to put an end to 'the serious illegalities' committed in the collective farm movement and division of land. He announced that agreement had been reached on the question of Soviet military withdrawal from Budapest and reiterated that negotiations were in progress to settle relations between Hungary and the Soviet Union, including the question of withdrawal of all Soviet troops stationed in Hungary. The frequent reiteration that the 'negotiations for Soviet withdrawal' were in progress indicated that Nagy did not have a mandate from the Soviet leadership to make such a promise. The revolutionaries, however, rejected any government that did not promise immediate evacuation of Soviet troops from Hungary.

Also on the 28th October, the Central Committee announced its abdication and delegated its 'power', for the duration of the crisis, to a six-member emergency party committee, chaired by Kádár.⁽²⁶²⁾ This small 'caretaker' party committee, however, was to lead a party without troops, since the party itself disintegrated during these days. At the same time, the Nagy government functioned not so much as a government as a target of nationwide pressures for more and more rapid and radical changes. Indeed, the whole country was already in the grip of a general strike in support of radical reforms. By this time, the main demands of the insurgents, indeed of the population, had become quite clear. What they wanted was:⁽²⁶³⁾

- i) a return to multiparty democracy, with a communist party that was legal but without any special prerogatives; general and free elections, with candidates to be nominated by the people.

- ii) freedom of religion, assembly, press and opinion, comparable to Western democracies.
- iii) agriculture based on individual peasant holdings; collectives to be allowed to carry on if their members so desired - but only on that condition. No land to be returned to its pre-1945 owners; the 1945 Land Reform to be irrevocable. Peasants who had sustained losses by the enforcement of collectivisation to be given compensation. The hated system of compulsory deliveries to be abolished.
- iv) industrial plants and mines to remain in public ownership, with far reaching autonomy for the large plants, or networks of smaller plants, to be managed by freely elected Workers' Councils.
- v) Soviet troops pulled out of the country as soon as possible and steps to be taken towards making Hungary independent from the Soviet Union and, ultimately, 'non-aligned'.

In response to the continual flow of demands, delegations of workers, Workers' Councils, Revolutionary Committees and mounting popular pressures, an apparently somewhat reluctant Nagy felt compelled to go on the air on 30th October, 'in the interest of further democratisation' to announce that his government, with the full agreement of the Politburo, repudiated the one-party system. He proclaimed the return to multi-party conditions, on the basis of democracy between coalition parties, as had existed after 1945⁽²⁶⁴⁾ - and which, incidentally, had received the blessing of the Allied Control Commission on which the Soviet Union was represented. In accordance with this decision he announced the formation of a new national coalition government, with a small inner cabinet, composed of Imre Nagy, Géza Losonczy, János Kádár (communist party), Zoltán Tildy, Béla Kovács (Independent Smallholders' Party), Ferenc Erdei (National Peasant Party) and 'a person to be nominated by the Social Democratic Party'. This cabinet would organise a general election. Speaking on behalf of the Communist Party, János Kádár, First Secretary of the party, confirmed that, as he said, 'to avoid further bloodshed' he had agreed to this step and supported the coalition.⁽²⁶⁵⁾ Kádár, probably like Nagy himself, was not really happy to relinquish total power, but believed that only by such a move could the

communists now attempt to dominate democratic socialism (as they had done up to 1948) and perhaps even to save central authority from total collapse. Following them, Tildy on behalf of the Smallholders, and Erdei, for the National Peasant Party, announced their wholehearted approval and called upon their respective parties to begin to reorganise their long dispersed forces. Tildy, at the same time, in his capacity as Minister of State, also announced that the compulsory delivery system 'which had borne so heavily on the peasants' would be abolished 'as of today'. Confirmation of this was given the following day, 31st October, by Nagy and by the Ministry of Agriculture.⁽²⁶⁶⁾ The Social Democratic Party was very slow to get started and was rent by fierce internal disputes.⁽²⁶⁷⁾ On the same day numerous other decisions were also made with the aim of strengthening the national and democratic institutions of the country. All remnants of arbitrary police powers were abolished and political prisoners - the most celebrated among them Cardinal Mindszenty, Primate of Hungary - were released. With these announcements one of the major aims of the revolution, free elections and a new multiparty coalition government, was achieved, apparently with Russian blessing.

Regarding the complex issue of Soviet attitudes to these developments, it will suffice to say that until 30th October the Soviet leadership appeared to be undecided. Indeed, Khrushchev later revealed that the leadership was divided on the wisdom of intervention.⁽²⁶⁸⁾ There were probably three main reasons for this 'wait-and-see' attitude. First, the moderates (and centrists) had recently won the argument over the crisis in Poland and had been proved correct by the preservation of communist rule there under Gomulka. Second, the international situation between 28th and 30th October was such as to make the Soviet leadership behave cautiously. Undoubtedly, they must have been well informed about the Anglo-Franco-Israeli preparations for a possible offensive against Egypt. But as long as no action was taken there the Soviet leadership must have

judged it prudent to continue with the withdrawals. Third, the domestic situation in Hungary still seemed to favour the search for an amicable solution. On 27th October Mikoyan and Suslov arrived once again in Budapest. It is quite probable that Nagy and his government on this occasion succeeded in persuading the Soviet visitors both of the seriousness of the situation and of the validity of the hopes that a peaceful solution could be negotiated between Moscow and Budapest. Bearing in mind the Polish solution, it would seem almost certain that the Soviet leadership, at this stage, was neither obstinate, intransigent nor insensitive to a compromise solution for the situation in Hungary. It is, therefore, very probable that the Soviet leaders were in fact prepared to go as far as they could in making concessions while, at the same time, attempting to limit and contest every move of withdrawal. Indeed, Khrushchev, attending a reception at the Turkish embassy on 29th October, went even as far as to envisage a neutral state for Hungary, similar to that of Finland.⁽²⁶⁹⁾ On 30th October the Soviet government broadcast a declaration, published the following day, in which it announced that it was 'ready to enter into negotiations' with the Hungarian government (together with other participants of the Warsaw Treaty) on the question of the 'presence of Soviet troops on the territory of Hungary' and conceded that 'violations' and mistakes' had been made 'in relations between Socialist States, particularly, in the economic and military spheres'. The declaration upheld peaceful coexistence between the Soviet Union and the other Socialist states 'on the principle of complete equality, of respect for territorial integrity, state independence and sovereignty and non-interference in one another's internal affairs.' At the same time, it warned against the forces of 'reaction and counter-revolution' which tried to take advantage of the discontent of 'part of the working people' and to undermine 'the foundation of the people's democratic system ... and restore the old landlords' and capitalists' order.'⁽²⁷⁰⁾ The Soviet policy statement was received with great interest and enthusiasm in

Hungary: it strengthened the hope of the Hungarian people to consolidate their victory, while for Nagy and his government it clearly indicated that the disposition of the Soviet Union was favourable rather than hostile to a negotiated solution.

On the same day Mikoyan and Suslov flew into Budapest for the third time to negotiate on the basis of the declaration. After protracted talks with Nagy, Kádár, Tildy and other politicians, they left the following day. Their discussions focused on three main areas: the immediate evacuation of Soviet troops, Hungary's withdrawal from the Warsaw Treaty and the restoration of the multiparty system - in a pre-emptive move just announced by Nagy. Both Mikoyan and Suslov apparently remained in good spirit throughout the discussions -if they had any reservations, they did not show them - and at the end, a happy Tildy reported they seemed to have accepted all the detailed proposals put forward by the Hungarian government, including Tildy's statement to Mikoyan that Hungary would in any case denounce the Warsaw Treaty.⁽²⁷¹⁾ However, despite the apparent willingness of Mikoyan to negotiate, and to accept the various proposals, the real mood of the Soviet emissaries, and of Moscow, must have become less than conciliatory, especially after the full intent of the Hungarian government had emerged and been conveyed back to Moscow. Mikoyan and Suslov were, of course, in a position to see at first hand the breakdown of the one-party system and the restoration of the multiparty system in Hungary. Moreover, their attitude must have been changed by the dramatic incident at Party Headquarters in Republic Square (Köztársaság Tér) earlier in the day.⁽²⁷²⁾ In addition, on this day - which saw the beginning of the partial withdrawal, of Soviet forces from Budapest - the British Prime Minister, Anthony Eden, was giving the news in the House of Commons of the British and French ultimatum to Egypt. Egypt rejected the ultimatum and the British and French were committed to using force. The next day, 31st October, while discussions

between the Hungarian government and the Soviet visitors were still underway, news arrived that British and French forces had begun to bomb Egypt. Whatever compromise solution the Soviet government may have had in mind for Hungary previously, this event must have added a new dimension to the Hungarian revolution.

But that was not all. On the same day, 31st October, as Mikoyan and Suslov were about to depart for Moscow, Nagy announced to an ad hoc meeting in front of the Parliament building on Kossuth Square that his government had opened preparatory negotiations for the withdrawal of Soviet troops from Hungary and, even more importantly, for the abrogation 'of the obligations imposed upon us by the Warsaw Treaty'. In his emotional speech he emphasised that it was not he who had called on Soviet troops for help, as rumours had it; this was a measure, he said, that had been taken without his knowledge:

Imre Nagy, the champion of Hungarian Sovereignty, Hungarian freedom, and Hungarian independence did not call in these troops. On the contrary it was he who fought for their withdrawal.⁽²⁷³⁾

Overcome by emotion by the end of his speech, Nagy asked for a little more patience, for confidence in his government and for support 'in our patriotic efforts'. It was the first time that Nagy had used language like this. It suggested that he was no longer the communist of former days, one the Soviet leaders were inclined to accept, but the spokesman of his people.

Soon after, Mikoyan and Suslov - who had brought reassuring news for Hungary - departed again for Moscow, to give an account of their mission in Hungary to the Soviet leadership. They had left behind a Hungarian government which felt more or less assured that the Soviet government was genuinely ready, both in principle and in fact, to renegotiate the revision of the Warsaw Treaty and to withdraw its troops from Hungary. That it was now only a question of

fixing the terms and conditions of the arrangement by further top level bilateral negotiations. But apart from several reassuring verbal messages from Yuri Andropov, the Soviet Ambassador to Budapest, nothing further happened. It is highly probable that by this time, taking all these developments into account, any chance of further negotiations was already compromised; that the Soviet leadership on 30th or, at the latest, 31st October, had decided on a second military intervention in Hungary at the first opportune moment. The reason they hesitated for the next four days was because, quite apart from international considerations, a second intervention, unlike the first one, presented much greater difficulties: it could not be ascribed to a request from either the communist party or the Hungarian government, which was clearly unable to return to its former policies. A successful, speedy, military intervention needed careful preparations, Soviet troops had to be reinforced and redeployed into key positions. And arrangements for just that were already underway. This is confirmed by the fact that during the night of 30th-31st October worrying developments began to take place, news of which was published early in the afternoon on 31st October, at the very time that the 'promising' talks between the Hungarian cabinet and Mikoyan and Suslov were reaching their conclusion. Radio Miskolc announced that:

yesterday, on 30th October, we were the first to inform the population of the country of Marshall Zhukov's order to the Soviet troops to begin their withdrawal from the territory of Hungary. As reported, the withdrawal of Soviet units has begun. However, for reasons that we and the people of the country do not understand, large Soviet forces ... have changed direction and again entered the territory of Hungary from Záhony, moving in the direction of Nyiregyháza. The reason for this circular movement of Soviet troops is incomprehensible to us. We observed the movement of Soviet troops all night ... and we informed the President of the Council of Ministers of the happenings during the night.(274)

Thus, when Nagy delivered his impassioned speech before the Parliament concerning Soviet troop withdrawals and his intention to withdraw from the Warsaw Treaty (and his follow up speech the next day, on 1st November) he had already received this information and rumours had begun to spread that, while some troops had left Hungary, others had made a 'U'-turn and returned to the west by another route. His speech, in fact, was aimed at warding off a possible Soviet intervention. For the next few days contradictory Soviet troop movements continued to baffle observers, inevitably giving rise to questions about Soviet sincerity.

The final phase of the revolution began with the declaration of Hungarian neutrality on 1st November, and ended on 4th November with the forcible removal of the revolutionary regime by Soviet intervention. It was a relatively tranquil period. During the days that followed the ceasefire, on 30th-31st October, it seemed as if victory had been achieved. The general strike was still in progress and little work was being done, but the people of Budapest began to take the first steps to clear away the rubble, restore order and bring life back to normal conditions.

On the morning of 1st November Nagy - having taken over direct responsibility for foreign affairs - called in the Soviet Ambassador to Hungary, Yuri Andropov, to protest against the entry of fresh Soviet military units, of which his government, he said, had received authoritative information. He warned Andropov that this was a 'violation of the Warsaw Treaty' and unless these units were withdrawn his government would have no option but to denounce the Warsaw Treaty and declare Hungarian neutrality. Despite vague assurances by Andropov that withdrawal was under way, news poured in throughout the day about Soviet troop movements into the country - and overwhelmed by nationwide demands - Nagy, after consulting and receiving the full consent of Kádár, other leading communists, and his own cabinet, finally took the crucial step of

announcing Hungary's neutrality and her withdrawal from the Warsaw Treaty with immediate effect. His proclamation, in a radio broadcast to the nation, ended with the words:

we appeal to our neighbours, countries near and far, to respect the unalterable decision of our people. It is indeed true that our people are as united in this decision as perhaps never before in their history. Working millions of Hungary: protect and strengthen - with revolutionary determination, sacrificial work and the consolidation of order - our country, free, independent, democratic and neutral Hungary.⁽²⁷⁵⁾

Following his announcement, Nagy summoned Andropov to convey the ultimatum officially. At the same time he sent a note to the Soviet Presidium asking that a time and place be fixed for negotiations on the withdrawal of Soviet forces, as agreed in the declaration of 30th October, and notified the Secretary-General of the United Nations, Dag Hammarskjöld, of his government's decision, asking him to place the question of Hungarian neutrality on the agenda for the forthcoming session of the General Assembly.⁽²⁷⁶⁾ Nagy also sought the help of the 'four Great Powers' to safeguard the country's neutrality. Alas, the 'four Great Powers' were in a state of confusion over the Suez crisis and, together with the United Nations, they followed the events in Hungary with sympathetic but impotent fascination. It was not until the Soviet troops had attacked and occupied Budapest and other major cities in Hungary (on 4th November), that the Security Council began to deal in earnest with the crisis in Hungary. By then it was far too late even for a modicum of achievement.⁽²⁷⁷⁾

It would be inappropriate to discuss the full effect of the proclamation here. Suffice to say that it was intended to bring extra pressure and, at the same time, obtain some element of guarantee on Soviet withdrawal. Since the whole country had given such proof of its determination to be free of Soviet domination, it was impossible for Nagy to give way in the face of a show of

strength. Indeed, at a meeting with Andropov arranged at his request, Nagy later declared himself ready to drop proceedings at the United Nations provided the influx of Soviet troops into Hungary ceased and an effort was made at genuine withdrawals.⁽²⁷⁸⁾ But, despite continued diplomatic promises during the next few days, nothing of substance had been forthcoming. Unquestionably, Nagy's proclamation caused considerable embarrassment in Moscow. Coming after the announcement, and formation, of a multiparty coalition government it reinforced Soviet fears that Hungary, once politically fully consolidated, would reject everything to do with Soviet communism. The official Soviet position, both in Budapest and at the United Nations, however, remained unchanged until 4th November: during the intervening days numerous statements were issued denying new Soviet troop movements into and confirming Moscow's intention to withdraw its troops from Hungary and to continue negotiations concerning the Warsaw Treaty. It is highly probable, as discussed earlier, that a decision on a second intervention was, in fact, taken on 31st October, and subsequent negotiations were intended merely to camouflage the preparations to crush the revolution. The disappearance of János Kádár during the night of 1st November is a further indication that within twenty four hours the balance had definite shifted towards the intervention.⁽²⁷⁹⁾

On the evening of 1st November, after Nagy made his announcement on neutrality and a break with the Warsaw Treaty, Kádár made a radio broadcast in which he praised the revolution and endorsed national independence and Soviet withdrawal, but made no direct reference to Nagy's decision on neutrality. His speech, however, contained a warning that,

the uprising of the people has come to a crossroads. Either the Hungarian democratic parties will have enough strength to stabilise our achievements or we must face an open counter-revolution. We did not fight in order that mines and factories be snatched from the hands of the

working class, or that land be taken from the hands of the peasantry.⁽²⁸⁰⁾

He added, perhaps even more significantly, that

a grave and alarming danger exists that foreign armed intervention may reduce our country to the tragic fate of Korea. Our anxiety for the future of our country leads us to do our utmost to avert this danger. We must eliminate the nests of counter-revolution and reaction.⁽²⁸¹⁾

To help in this and to cleanse the party from the 'crimes of the past', he said, the old communist party would be dissolved and a new one formed under the name 'Hungarian Socialist Workers' Party' (Magyar Szocialista Munkáspárt, or HSWP). This new party, he announced, was to be reorganised by a preparatory committee, whose members included Kádár, Nagy, Donáth, Losonezy, Lukács, Kopácsi and Szántó⁽²⁸²⁾ and would publish a newspaper to be called Népszabadság. In his closing words, he said that this reformed party would be

prepared to do its share in the fight for the socialist future of our people. It is clear to us that there has never before been so great a need for holding the democratic forces together. We turn to the newly formed democratic parties and first of all to the other workers' party, the Social Democratic Party, with a request to overcome the danger of a menacing counter-revolution and intervention from abroad by consolidating the government.⁽²⁸³⁾

With these ominous words Kádár, accompanied by Ferenc Münnich (a firm Stalinist), disappeared from Budapest a few hours later and remained missing until 4th November. It then transpired that they had gone to Uzhgorod, in the Carpathian Ukraine,⁽²⁸⁴⁾ from where he would offer himself as head of the new government, once the Soviet military had regained control of Hungary. His disappearance, however, was kept a closely guarded secret, and, 'in name only', he was still included in Nagy's reshuffled coalition government of 3rd November. He returned to Budapest on 7th November. Other leading communists, Apró, Marosán, Kiss and Nógrádi, followed him somewhat later.⁽²⁸⁵⁾

The few days between the proclamation of neutrality and the second Soviet intervention saw the beginnings of political pluralism in the country and a further democratisation of the government. During these days of political freedom the democratic parties, none too sure what to make of it all, after almost a decade of oppression, re-emerged somewhat on the pattern of 1945 and were soon in the process of reorganisation. Apart from the three main political parties, the Independent Smallholders', the National Peasant and Social Democratic Parties, which, with the communists, had formed the government between 1945 and 1948, a number of new political parties were created. They all devoted tremendous energy to re-establishing democratic political machinery. It was widely thought that there was excessive and premature poliferation of political parties (and newspapers) reflecting all shades of opinion, which tended to deflect energies from the main tasks.⁽²⁸⁶⁾

Immediately after 30th October, when Nagy repudiated the once-party system and Tildy had invited his former party, the Smallholders, as well as the National Peasant Party and Social Democratic Party to reorganise their ranks and prepare for elections, scheduled for January 1957, those three main parties promptly set about re-establishing themselves. This was not an easy task. Many of their leaders had been exiled, imprisoned or killed for their intransigence, or, because of political ambition or under sheer pressure, had become collaborators, 'fellow travellers', of the post-1948 communist regime; a few later even joined the communist party and now occupied important administrative positions in the state hierarchy.⁽²⁸⁷⁾ The reborn parties had, on the whole, no time for these people and pressures soon grew against the readmission of these 'traitors' into their former parties, although because of expediency or reasons of national interest a few temporary exceptions were made.

The first party to put itself on a firm footing, as everyone had expected, was the Smallholders' Party. As the largest opposition party before Rákosi's

takeover they had considerable leverage. At their Constituent Assembly, on 30th October, an Executive Committee of nine members was formed, to outline the party's platform and Béla Kovács was elected General-Secretary of the rejuvenated party in his absence. After some vacillation Kovács was persuaded by his friends to accept the post.⁽²⁸⁸⁾ After some debate, Zoltán Tildy, whom some party members distrusted (because of his part in winding up the party in 1948), and István Dobi (a 'fellow traveller' who was trying to find his way back to his former party) were excluded from the leadership; although the party's Constituent Assembly allowed them to remain, provisionally, in the government and the Presidential Council of the Republic. A number of other collaborators, the most prominent being Lajos Dinnyés (a former premier), József Bognár and Gyula Ortutay, ministers in the Rákosi regime, were refused readmission. On 1st November the party began to publish a daily newspaper, called 'Kis Ujság'.

Similar problems faced the other two main political parties. They too were determined to dissociate themselves from former leaders and members who had collaborated with the communists. In relation to its size, perhaps, the National Peasant Party had the greatest number of renegades and communist 'fellow travellers' among its membership. Indeed, because the party felt itself to have been compromised the most in the past it changed its name to the 'Petöfi Party' at its Constituent Assembly, on 31st October (announced on 1st November), to 'express its sharp opposition to the years of Stalinist tyranny'. After the resignation of the old leadership the revived party, representing the 'populist trend of the left', elected Ferenc Farkas as the new General-Secretary, with a group of eleven Directors⁽²⁸⁹⁾ in which Professor István Bibó, a lawyer, and Attila Szigeti (rebel leader of Győr) received leading positions.⁽²⁹⁰⁾ One of the party's foremost 'traitors', Ferenc Erdei, whom Nagy had appointed Deputy Premier, was dropped from its ranks. On 1st November the party's newspaper, Szabad Szó, made its first appearance.

The Social Democratic Party also announced its re-establishment on 1st November. Its veteran leader, Anna Kéthly, was elected President and Gyula Kelemen General-Secretary, with András Révész as Deputy General-Secretary.⁽²⁹¹⁾ Renegades and 'fellow travellers', such as Árpád Szakasits (former President of the Republic), Sándor Rónai and Zoltán Horváth, were refused readmission to its ranks, accused of having been instrumental in the merger with the communist party in 1948. At first, the party was reluctant to join Nagy's government - objecting to its chiefly communist composition - but, after attending a meeting of the 'Socialist International', a conference just taking place in Vienna for talks with Social Democratic delegates, the party agreed to participate in government. On the same day it began publishing its newspaper, 'Népszava'.⁽²⁹²⁾

Apart from these three main 'coalition parties' (in addition to the communists), which began participating in Nagy's government, the legalisation of a multiparty system encouraged the formation of a number of other parties, which had not been members of the 1945 coalition government. Among the most important were the Hungarian Independent Party and the Young Hungarians' Party. The release of Cardinal Mindszenty gave the Catholic parties, the Catholic People's Party, the Democratic People's Party and the Federation of Christian Youth, a leader. Indeed, over the next few days, a mushrooming of fringe parties, some 40 groups in total, took place in the country.

One of the most important and urgent questions of these days of political freedom, i.e., between 30th October and 3rd November, was how the country would adjust to this newly gained freedom. What would be the political attitudes of these re-emerged parties? Would not political prejudice or economic selfishness impair those achievements which were worth keeping or revive the mistakes of the past? Nagy, throughout the revolution, emphasised his government's commitment to the maintenance of socialism in Hungary. In his

speech on 28th October he warned those who were 'prone to see only the black side of our history during the past twelve years'.⁽²⁹³⁾ He asked people not to lose sight of the achievements of those years, under the leadership of the communist party, which were the best guarantee of Hungary's future. In similar manner, the leaders of the other three main parties also declared their firm belief in democracy and opposition to a return to the pre-war capitalist regime. Indeed, during these days of democratic revolutionary fervour - with the unceasing flow of demands from Workers' Councils and Revolutionary Committees - no sensible politician would have gone into the factories or the countryside to tell the workers and peasants to return 'their' factories and their land to the previous owners.

On 31st October, at a meeting held in Pécs for the purpose of reconstituting the Smallholders' Party, Béla Kovács, in his first political speech for years declared that

the Smallholders' Party has full liberty to reassemble but the question is whether, on its reconstitution, that party will proclaim the old ideas again. No-one should dream of going back to the world of aristocrats, bankers and capitalists. That world is definitely gone! A true member of the Smallholders' Party cannot think on the lines of 1939 or of 1945. The last ten years were bitter but they also provided a useful lesson⁽²⁹⁴⁾.

Speaking of the present condition of the peasantry, Kovács declared that they needed their own organisation to protect their interests, in the same way as the working-class and intellectuals. He said that the old 'Peasant Alliance' (Parasztszövetség) should be reconstituted.

In similar vein, Ferenc Farkas, on behalf of the Petöfi Party, declared in a broadcast that

we shall retain the gains and conquests of socialism to the fullest extent that they can be useful in a free, democratic and socialist country, following the will of the people.⁽²⁹⁵⁾

Anna Kéthly, head of the Social Democratic Party, in an article in Népszava, warned against the counter-revolutionary dangers which threatened the goals of the revolution:

freed from one prison, let us not permit the country to become a prison of another colour. Let us watch over the factories, mines and the land, which must remain in the hands of the people.⁽²⁹⁶⁾

On behalf of the agrarian population, the newspaper Paraszt Függetlenség, the organ of the Hungarian National Revolutionary Committee, published nine demands by the farming population:⁽²⁹⁷⁾

1. Complete rejection ... of Stalinist peasant policy. A decree must be issued ordering the dissolution of weak collectives and collectives established by force. Peasants must be granted the right to leave collectives ... The land, property and animals which they brought to the collective must be returned to them and they must be given state support. The present system of state assistance to collectives must be discontinued. State support must be administered by a collective centre ... elected by collective members.
2. An agricultural delegation, composed of peasant representatives, members of the new parties, agricultural experts and journalists must be sent to study the systems of large-scale farming in Western Europe - Denmark, Holland, England, Scandinavia - and in the United States and their experience must be used to benefit Hungarian agriculture.
3. The present set up of the Machine Tractor Stations (MTS) must be discontinued.
4. Far-reaching financial assistance must be given to individual peasant farmers.
5. The old system of selling and purchasing land must be restored.
6. We approve the discontinuation of the compulsory delivery system, which exploited the peasantry. But this is only a first step. The extremely high peasant taxes must be reduced immediately and the present system of taxation must be revised ...

7. State Farms whose output and profits are inadequate must be liquidated.
8. The Ministry of Crop Collection must be abolished, the Ministries of Agriculture and State Farms merged and the bureaucratic apparatus reduced.
9. Peasant Revolutionary Committees must be established in every village. Members of the Committees should be recruited from the democratic parties and they should take power until elections are held.

Apart from the occasional call by revolutionary 'free radio' stations - located in various parts of the country - for the dissolution of the collectives, this was the most comprehensive single formulation of demands put forward on behalf of the peasantry.

Concerning peasant representation, another important matter which soon came before the Executive Committee of the Smallholders' Party was the possibility for forming a united agrarian party, combining its own membership with that of the Petöfi Party. The two organisations had, of course, worked together as far back as 1939 in the 'Peasant Alliance' (Parasztszövetség) although at that time the 'National Peasant Party' had no political weight comparable to the Smallholders' Party. In 1945 its significance increased when it became the fourth party in the coalition government. Now, many in the Smallholders' Party believed that the time was appropriate for a merger of the two parties. When the revival of the 'Peasant Alliance' (Parasztszövetség) was announced on 20th October the means were again at hand. Not all members of the Executive Committee of the Smallholders' Party, however, favoured a united party but the majority of the younger generation and some older leaders, including Béla Kovács, the General-Secretary, supported this move. There was, of course, no opportunity for a full debate, nor for the implementation of this plan, because of the second Soviet intervention. (298)

With the re-establishment of the parties, and the apparent consolidation of a pluralistic system, pressure on Nagy's 30th October government for further

democraticisation began to grow. The three main coalition parties wished to obtain equal representation in the government with the communists, who still held the majority of ministerial posts and the main influence in the cabinet. Attacks on the composition of the government continued, leading to a final reorganisation on 3rd November with a new, enlarged cabinet and wider representation for the non-communist coalition parties. Three ministerial posts each were allotted to the communists, the Smallholders and the Social Democrats and two to the Petöfi Party. In the new cabinet Imre Nagy (communist) retained the premiership and the foreign affairs portfolio. The full cabinet, under the title Ministers of State, comprised János Kádár (in name only) and Géza Losonczy (communists), Zoltán Tildy, Béla Kovács and István B. Szabó (Smallholders), Anna Kéthly, Gyula Kelemen and József Fischer (Social Democrats), Ferenc Farkas and Prof. István Bibó (Petöfi Party) and the independent General Pál Maléter, as Defence Minister and representative of the 'freedom fighters'. Some 19 communists and 'fellow travellers', the most prominent being József Bognár, Ferenc Erdei, György Lukács, Imre Horváth, Ferenc Münnich, Antal Apró and Rezső Nyers, were relieved of their ministerial posts. With the exception of Foreign Affairs and Defence, the Presidential Council left all the ministerial portfolios vacant.⁽²⁹⁹⁾ These ministries were run, as far as they could be run at all, by officials appointed or elected on the spot.

Because of the second Soviet intervention, the reconstructed government had no opportunity to submit a programme to the nation. Nor were the three main coalition parties able to draft formal party programmes. Nevertheless, from what emerged from the various pronouncements of the party leaders it can be established that all of them professed to stand on the basis of 'freedom, independence and democracy.'⁽³⁰⁰⁾ The Social Democratic Party emphasised that Hungary must become a democratic socialist country. While both the

Smallholders' and Petöfi Parties declared their full acceptance of the 1945 Land Reform Law - in some respects they went even further, declaring that no land in excess of 25 cad. yokes should be returned to previous owners⁽³⁰¹⁾ - they also stressed the right of the peasants to determine freely whether to own property or to remain in collectives. Both advocated free agricultural production and marketing. the Petöfi Party, while fully respecting the right of the peasants to sell their products without restriction, considered it necessary to maintain existing collectives until some form of peasant-cooperatives could be set up on a sound basis.⁽³⁰²⁾ Its criticism of the collective farm system was not because of its theoretical advantages or disadvantages but because many of the farms had been set up under coercion. A collective farm system with genuinely voluntary organisation would not, therefore, be objectionable. The influential Workers' Councils, set up in factories and industrial concerns, did not have a distinctive ideology, apart from their general opposition to the restoration of unrestricted capitalism: in their view, factories and mines should belong to the workers, no factories or land should be given back to capitalists and big land-owners. Furthermore, there was also a general consensus among all the three main parties that Hungary should not participate in any 'military block', but should remain 'neutral'.⁽³⁰³⁾

It must, however, be noted that during these days of political turmoil a few small parties did emerge, some of which hoped for a return to the pre-war 'ancien regime' - among them was the extreme right-wing 'fascist' party. These fragmented political forces, however, remained quite uninfluential and there is little evidence that a return to a semi-feudal, capitalistic, system was generally considered desirable or indeed imminent. However, it has been suggested that the various Catholic groupings, attracting the more clerical, conservative and even reactionary elements, could have been the forerunner of a powerful Christian Democratic movement, allegedly under the leadership of Cardinal

Mindszenty, to contest the claims to power of Nagy's coalition government and to restore the pre-war political conditions in Hungary.⁽³⁰⁴⁾ One of the main sources of such speculation was the Cardinal's own - according to some deliberately vague and ambiguous, if not openly self-contradictory - public broadcast to the nation on the evening of 3rd November (i.e., just a few hours away from the Soviet intervention).⁽³⁰⁵⁾ It is interesting to look briefly at the main points of his speech, which have given rise to various interpretations:⁽³⁰⁶⁾

1. he began by declaring that he stood by his 'conviction, physically and spiritually intact, just as I was eight years ago' - this was interpreted as implying that he would carry on where he left off eight years ago;
2. he proclaimed his desire for Hungary 'to live in friendship and in mutual respect with the great United States of America and with the mighty Russian Empire'; because of this he was accused of speaking derogatorily of the Soviet Union as the 'Russian Empire';
3. he called for a new general election, 'without abuses', under international supervision, in which every party would participate;
4. while he warned against 'party struggle and disagreement' and 'private vengeance', he asserted that he himself was 'and will remain independent of any party, and - because of my office - above it';
5. while refraining from opposing Nagy's government, he referred to its members as 'the successors of a fallen regime' who 'carry their own responsibilities for their activities, omissions, defaults and wrong measures'. He declared that he did not wish to make any denunciatory statement about them because that would retard the start of work and the course of production in the country;
6. while declaring his desire 'to live in a society without classes' he reaffirmed his belief in a system 'of private ownership, rightly and justly limited by social interest';
7. 'as head of the Hungarian Roman Catholic Church', he declared, 'just as the Bench of Bishops stated in a joint letter in 1945', that the Church did not 'oppose the just direction of historical progress'; development, he said was even to be promoted;
8. finally, he called for the freedom of religious instruction and the restoration of the institutions and societies of the Catholic Church - among other things, its press. This led to the accusation that he had not made it clear whether he was referring to the former church schools or the larger estates, etc.

Certainly, there were some unfortunate obscurities in his address, which enabled the post-revolutionary Hungarian regime to accuse him of 'counter-revolutionary incitement' to restore capitalism and the large landed estates, especially those formerly owned by the Church.⁽³⁰⁷⁾ The Cardinal himself, in his memoirs, refuted these accusations, referring to his statement that the Church 'did not oppose the just direction of historical progress', which, in his view, implied clearly that the Church had accepted the provisions of the 1945 Land Reform Law.⁽³⁰⁸⁾ Others, mostly Western commentators, gave a more sympathetic interpretation of his speech. Be that as it may, the speech was unquestionably controversial, apparently perplexing even some of the faithful, and in general it reduced rather than increased his popularity. Clearly, the overwhelming popular consensus favoured the maintenance of public ownership of industries, with some form of participation by the workers, and a free agricultural system with maximum limits to land holdings. Not to mention the fact that the numerically strong peasantry had at this stage had little opportunity to contribute to the discussions. Their voice would have been heard only with the implementation of the promised free General Elections, but there can be no doubt that they would not have supported any party whose programme was to restore the large estates. Moreover, it also should be pointed out that whatever the Cardinal said, or might have said, in these final few hours of freedom, his speech came too late to influence the course of events - these were already in motion.

Despite the continuing influx of Soviet troops into Hungary, Moscow maintained a conciliatory facade and agreed to negotiate on the Hungarian government's demands for military withdrawal. On the night of the 3rd November, however, the situation had been drastically changed. While still pretending to be giving ground in their negotiations the Soviet military representatives invited a Hungarian delegation, led by the Minister of Defence, General Pál Maléter, to the Soviet Army Headquarters at Tököl, near Budapest,

to settle the technical details for the withdrawal from the country. The Hungarian negotiators then attended a banquet there in their honour. It was almost midnight when the party was interrupted by the arrival of General Serov, Head of the Soviet Security Police, accompanied by NKVD officers, whom he ordered to arrest the Hungarian delegation. At the same time, without any warning, a massive Soviet military attack was launched on all points of resistance. Within a few hours, all strategic centres, airfields, railways and main roads had been brought under Soviet control. No effective resistance could be organised by the Hungarian army. Nagy - since communications between himself and the Hungarian negotiating delegation had been interrupted - still believed in the successful outcome of the negotiations for the withdrawal of Soviet troops and gave specific instructions not to open fire on Soviet troops. Indeed, it was not until he saw the Soviet tanks in front of the Parliament and news was received that János Kádár had set up another government that he delivered his famous, if brief, radio announcement that,

today at daybreak Soviet troops attacked our capital with the obvious intention of overthrowing the legal Hungarian democratic government.⁽³⁰⁹⁾

Rescinding his earlier instructions, he now decided to resist the Soviet troops by force of arms. The Hungarian army, the National Guard and groups of freedom fighters, mostly equipped with small arms and 'Molotov-cocktails', fought side by side against the overwhelming power of the Soviet forces.

The nation learned on the morning of 4th November that János Kádár, First Secretary of the Hungarian Socialist Workers' Party (HSWF), and three other former members of the Nagy government, had left it on 1st November and gone over to the Soviet side, because of the government's inability to fight the 'counter-revolutionary danger'. In his radio broadcast, in order to defeat 'fascism

and reaction', Kádár announced the formation of his alternative 'Hungarian Revolutionary Worker-Peasant Government (Magyar Forradalmi Munkás-Paraszt Kormány).⁽³¹⁰⁾ Repudiating the popular nature of the revolution, he declared that reactionary elements were seeking to overthrow socialism in Hungary and to restore the capitalists and landowners to power. The new government, he said, had requested the help of the Soviet troops to defeat those 'sinister forces of reaction'.

Following the occupation of Budapest by Soviet forces, local resistance continued in various centres until overcome by force, or the fighters had run out of ammunition: ignoring the surrender ultimatum issued by the Soviet commander in Budapest, some centres within the city continued to resist until 8th November and in outlying industrial areas fighting went on until about 11th November. Heavy destruction and considerable loss of life were caused by the Soviet Armed Forces. The destruction of the city of Budapest was rated worse than in World War II. The revolution had run its course. Imre Nagy, together with his family, some of his ministers and others, sought and obtained asylum at the Yugoslav Embassy. But trusting an agreement with Kádár, which 'guaranteed' their personal safety, Nagy and his entourage left the Embassy on 22nd November, only to fall into a trap set up by the Soviet leaders. They were promptly abducted and deported to Romania. They were 'tried' and some nineteen months later they were executed for their participation in the revolution. Many other participants in the revolution were also executed or sentenced to various lengths of imprisonment.

At this point it would be convenient to look at the developments in the countryside and the attitude of the peasants towards the revolution, while political leaders and revolutionary forces were framing the conditions for a new regime. The effects of the revolution, in the political sphere, took place almost entirely in the cities. After the outbreak of fighting in Budapest the turmoil

began to spread to the more distant provincial towns. But perhaps because of inertia, lack of communication or just frank disbelief, it spread only slowly. The countryside remained relatively calm, the attitude of the bulk of the peasantry was one of caution. They went about their daily business almost as if nothing had happened - the autumn sowing and agricultural work continued without even one day of disruption.⁽³¹¹⁾ On the whole, the rural population did not trust either leadership: it rejected Rákosi's and Gerö's rule with about equal intensity. Despite his well known sympathy for them, the peasantry remained cautious towards Nagy: they assumed a neutral position and waited for further developments. As before, the city - where the action was taking place - remained a domain of the distrusted 'them' and their alienation from city rule was manifest in their withholding of support from all rulers.⁽³¹²⁾ There was also the problem of communication. The countryside obtained its information from radio broadcasts, but initially there was no regular, systematic information available to them regarding the events in Budapest. This lack of information not only affected the peasants but also paralysed party organisations and their activities and led to great uncertainty among them.⁽³¹³⁾

As the incredible news of the successful armed uprising against Soviet troops and the Secret Police and the disintegration of party authority finally began to spread after 25th October, the countryside began to stir. Organisation and recruitment of revolutionary forces, as well as demonstrations, began in the villages. Existing Village Councils were dissolved everywhere and, at first in a climate of prudent expectations, and then with enthusiasm, National, Revolutionary and Peasant Committees were set up in their places. The first action of almost all of these Committees was to end the programme of 'land commassation' with immediate effect and to arrange democratic elections to set up 'Land Reorganisation Committees' (Földrendező Bizottság) to prepare for the legal return of the land to the previous owners, on the basis of the 1945 Land

Reform Law.⁽³¹⁴⁾ In a number of places, party and government officials - often people of low calibre who had been banished to the provinces as the penalty for failure elsewhere - and leaders of State and Collective Farms were dismissed, occasionally with pitchforks, or simply driven out of the villages after Revolutionary Committees were formed there. According to some reports, even at the beginning of 1957 80 per cent of collective farm chairmen had not returned to their previous place of work.⁽³¹⁵⁾ Once in control, the peasants began to destroy party and tax records and other documents which could have been used against them. The records of land ownership, however, were carefully preserved.⁽³¹⁶⁾ With the continuation of the revolutionary upheavals the peasants often went to the nearest town to participate in demonstrations and the rural population began to maintain fairly close contact with Budapest. But otherwise the peasantry, on the whole, remained a passive but benevolent observer of the revolutionary events. Only in occasional instances did some peasants participate in the armed fighting against isolated Soviet army detachments or attempt to hinder Soviet troop movements with lorries and carts.⁽³¹⁷⁾ Generally, the bulk of the peasantry remained far away from the centres of revolutionary action and, on the whole, refrained from participating in armed violence. Revenge against local functionaries and some well known local tyrants - often imposed from outside the village - did, however, result in some fighting, burnings and even murder of a few people. But throughout the revolution these remained extremely rare occasions. The flight of former party functionaries, collective farm chairmen etc., undoubtedly helped to prevent more trouble. The bitterness against county, district and collective farm officials was strongest in regions where the villages were populated with small and medium peasant landowners and weakest in areas which had previously been dominated by large estates. The personnel running the collectives from county and district offices contracted by 70-80 per cent, though leaders who were

generally held in high esteem by the peasants were allowed to remain at their posts.⁽³¹⁸⁾

The most significant evidence of the peasant's support for the revolution really lay not in fighting but in sympathy, in the collection and shipment of food to the striking workers and insurgents in the cities. Thousands of lorry and cart loads of food were collected by the rural population, absolutely voluntarily and spontaneously and delivered, even after 4th November, often at great personal risk, to the cities, where it was distributed free on street corners.⁽³¹⁹⁾

While the revolutionary events in the cities were principally in the sphere of politics, the consequences in the countryside were largely limited to changes in the structure of agriculture. The changes, however, were only relative and did not touch the basic agricultural structure that had emerged ten years earlier, after the 1945 Land Reform. There was no general demand for the return of estates to former landowners. Only in isolated cases had former landowners, or their descendants, made their reappearance - either from humble 'retirement' or 'dropping' in from the West - with barely concealed hopes of regaining their former estates. On the whole, however, they got no further than expressing their desire or put forward their claims,⁽³²⁰⁾ and neither the coalition parties nor, indeed the people had anything to do with them. Even the richer peasants, the 'kulaks' (i.e., in the above 25 cad. yokes category of holdings), learning, perhaps, from their experiences in 1953, refrained, by and large, from reclaiming their former property; not did they succeed even in increasing the size of their own holdings. Only on rare occasions did 'kulaks' approach Collective Farms asking for the return of their property.⁽³²¹⁾ This is clearly confirmed by the evidence that the number of holdings in the above 25 cad. yokes category even declined from 6,500 in mid 1956 to 4,900 by the middle of 1957, and their total are diminished from 233,000 to 177,000 cad. yokes over the same period.⁽³²²⁾ Interestingly, even the next smaller category, between 20 and

25 cad. yokes showed only a nominal increase. From all the available evidence it is clear that the peasants favoured a system of small and medium size holdings, farmed privately, but many had no objection, in principle, to collectives, provided entry into them was genuinely voluntary and provided they were run for the benefit of the participants.

The overall picture with regard to changes in the socialist sector of agriculture, however, was different. The acreage in the ownership of the State Sector (State Farms, Forestry land and MTS) increased nominally from 4,253,000 cad. yokes to 4,294,000 cad. yokes between mid 1956 and mid 1957.⁽³²³⁾ More specifically, the revolution did not affect the acreage under cultivation by State Farms, which remained at its previous level of about 12 per cent of total agricultural land.⁽³²⁴⁾ There were, however, considerable changes in the labour force: over the same period, roughly, 10,000 and 8,000 workers left the State Farms and MTS respectively.⁽³²⁵⁾ According to official claims the main reason for the reduction in employment in State Farms was 'the progress made in mechanisation and the utilisation of labour', while the reduction in MTS employment was attributed to the fact that under the prevailing situation less machine-work was required from them.⁽³²⁶⁾ Other contributory reasons may have been the peasants' attitude towards the state and its perceived 'benefits' and, perhaps less importantly, the few hundred persons, mainly from the leaders of these organisations, who had been dismissed or driven away by the local Revolutionary Committees. The relative smallness of the reduction was, undoubtedly due mainly to the fact that most of these farms had been established on large estates, previously owned by the 'gentry', and the attitude of the peasants towards them - apart from complaints about the quality and high costs of MTS services - was primarily that they were a place of employment.

The structural change within the socialist sector of agriculture was mostly limited to the collective farming system. The peasantry reacted to the

upheavals by abandoning the collective farms. Interestingly, however, the withdrawals from and dissolutions of collectives - which had begun during the summer of 1956 - while accelerating somewhat, did not assume nearly such 'explosive' proportions as many had expected. At the outbreak of fighting the peasants' first thought was not withdrawal from or dissolution of collectives, certainly not on a large scale. Indeed, it seemed at first as if the countryside would escape the devastating impact of the revolution. The peasants had noted with approval the abolition of the compulsory delivery system by Nagy, and members of those collectives which did not dissolve outright decided to wait for further developments, in particular the General Elections, promised for January 1957. These were expected to result in a complete reappraisal of the entire collective farm system and an orderly and proper return of land, within a legal framework, leading ultimately to an individual farming system. Unquestionably, the generally rather conservative attitude of the peasants, acquired over the centuries, also seemed to restrain them. During the entire revolutionary period, i.e., from 23rd October to 4th November, no more than 700, i.e., about 14 per cent, of the collectives were actually dissolved (many of these had probably indicated their intention to dissolve just prior to the revolution) and another 700 had given notice of their intention to dissolve. Thus, 72 per cent of all collectives remained intact.⁽³²⁷⁾

The situation changed dramatically, however, after 4th November. Following the defeat of the revolution, shattering the peasants' hopes for the future, the movement from the collectives turned into a rout and the scale of dissolutions exceeded even the great exodus of 1953. According to official claims another reason for the sudden upsurge in dissolutions was that after 4th November the insurgents were slowly squeezed out of the urban centres into the countryside, where they allegedly encouraged or even 'forced' the dissolution of collectives 'until the government brought them under control, by about mid-

December'.⁽³²⁸⁾ This claim, however, is hardly borne out by evidence since the process of dissolutions continued on a mass scale and, in fact, the regime was unable to reverse the tide until the end of January 1957. While it is true that between mid-November and mid-December 1956 the rate of dissolutions progressively increased, in the next period, from mid-December 1956 to mid-January 1957, it accelerated even more. At this point the collectivised sector had dropped back to close to its 1950 level.⁽³²⁹⁾

The trend in the number of collectives and their membership over the period is shown in Tables 11.6 and 11.7. on pages 962 and 963.⁽³³⁰⁾ First, however, a word of warning. It is difficult to measure the full impact of the dissolutions over this period accurately in numerical terms. This is so for three main reasons: first, the changes in the number of collectives and in their membership conceal the formation of new collectives, albeit in small numbers, from about mid-December 1956; second, in some places, when one big collective was dissolved two smaller ones were formed in its place; third, some higher, Type III collectives and their members joined or were converted to lower, Type I or II collectives. Nevertheless, it can be seen from the tables how the crisis shook the collective farm sector. As the tables show, by the end of 1956 nearly 59 per cent of the collectives had been dissolved, 60 and 66 per cent of their total agricultural land area and membership respectively had disappeared; more than 237,000 members left the collectives. The proportion of collective farm membership in the total agricultural labour force fell from 17.3 per cent in June 1956 (see: Table 11.5, on p.919) to 5.9 per cent and the total agricultural land area under the collectives, as a percentage of total agricultural land area, declined from 20.8 per cent in September 1956 (see Table 11.4, on p.918) to 8.5 per cent by the end of 1956. It should be noted, however, that some of the collectives had remained in operation with a reduced area and membership.

TABLE 11.6 Development of collectives between 15th October 1956 and 1st May 1957

Time	Number of Collectives			Total agricultural land area in 1000's cad. yokes	Total arable land area	of which Type III	of which Type III agricultural land area as percentage of total	Total collective agricultural land area as percentage of total	Type III arable land area as percentage of total
	Types I and II	Type III	Total						
15th Oct 1956	1057	3954	5011	2614.6	2268.2	2192.7	1897.4	-	-
31st Dec 1956	472	1617	2089	1038.9	905.0	797.0	679.0	8.5	7.2
1st May 1957(a)	928	2570	3498	1432.9	1187.2	1100.4	884.1	-	-

(a) sources: Péter Simon, 'Termelőszövetkezeti mozgalmunk ...' op.cit., p.89 and Sándor Balogh and Bálint Szabó (eds), A magyar népi demokrácia ... op.cit., p.305.

TABLE 11.7 - Development of membership between 15th October 1956 and 1st May 1957

Time	Total membership	of which in Type III	Total number of families	of which in Type III	Total membership as percentage of total agricultural employment
15th Oct 1956	357,020	298,474	289,584	235,571	-
31st Oct 1956	119,315	96,126	97,897	76,513	5.9
1st May 1957(a)	160,602	122,296(b)	131,163	96,940	-

(a) Sources: Péter Simon, 'Termelőszövetkezeti mozgalmunk ...', op.cit., p.89 and Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.305.

(b) of this 8188 were new members.

However, this picture is not complete, for two main reasons. First, there was a significant regional variation in the rate of dissolution of collectives. The drop was greatest in the Transdanubian region of the country (western Hungary) - traditionally a stronghold of small and medium peasant farmers, where the formation of collectives had been accompanied by the greatest amount of pressure and coercion. It was smallest in the Trans-Tisza region (eastern Hungary) - previously dominated by large estates and now the stronghold of landless, poor peasants and former farm labourers, who had gained most both from the Land Reform and the collectivisation. These labourers were said to have been more accustomed to collective work, and the absence of individual housing and farm buildings made dissolution considerably more difficult. The proportion of dissolutions of collectives located in some of the counties of the Transdanubian region were as follows: Baranya - 81.6 per cent; Győr-Sopron - 60.8 per cent; Vas - 71.4 per cent; Zala - 71.3 per cent; Somogy, where as noted earlier, in 'Summing Up in Somogy' (Somogyi Összegezés), the discontent with the collectives was highest, a massive 89.3 per cent had dissolved.⁽³³¹⁾ Second, the figures given the above tables did not represent the deepest point of the crisis, which most sources confirm was on 15th January 1957. According to one source, at that time 1467 collectives were in existence, a figure which includes some 190 new collectives, formed after 15th December 1956. Taking this into account, in reality only 1277 collectives remained intact.⁽³³²⁾ Comparing this with the 5011 collectives which existed at 15th October 1956 (just before the revolution) means that on average 74.5 per cent of the collectives had been dissolved during the upheavals. According to another source, only 700 collectives in the entire country remained solidly behind communal farming.⁽³³³⁾ Comparing this figure with the number at 15th October 1956 means that 86 per cent of collectives had dissolved. Whatever the precise figure, the peasants unquestionably abandoned the collectives of a mass scale.

According to various official surveys, the reasons for the withdrawals and dissolutions, as before, were many and varied. It is sufficient to list the main reasons given by the peasants for the dissolutions. (334)

1. the use of force in collectivisation drives, especially during 1955-1956; the programme of land commassation without adequate compensation;
2. incompetent and wasteful management practices in collectives;
3. unsuitable chairmen imposed from above;
4. high taxes and the confiscation of livestock for tax and compulsory delivery arrears;
5. antagonism between the various strata of collective members, especially between the poor, formerly landless and better off middle peasants within the collectives, which continued and even sharpened during the revolution;
6. the hope of distributing collectives' assets;
7. struggle by individual peasants for the return of their 'ancestral' land;
8. the collectives' membership was artificially swollen by 'lumpen-elements', who avoided work;
9. unfair division of collectives' incomes;
10. the decisions taken by management without appropriate consultation of membership, especially regarding large investments, compulsory cotton growing, etc.
11. lack of independence of collectives.

These make it clear that decisions to dissolve collectives were not attributable to some 'external' or 'kulak' pressure but, by and large, to the problems prevailing inside the collectives. The most characteristic feature of the dissolutions, especially after 4th November, was their spontaneity; the economic viability, or otherwise, of a collective played hardly any role in the decision to dissolve.

It is not too difficult to pin point which strata of peasantry withdrew from or dissolved the collectives. Those peasants who had previously owned land, i.e., largely small and middle peasants, left the collectives in large numbers. As a result, the proportion of poor and landless peasants among

collective membership rose significantly. This is confirmed by a report, prepared by the Agricultural Department of the Central Committee and the Ministry of Agriculture, which indicated that between 31st March 1956 and 31st March 1957 the proportion of agrarian proletariat and poor peasants increased from 37.6 per cent to 57.6 per cent, while the proportion of small peasants decreased from 35.8 per cent to 27.3 per cent.⁽³³⁵⁾ The members of the disintegrating collectives divided all the property of the collectives among themselves, taking the farm implements, machinery fodder and livestock. In some places these were even snatched away from State Farms and Machine Tractor Stations. The peasants tended to leave the largest collectives first. Small collectives, on the whole, proved to have better internal human relations than large ones. This was one reason why some large units were divided into smaller units, where members felt more in control and could oversee organisational problems better.⁽³³⁶⁾ The agrarian proletariat, the poor and 'dwarf' peasants, who had little or nothing to gain by dissolution, generally resisted it and even defended their collectives. These were, perhaps, the only peasants who really trusted the regime and, more importantly, who would not have been able to make an adequate living outside the collective. The main reason why they had joined in the first place was that the only way for them to 'own land' was through collectives. Many of them would not have been able to move to industry or State Farms and if left would have remained without work and bread. It should, however, be noted that when the new regime later increased the wages of industrial workers many agrarian proletarians and 'dwarf' holders turned to industry and urban enterprises to seek employment there.⁽³³⁷⁾

While some of the collective members who withdrew formed lower Types I and II collectives - because incomes and independence were greater there than in Type III collectives - by far the most important attraction was that as individual farmers - especially after the various concessions, the abolition of

compulsory deliveries, the halt in land commassations, increased agricultural prices and the ending of other economic burdens, such as compulsory insurance they could do even better. The better results in production and profitability on individual farms, of course, had handicapped the collectivisation campaign before the revolution too. With the decline in the number of collective farms the number of individual, private farms grew by more than 217,000, i.e., by about 15 per cent, while the area under this form of cultivation increased by more than 1.1 million cad. yokes, to reach around the 1949 level - as shown in Table 11.8 and Table 8.2 on p.529. (338)

Table 11.8 The number of individual farms and their cultivated area in the years 1956, 1957 and 1958

Time	Individual Farms		
	Number in 1000's	Area in 1000's cad. yokes	Average area in cad. yokes
1956	1 445 0	7 586 5	5.25
1957	1 662 7	8 682 2	5.35
1958	1 634 1	8 554 3	5.24

Source: see. n. 338, p. 994

There was, however, no return to large individual farms; the average acreage was about 2 cad. yokes smaller than in 1949, indicating a certain levelling of the peasantry.

Once the process of dissolutions began on a large scale the Kádár regime could do no more than acknowledge it, ex post facto, allowing the peasantry either to maintain or dissolve collectives as they wished. At first, it only warned against anarchy and 'illegal' appropriation of collective property; later it

attempted to regulate it. In its first, 15 point agricultural programme, published on 27th November the government called for the 'development of agricultural production' and, curiously, for the 'abolition of compulsory deliveries' and for 'assistance to be given to individual farmers'. It promised that the government 'would firmly liquidate all illegalities committed in the field of agricultural collectives, stop the commassation of land and exploitation'. At the same time, it issued appeal to the peasants to 'defend their collective farms'.⁽³³⁹⁾ It called on the leaders and members of Collective Farms, State Farms and Machine Tractor Stations to do everything within their power to prevent plunder or destruction of collective farm or state property. Departing members were to be permitted to take with them only what was specified by the General Assembly meeting.⁽³⁴⁰⁾ But the exodus from the collectives continued.

Two serious problems faced the new leadership as a result. One was to settle the leaseholds (földhasználat) and titles to land ownerships (tulajdonjog); the other, related problem was the settling of the financial obligations of members who left the collectives. The former fell into two parts: in the first place, there was the question of settling, if possible before the spring agricultural work began, the titles to land ownership and leaseholds of the more than 237,000 peasants who left the collectives. This, on its own, required more land area than the one million cad. yokes released through the dissolution of collectives by the summer of 1957. Then, in the second place, and in addition to the above, there was the question of the legal return of land, more than 500,000 cad. yokes taken away from some 160,000 persons by the state after 1st September 1949, in most cases without any compensation⁽³⁴¹⁾ not to mention the livestock, equipment and houses requisitioned by the state over the same period. On the whole, the regime was successful in meeting its obligations on both of these accounts - although only partially in the latter cases - by stipulating that land could not be released either when it was already in blocks larger than 25

cad. yokes or when there had already been investment on it (beruházott terület). At the same time, it kept a close watch over the social status of the claimants for damages and insisted that their total holdings must not exceed 20-25 cad. yokes.⁽³⁴²⁾ While the land claims of the peasants leaving the collectives were met in full by the government, the claims for damages resulting from measures taken earlier could only be 70-80 per cent satisfied and even then only by releasing land from state land reserves.⁽³⁴³⁾ Indeed, in the end, approximately 78 per cent of the total land of surviving and newly formed collectives had to be provided from the same source.⁽³⁴⁴⁾

While by the early months of 1957 the regime on the whole succeeded in achieving a level of relative satisfaction and calm on the question of land ownership titles and leaseholds, the various financial obligations of departing collective members proved to be considerably more problematic and uncertain. The origins of these obligations were the 'illegal' appropriation of collective property and the just apportioning of state credit repayment and other debts among withdrawing members, or members who forced the dissolution of collectives. According to official financial reports, these debts amounted to one-third of the total credit obligations of the dissolving collectives, a total of 444 mill. Forints, against which the value of appropriated assets amounted to 294 mill. Forints and leaving a deficit of 148 mill. Forints.⁽³⁴⁵⁾ To safeguard the interests of surviving collectives, the regime issued numerous decrees stipulating that assets, equipment and livestock etc., were to be handed over for the disposal by Local Councils or, if already appropriated, returned irrespective of what the peasant, who held them had originally brought into the collectives. If the peasant to whom such assets had been distributed no longer had them he had to pay appropriate compensation for them to the state.⁽³⁴⁶⁾ The enforcement of these regulations, however, proved to be extremely difficult and in some cases, e.g., in the case of fodder, the regime could not even hope to succeed. Then new

decrees were enacted and to reinforce the law the police were asked to help. Most of these operations, however, achieved little. While in a number of places attempts were made to place more than their fair share of the debt burden on the departing members, the more general view that developed was that the 'better-off', ex-collective members, 'cheated' the 'have-not's who remained in the collectives: the prevailing view among the remaining members was that departing members, small and middle peasants, left the collectives with greater wealth than they had brought with them when they joined. As a result antagonism and conflict between them, which had always been there, increased sharply in the months ahead.

But this, however, was not all. The surviving collective farms had to face further problems. They were left with reduced and inadequate labour, livestock, equipment and agrarian experts. The reduction in their labour force resulted in an increased agricultural acreage per collective farm member: while in mid-1956 this figure was 7.5 cad. yokes/member, by mid-1957 it had increased to 9.5 cad. yokes/member.⁽³⁴⁷⁾ They also experienced a drastic reduction in their livestock numbers. At the beginning of 1957 there was no common livestock at all in some 700-800 collective farms.⁽³⁴⁸⁾ The departure of middle peasants, while nominally improving the age structure of collectives, resulted in a significant drop in the number of people with expert knowledge of agricultural production. And there were practically no agronomists. The collective and party leadership during this period all but disappeared: some 70-80 per cent of district and country administrative leaders (and 80 per cent of collective farm chairmen) were forced out.⁽³⁴⁹⁾ Most of the remaining and new collective farm leadership had no more than elementary education and little or no experience of organising large-scale agricultural production and management. Unquestionably, the crisis that hit the collective farm sector of agriculture was extremely serious.

At the same time, the individual, private peasants had made great strides. The subsequent, 'sellers' market gave them a measure of prosperity they had not enjoyed since the beginning of collectivisation, in 1949. The freedom to market their own produce increased from 32.8 per cent in 1955 to 65.6 per cent in 1957 and 69.9 per cent in 1958⁽³⁵⁰⁾ combined with improved agricultural prices, provided them with great incentives for production. As a result their incomes significantly increased: the average annual income of all individual farms has been estimated at 20,000 Forints - with a factor of 0.5 - 3.0 variation, according to the size of holding.⁽³⁵¹⁾ This meant that their standard of living reached, and in many cases, surpassed, that of industrial workers and, of course, was considerably higher than that of collective farm members.

The new regime had left this 'status quo', which had spontaneously developed in the countryside, since restoration of order in the cities and recovery of industrial production had been given top priority. The losses inflicted upon the national economy by the revolution and its aftermath were considerable, both in men and in material. The damage to industry, the socialist sector of agriculture and to both trade stocks and buildings in Budapest were the most important items of capital destruction, in addition to the considerable loss in industrial production. The seriousness of the situation is well demonstrated by the fact that in November 1956 manufacturing industry output was 20 per cent of the level the previous year, and even in December it was barely above 30 per cent.⁽³⁵²⁾ Total losses in the value of the capital stock amounted to almost 3000 mill. Forints:⁽³⁵³⁾ the estimated distribution of the losses among the various sectors was the following: in industry - 850 mill. Forints, or 2.2 per cent; in the socialist sectors of agriculture - 400 mill. Forints or 1.7 per cent (of which damage to State Farms was 150 mill. Forints); in transport - 30 mill. Forints or 0.1 per cent; in housing - 340 mill. Forints; in stocks of consumer goods - destroyed, damaged or looted - 750 mill. Forints or 4.3 per cent; other sectors -

130 mill. Forints.⁽³⁵⁴⁾ The loss in production amounted to more than 20,000 mill. Forints.⁽³⁵⁵⁾ In its totality the crisis in 1956 had cost Hungary one-fifth of its Gross National Product.

Economic recovery in the period that followed was helped by a reduction in investment, three years of good harvests, a low level of defence expenditure and, temporarily, by relief provided by friendly socialist countries. In addition to the value of long-term credits - provided - China 100 mill. Rubles, Poland - 40 mill. Rubles, Czechoslovakia - 100 mill. Rubles - the value in goods and convertible currency provided by Czechoslovakia, DDR, Yugoslavia and Poland was 90 mill. Crown, 2.2 mill. Marks, 150 mill. Dinars and 100 mill. Zloty respectively. During 1957 the Soviet Union provided 875 mill. Rubles in goods and convertible currency.⁽³⁵⁶⁾ As a result of the various measures industrial production had reached its pre-revolution level by mid-1957.

In the sphere of agriculture the new government was forced to manoeuvre as best it could in a situation which, in a sense, was beyond its control. It was forced to make two important, if temporary, concessions: a truce on the collectivisation front and a substantial increase in the prices of farm products. It made no effort to revive the compulsory delivery system. For the next two years, there were no plans, no central direction of agricultural production. Instead, the government relied on the free market for agricultural produce and on state purchasing, at prices considerably higher than those formerly paid for compulsory deliveries. Despite the fact that the higher prices were greatly offset by the re-imposition of a land tax, paid in wheat or some other grain, a rise in income tax rates and by higher prices for things the peasants wished to buy, the real income and consumption of individual peasants - who now held 78 per cent of arable land - increased considerably. Neither did the government force individual peasants to pay immediately for the equipment, livestock (and other products) and land, some of which they had 'illegally' taken

from the collectives. For a while it even tolerated the resentment which developed among urban workers and collective farm members at what they considered to have been unjustified gains by the individual peasants who, in their view, profited from the changes at their expense.

As time went by, and the revolution became a thing of the past, official attitudes, however, began to stiffen. The regime began to say more and more emphatically that the future of agriculture lay in collective farming, and some efforts were made to recoup some of the losses of the revolution. The party had, of course, never given up the idea that ultimately collective farms must dominate agriculture. From early 1957, observing strictly the 'voluntary principle', collectives began to be set up again throughout the country. The pace, however, remained very slow and cautious, as the statistical data in Table 11.9 indicate, on p.974:⁽³⁵⁷⁾

Faced with general difficulties in the economy, and preoccupied with reform intentions in the industrial sector, the regime was slow in arriving at a long-term policy for agriculture. On the basis of what the new government had said and done about the private sector of agriculture, the Hungarian peasantry could expect, indeed had expected, that they would achieve an un-collectivised agriculture, as in Poland and Yugoslavia. This, however, was not to be. The development of collectives could not be left to spontaneity. After two years of tactical retreat, in 1957 and 1958, forced collectivisation was launched again in the first quarter of 1959, and in two successive stages it was completed rapidly in the winter of 1960/1961. Hungarian agriculture, much like many (if not all) of its neighbours, was totally included in the socialist sector. The only permanent achievement left by the revolution, in the sphere of agriculture, was Nagy's abolition of compulsory deliveries, which were never again re-introduced. The rapid success of the regime in collectivising agriculture completely was especially noteworthy in the light of the way the peasants had resisted all

TABLE 11.9 Developments of collectives and their membership between 31st December 1956 and 31st December 1958

Time	Number of Collectives			Number of total membership	Total area of agr. land in 1000's cad. yokes	Percentage share in total agr. land ^(a)
	Types I and II	Type III	Total			
31st Dec 1956	472	1617	2089	119,315	1038.9	8.5
30th June 1957	877	2580	3457	160,400	1402.4	11.5
31st Dec 1957	837	2557	3397	155,800	1426.8	11.7
30th June 1958	819	2657	3476	167,800	1492.3	12.2
31st Dec 1958	752	2755	3507	168,900	1666.0	13.6

(a) calculated and added by the author

Source: See n. 357, p. 974

previous efforts to collectivise them - even though the reluctance of individual peasants to enter, or re-enter, collectives remained obvious. Indeed, the magnitude of its victory in collectivisation even apparently took the regime itself by surprise. It owed its success to careful planning by top 'strategists', using a 'carrot and stick' policy to take initially relatively modest steps towards 'socialist agriculture', backed up with the supplies of machinery, building materials, fertilizers and other resources necessary for large-scale farming. In addition, at the psychological level, the state of mind of the peasants - indeed, of the entire population - permeated after the defeat of the revolution with a feeling that all resistance was futile must have contributed to the regime's success.

Chapter 11

1. This is not the place to discuss in any detail the developments in the international and internal political situations. There are several excellent general studies dealing with those aspects. In summary, however: Rákosi clearly hoped for the continuation of the 'cold war'. In a speech he delivered to the Party Academy in May 1955 he accused Nagy of 'overestimating the easing of tensions in the international situation', Szabad Nép, 20th May 1955. However, developments in the international situation potentially weakened and compromised his position, allowing him to carry out limited revisionism. The 'cold war' tension, in fact, softened: on 15th May, Austria became neutral and Soviet troops soon withdrew; 26th May-2nd June the Soviet delegation achieved reconciliation with Tito in Yugoslavia; 18th-23rd July, the 'Geneva Summit' took place; while no substantial accord was achieved, the atmosphere was relaxed and the 'cold war' attenuated. At home, opposition within the party grew and became more and more outspoken, especially on the issue of rehabilitation of political prisoners, which initially came to a halt and was only resumed later, and even then with some reluctance. Also, people inside and outside the party viewed the possibility of returning to the old Stalinist days with dismay. In addition, the ongoing power struggle within the Soviet Presidium rendered Rákosi's position less than certain, making it difficult for him to anticipate fully the intentions and policies of Moscow. Thus, his return to power was qualified both by the new attitude in the Soviet Union and by the erosion of party unity at home.
2. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia története, 1944-1962, Bp. Kossuth, 1978, p.254.
3. Szabad Nép, 6th February 1955.
4. Sándor Orbán, Két Agrárforradalom Magyarországon, Demokratikus és Szocialista agrárátalakulás 1945-1961, Bp. Akadémiai Kiadó, 1972, p.143.
5. Paul Ignotus, Hungary, Ernest Benn, London, 1972, p.232.
6. According to official statements the meeting was originally planned for 15th February. It was, however, postponed because Nagy, on 1st February, reported illness. Meanwhile, Rákosi tried to make Nagy agree to a resolution he had prepared against the 'rightist deviationists', but failed. A New date was set for 18th-19th February but, for one reason or another, this new date could not be kept either (perhaps, because of the interplay between Nagy and the Soviet leaders). Ultimately, it was decided that the meeting would go ahead without Nagy. Nagy, in a letter, on 25th February, protested against the fact that the meeting was being arranged in his absence. He received no reply.
7. Közgazdasági Szemle, No. 3-4, 1955, pp.260-268. The main points of the Resolution also appeared in Szabad Nép, 9th March 1955. Interestingly, while the June 1953 Resolution was never published, this Resolution was almost instantly out. Reputedly, it was in fact withheld until 9th March as a 'birthday present' for Rákosi.
8. Szabad Nép, 9th March 1955.

9. Dezső Nemes et al., A magyar forradalmi munkásmozgalom története, Bp. Kossuth, 1970, vol. 3, pp.215-216.
10. Szabad Nép, 9th March 1955.
11. Ibid.
12. Ibid.
13. Had he been allowed to have an open debate the most likely outcome would have been defeat for Nagy. Then he would have accepted the Central Committee's decision. But it was, of course, such a debate that both Rákosi and the Soviet leaders wished to avoid. When Suslov admitted failure, Rákosi was given a free hand to deal with Nagy. Nagy, on the other hand, preferred to accept a 'dishonourable' retirement rather than to confess and collaborate with Rákosi.
14. Imre Nagy, On Communism 'In defence of the New Course', London, Thames and Hudson, 1957, p.XLIII; Szabad Nép, 18th April 1955.
15. Szabad Nép, 18th April 1955.
16. Ibid.
17. For a vivid description of both the public mood and the spontaneous strikes of farmers immediately after Nagy's dismissal, and how the peasants attempted to become self-sufficient in expectation of a renewed collectivisation drive, see: Dora Scarlett, Window onto Hungary, Bradford, England, 1958, pp.218-219.
18. Szabad Nép, 26th March 1955.
19. Ibid.
20. Szabad Nép, 27th March 1955.
21. Sándor Orbán, Két Agrárforradalom ... op.cit., p.147.
22. Szabad Nép, 9th June 1955.
23. Sándor Orbán, Két Agrárforradalom ... op.cit., p.147.
24. Szabad Nép, 9th June 1955.
25. Ibid.
26. Ibid.
27. Ibid.
28. Szabad Nép, 23rd July 1955
29. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.255; Szabad Nép, 9th June 1955.

30. Szabad Nép, 12th June 1955.
31. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.254.
32. Szabad Nép, 9th June 1955.
33. Interestingly, with hindsight, even János Kádár completed collectivisation quicker than, at this stage, Rákosi wanted it.
34. Mezőgazdasági Statisztikai Zsebkönyv, Bp. Központi Statisztikai Hivatal, 1959, pp.24-26.
35. The theory of 'sharpening class struggle' did not only apply to agriculture but was revived as a general tool in the context that 'the advance of socialism inevitably calls forth class struggle'. See: Társadalmi Szemle, May 1955 and January 1956 and also the editorial article on Stalin's birthday entitled 'Loyalty to Leninism - Stalin's great legacy' (Hűség leninizmushoz - Sztálin nagy öröksége), Szabad Nép, 21st December 1955.
36. The statistical data were compiled from: Mezőgazdasági Adattár, Bp. Központi Statisztikai Hivatal, 1965, vol. 2. p.402; Statisztikai Zsebkönyv, Bp. Központi Statisztikai Hivatal, 1956, p.46; Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.249.
37. Mezőgazdasági Adattár ... op.cit., vol. 2, p.61.
38. *Ibid.*, vol. 1, pp.663-664 and pp.670-671.
39. Ödön Szabó Barla, 'Gazdaságpolitika és Gazdasági fejlődés az MDP KV 1953 Júniusi ülése után', Párttörténeti Közlemények, no. 2, 1981, p.51.
40. *Ibid.*, p.52
41. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.253.
42. Szabad Nép, 25th July 1955.
43. Szabad Nép, 23rd June 1955.
44. Béla Fazekas, A mezőgazdasági termelészövetkezeti mozgalom Magyarországon, Bp. Kossuth, 1976, p.93.
45. Sándor Orbán, Két Agrárforradalom ... op.cit., p.148.
46. Szabad Nép, 31st June 1955.
47. Szabad Nép, 9th August 1955.
48. Sándor Orbán, Két Agrárforradalom ... op.cit., p.148. fn.445.

49. Szabad Nép, 28th August 1955.
50. Sándor Orbán, Két Agrárforradalom ... op.cit., p.149, fn.448.
51. The harvest in Hungary is normally gathered in between 10th and 25th July; the main period for threshing is the month between 15th July and 15th August. Thus, Rákosi would have gained full knowledge regarding the harvest results sometime in late July or early August. Sándor Balogh and Ferenc Pölöskei (eds.), Agrárpolitika és Agrárátalakulás Magyarországon, 1944 - 1962, Bp. Akadémiai Kiadó, 1979, p.88.
52. Szabad Nép, 2nd January 1956.
53. Compared to 1954 the grain, maize, potatoes, tobacco, fruit and vegetable production results were very good, while for rice they were poor and for sugar-beet mediocre.
54. Mezőgazdasági Adattár ... op.cit., vol. 1, p.272.
55. Ödön Szabó Barla, 'Gazdaságpolitika ... op.cit.', p.50.
56. Szabad Nép, 2nd January 1956 and for further comparisons see: Mezőgazdasági Adattár, ... op.cit., vol. 1, pp. 168-169 and pp.233-278.
57. Béla Fazekas, A mezőgazdasági ... op.cit., p.93.
58. Ibid.
59. Ibid., p.95.
60. Sándor Orbán, Két Agrárforradalom ... op.cit., p.145.
61. Statisztikai Zsebkönyv... op.cit., p.53.
62. Ödön Szabó Barla, 'Gazdaságpolitika ...' op.cit., p.50.
63. Ibid.
64. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.250.
65. Statisztikai Évkönyv 1949-1955, Bp. Központi Statisztikai Hivatal, 1957, p.39.
66. Sándor Balogh and Bálint Szabó (eds.) A magyar népi demokrácia ... op.cit., p.250.
67. Adatok és Adalékok a Népgazdaság Fejlődésének Tanulmányozásához 1949-1955. Bp. Központi Statisztikai Hivatal, 1957, p.361.
68. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.250.
69. Béla Fazekas, Mezőgazdaságunk a felszabadulás után, Bp. Mezőgazdasági Kiadó, 1967, p.373.

70. Sándor Orbán, Két Agrárforradalom ... op.cit., p.145.
71. Ibid.
72. Ibid., pp.145-146.
73. Közgazdasági Szemle, no. 7-8, 1955, p.922.
74. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.252.
75. Sándor Balogh and Ferenc Pölöskei, Agrárpolitika ... op.cit., p.31.
76. Sándor Balogh and Bálint Szabó (eds.), a magyar népi demokrácia ... op.cit., p.251.
77. Ibid.
78. Ibid.
79. Ibid.
80. Szabad Nép, 31st July 1955.
81. Szabad Föld, 21st August 1955.
82. Sándor Orbán, Két Agrárforradalom ... op.cit., p.150.
83. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.256.
84. Béla Fazekas, A mezőgazdasági ... op.cit., p.93.
85. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.257; Sándor Balogh and Ferenc Pölöskei, Agrárpolitika ... op.cit., p.31; Szabad Föld, 13th November 1955. The most characteristic disciplinary actions were taken in county Vas, during the autumn of 1955.
86. Sándor Orbán, Két Agrárforradalom ... op.cit., p.150.
87. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.256.
88. Sándor Orbán, Két Agrárforradalom ... op.cit., p.149.
89. Ibid., p.150
90. László Borbély, 'Az 1949-1956 tagosítások szerepe és hatásuk hazánk mezőgazdaságában', Statisztikai Szemle, 1957, no. 4, p.456.
91. Ibid., p.453.
92. Sándor Orbán, Két Agrárforradalom ... op.cit., p.149.

93. Ibid.
94. Sándor Balogh and Ferenc Pölöskei (eds.), Agrárpolitika ... op.cit., p.31.
95. Szabad Nép, 11th September 1955.
96. Sándor Orbán, Két Agrárforradalom ... op.cit., p.149.
97. Szabad Nép, 12th May 1955.
98. Szabad Nép, 7th September 1955.
99. Bálint Szabó (ed.), A Szocializmus Útján. A felszabadulást követő negyedszázad kronológiája, Bp. Akadémiai Kiadó, 1970, p.144.
100. Sándor Orbán, Két Agrárforradalom ... op.cit., p.150.
101. Béla Fazekas, A mezőgazdasági ... op.cit., p.93.
102. Sándor Orbán, Két Agrárforradalom ... op.cit., p.151.
103. Ibid.
104. Béla Fazekas, A mezőgazdasági ... op.cit., p. 93.
105. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.256.
106. Ibid.
107. Sándor Orbán, Két Agrárforradalom ... op.cit., p.151.
108. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.256.
109. Mezőgazdasági Adattár .. op.cit., vol. 2, p.13.
110. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.256.
111. Sándor Orbán, Két Agrárforradalom ... op.cit., p.151.
112. Ferenc Donáth, Reform és Forradalom. A magyar Mezőgazdaság Struktrális Átalakulása 1945-1975, Bp. Akadémiai Kiadó, 1977, p.157.
113. Ibid.
114. Szabad Nép, 9th June 1955.
115. Sándor Orbán, Két Agrárforradalom ... op.cit., p.155.
116. Ferenc Donáth, Reform és Forradalom ... op.cit., p.157.
117. Sándor Orbán, Két Agrárforradalom ... op.cit., p.154.

118. Szabad Nép, 29th September 1955.
119. Sándor Orbán, Két Agrárforradalom ... op.cit., p.153.
120. Ibid., pp.154-155.
121. Szabad Nép, 13th May 1955.
122. Ibid.
123. Szabad Nép, 7th May 1955.
124. Dunántúli Napló, 20th February 1956.
125. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.257.
126. Sándor Orbán, Két Agrárforradalom ... op.cit., p.152.
127. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.257.
128. Bennet, Kovrig, The Hungarian People's Republic, The Johns Hopkins Press, Baltimore and London, 1970, p.105.
129. Since it is not the objective of this study to examine historical events and political developments leading up to the revolution (and the Revolution itself), these receive only a cursory consideration. The theme had been examined in depth, and breadth, in several outstanding studies.
130. It is not easy to categorise accurately those groups which formed the most influential opposition to the Rákosi regime. Apart from what may be termed the 'democratic opposition' around Nagy there were others who came into conflict with Rákosi but, at the same time, were not prepared to join Nagy's group formally. While opposing Rákosi they still retained their 'party mindedness'. Some were rehabilitated communists, whom Rákosi purged earlier but were released from prison by Nagy during the 'New Course' and readmitted to the party and some, e.g., János Kádár, were even appointed to political and party offices. Some of the rehabilitated communists for a while, retired from politics but later, e.g., Ferenc Donáth, joined Nagy's 'democratic opposition' group, while others joined Kádár's informal gathering.

Ferenc A, Váli, Rift and Revolt in Hungary, Harvard University Press, 1961, p.200 and András Hegedüs, Elet egy eszme árnyékában (a biographical interview by Zoltán Zsille), Private publication, Vienna, 1985, pp.231-232.
131. Kádár was set free on 9th October 1954 and immediately appointed Party Secretary of the largest industrial district of Budapest. As a sop to Western opinion, in connection with Hungarian membership of the UN, on 21st November 1954 Anna Kéthly, well known SDP leader, and other Social Democrats were also released. Similarly he allowed the release of Cardinal Mindszenty from prison on 17th July (though he was still kept temporarily under house arrest).

132. Miklós Molnár, László Nagy, Reformátor vagy forradalmár volt-e Imre Nagy, A Magyar Füzetek Kiadása, Paris, 1983, p.72.
133. Ibid.
134. Szabad Nép, 6th June 1955.
135. It is not known whether, in Budapest, the Soviet leaders had given Rákosi to understand not to take too seriously the reconciliation with Tito, or whether Rákosi himself drew this conclusion from the Bucharest discussions. Miklós Molnár, László Nagy, Reformátor vagy ... op.cit., p.72.
136. Szabad Nép, 9th June 1955.
137. Imre Nagy, On Communism ... op.cit., pp.17-18.
138. Royal Institute of International Affairs, Documents on International Affairs, London 1955, p.271.
139. Szabad Nép, 9th August 1955.
140. The organ of the 'Writers' Association'. During the summer it organised critical debates in its columns and gave voice to disillusioned and alienated writers and intellectuals.
141. Tamás Aczél - Tibor Méray, Tisztító Vihar, Adalékok egy korszak történetéhez, London, Big Ben Publishing Co., 1959, p.298.
142. Different authors give differing figures on the number of signatories. Latest Hungarian sources give it as 59, the figure used here.
143. Ibid., pp.303-317.
144. Tibor Meray, Thirteen Days that Shook the Kremlin, London, Thames and Hudson, 1958, p.40.
145. Ibid.
146. Bálint Szabó (ed.), A Szocializmus útján ... op.cit., p.146.
Withholding it, however, from the general public by publishing it in 'Party Life' (Pártélet), the bulletin issued for party functionaries rather than in Szabad Nép. But, of course, the whole country 'knew' about it.
147. According to one source, he again had a slight heart attack. Tibor Meray, Thirteen Days ... op.cit., p.41.
148. Ferenc Váli, Rift and Revolt ... op.cit., p.205; His conversion to national communism analogous to that practiced by Tito: national independence, neutrality, sovereignty and equality, as well as Hungarian national feeling and traditions. His later writings were further distinguished by a patriotic sentiment, reviving Kossuth's vision of close cooperation with neighbouring people within the framework of free and independent

- nations. See: Imre Nagy, On Communism ... op.cit., pp.22-24; pp.33-34; p.40.
149. Tamás Aczél - Tibor Méray, Tisztító Vihar ... op.cit., p.319.
150. Miklós Molnár, Budapest 1956: a history of the Hungarian Revolution, London, George Allen & Unwin, 1971, p.81.
151. Bálint Szabó, Az 'ötvenes évek'. Elmélet és politika a szocialista építés első időszakában Magyarországon 1948-1957, Bp. Kossuth, 1986, pp.285-286.
152. Tamás Aczél - Tibor Méray, Tisztító Vihar ... op.cit., p.326-328. The resolution was later published in the 'Irodalmi Ujság' so eventually the whole country knew about the writers' struggle.
153. Szabad Nép, 18th February 1956; The Hungarian delegation to the Congress was composed of Mátyás Rákosi, István Kovács and Béla Szalai. András Hegedüs Élet egy eszme ... op.cit., p.238.
154. See text of Khrushchev's speech at the closed session of the 20th Party Congress in Robert V Daniels (ed.), A Documentary History of Communism, New York, 1960, vol. 2, pp.224-231.
155. András Hegedüs, Élet egy eszme ... op.cit., p.238.
156. Paul Kecskemeti, The Unexpected Revolution: social forces in the Hungarian Uprising, Stanford University Press, 1961, p.71.
157. On 6th April 1956, on Hungary's Liberation Day, Rákosi received a fulsome telegramme from Khrushchev and Bulganin in which, inter alia, they referred to him in these words. Rákosi, not immediately sacked as a Stalinist - or even criticised by Khrushchev - and now, two months after the 20th Party Congress, receiving such a greeting must have felt secure and assumed that the power struggle in Moscow was evidently not over. András Hegedüs, Élet egy eszme ... op.cit., p.240.
158. Tamás Aczél - Tibor Méray, Tisztító Vihar ... op.cit., p.341.
159. The 'Secret Speech' became known through various channels e.g., Radio Free Europe broadcasts, balloons released from the West, etc. Apparently, the first extensive summary of Khrushchev's speech, available to East European countries (and the West) was in an article published on 20th March 1956 in Borba. According to Hegedüs, the Polish regime was suspected of first disseminating the content of the speech to the West. András Hegedüs, Élet egy eszme ... op.cit., p.239.
160. The Politburo was convened for the 1st, 3rd and 9th March 1956.
161. Szabad Nép, 15th March 1956.
162. Ibid.
163. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.266.

164. Szabad Nép, 14th and 15th March 1956.
165. Iván Szenes, A Kommunista Párt Újjászervezése Magyarországon 1956-1957, Bp. Kossuth, 1981, p.14.
166. János Berecz, Ellenforradalom tollal és fegyverrel 1956, Bp. Kossuth, 1981, pp.50-51.
167. Ibid., p.51.
168. Ibid., pp.49-50.
169. Ibid., p.49.
170. Szabad Nép, 29th March 1956.
171. Szabad Nép, 19th May 1956.
172. William E. Griffith, 'The Petöfi Circle: Forum for ferment in the Hungarian thaw', Hungarian Quarterly, No. 1, 1962, pp.142-165.
173. Paul E. Zinner, Revolution in Hungary, N.Y. Columbia University Press, 1962, p.195.
174. Tamas Aczél - Tibor Méray, Tisztító Vihar ... op.cit., pp.351-352.
175. Ibid., pp.352-358.
176. Szabad Nép, 1st July 1956
177. Sándor Balogh and Bálint Szabó, (eds.), A magyar népi demokrácia ... op.cit., p.269.
178. Miklós Molnár, László Nagy, Reformátor vagy ... op.cit., p.80.
179. Bennet Kovrig, The Hungarian People's ... op.cit., p.110, & fn.37.
180. Szabad Nép, 19th July 1956.
181. Sándor Orbán, Két Agrárforradalom ... op.cit., p.151.
182. Ibid.
183. Ibid.
184. Szabad Nép, 22nd February 1956.
185. Sándor Orbán, Két Agrárforradalom ... op.cit., p.151.
186. Ibid.
187. Szabad Nép, 27th April 1956.
188. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.270.

189. Ödön Szabó Barla, 'Gazdaságpolitika ... op.cit., p.53.
190. Szabad Nép, 14th April 1956.
191. Ibid.
192. Szabad Nép, 28th May 1956.
193. Sándor Balogh and Ferenc Pölöskei (eds.), Agrárpolitika ... op.cit., p.31.
194. Sándor Orbán, Két Agrárforradalom ... op.cit., p.156.
195. Ödön Szabó Barla, 'Gazdaságpolitika ... op.cit., p.53.
196. János Berecz, Ellenforradalom ... op.cit., p.64.
197. Ferenc Donáth, Reform és forradalom ... op.cit., p.158.
198. Ibid.
199. The Central Committee also added János Kádár, József Révai, Károly Kiss and György Marosán to the Politburo and elected Kádár as Secretary of the Central Committee. For gross violation of 'socialist legality', on the fourth day, the Central Committee stripped Mihály Farkas of his party offices and expelled him from the party.
200. The Resolution of the Central Committee, Pártegységgel a szocialista demokráciáért, Bp. Szikra, 1956, p.14 and Szabad Nép, 23rd July 1956.
201. For András Hegedüs' speech see: A népgazdaság fejlesztésével a népjólét emeléséért, Bp. Szikra, 1956, pp. 6-89.
202. The influence of the public debate on the final plan is, of course, difficult to assess. Certainly, many economists and the Petöfi Circle, in their debate, attacked the draft plan sharply and took pains to explain how in the past their advice was pushed aside, causing the nation great damage. More importantly, however, there was a great need for a more realistic plan because of the disproportions in the economy and the fact that certain basic materials were scarce.
203. The data were obtained from: A népgazdaság fejlesztésével ... op.cit., pp.8-11 and Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia, op.cit., p.272-273. Wherever available, figures for the original plan are given in brackets. The figures, 58-60 and 38-40, given for the division between Category 'A' and Category 'B' are incorrectly given by all sources. The author is aware that the min. and max. figures should add up to 100, i.e., 58-62 and 38-42.
204. A Council of Ministers Resolution stopped subscriptions to 'Peace Loans', at the beginning of October 1956.
205. A népgazdaság fejlesztésével ... op.cit., p.8.
206. Ibid.

207. Pártegységgel a szocialista ... op.cit., p.22
208. Sándor Balogh and Bálint Szabó (eds.), A magyar népi demokrácia ... op.cit., p.273.
209. Ibid., p.272.
210. A négazdaság fejlesztésével ... op.cit., p.66
211. Szabad Nép, 13th August 1956.
212. Szabad Nép, 27th August 1956.
213. Szabad Nép, 9th September 1956.
214. Szabad Nép, 26th September 1956.
215. Ödön Szabó Barla, 'Gazdaságpolitika ...' op.cit., p.54.
216. Sándor Orbán, Két Agrárforradalom ... op.cit., p.156.
217. Ibid., p.157.
218. Ibid.
219. Ferenc Donáth, Reform és forradalom ... op.cit., p.158.
220. Sándor Orbán, Két Agrárforradalom ... op.cit., p.158.
221. Péter Simon, 'Termelőszövetkezeti mozgalmunk az ellenforradalmi válság idején', Párttörténeti Közlemények, No.2, June 1971, p.92.
222. Sándor Orbán, Két Agrárforradalom ... op.cit., p.157.
223. Péter Simon, 'Termelőszövetkezeti mozgalmunk ...' op.cit. pp.92-93.
224. Sándor Orbán, Két Agrárforradalom ... op.cit., p.158.
225. István Pintér, 'Az 1956 évi ellenforradalom falun', Századok, no.5-6, 1960, p.837.
226. Sándor Orbán, Két Agrárforradalom ... op.cit., p.156.
227. István Pintér, 'Az 1956 évi ellenforradalom ...' op.cit., p.837.
228. Ibid.
229. Szabad Föld, 30th September 1956 and for further discussion see: Szabad Föld, 7th and 21st October 1956.
230. Csillag (monthly journal of the Writers' Association), no. 9, 1956, pp.525-540.
231. Szabad Ifjúság, 27th September 1956.

232. Szabad Föld 7th October 1956.
233. István Pintér, 'Az 1956 évi ellenforradalom ... op.cit., p.839.
234. Somogyi Néplap, 18th and 19th October 1956.
235. Szabad Föld, 21st October 1956.
236. Sándor Orbán, Két Agrárforradalom ... op.cit., p.158.
237. Ibid., p.159 fn.511.
238. The data were compiled from: Adatok és Adalékok ... op.cit., p.236; Statisztikai Évkönyv 1949-1955 ... op.cit., p.197; Mezőgazdasági Adattár ... op.cit., vol. 1, p.8; vol. 2, p.4 and p.8.
For the 15th October 1956 figures see: Péter Simon, 'Teremlőszövetkezeti mozgalmunk ... op.cit.', p.89.
239. Mezőgazdasági Adattár ... op.cit., vol. 1, p.8.
240. Jan Wszlaki, Communist economic strategy: the role of East-Central Europe, Washington, 1959, p.74; see also János Radványi, Hungary and the Superpowers: The 1956 Revolution and Realpolitik, Hoover Institute Press, Stanford University, 1972, p.6 - this source gives a figure of 100 mill. Rubles credit.
241. Dezső Nemes et al, A magyar forradalmi ... op.cit., pp.230-231.
242. János Berecz, 'Ellenforradalom ... op.cit.', p.76.
243. András Hegedüs, Élet egy eszme ... op.cit., p.255.
244. Ibid.
245. Ibid., pp.248-249.
246. Ibid., p.250.
247. Ferenc A. Váli, Rift and Revolt ... op.cit., p.266.
248. András Hegedüs, Élet egy eszme ... op.cit., p.255.
249. The Revolt in Hungary: a documentary chronology of events, News from behind the Iron Curtain, December 1956, p.5.
250. Ibid., p.7.
251. Several general and specialised studies exist on the Hungarian Revolution. Among these, on which the summary discussion that follows, was based see: Bennet Kovrig, The Hungarian People's Republic, the John Hopkins Press, 1970; Ferenc A. Váli, Rift and Revolt in Hungary, Harvard University Press, 1961; Tibor Meray, Thirteen Days that Shook the Kremlin, London, Thames ' Hudson, 1956; Paul Kecskeméti, The Unexpected Revolution, 1961; Paul E. Zinner, Revolution in Hungary,