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SATELLITE RESPONSES TO KHRUSHCHEV'S MTS THESIS

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INTRODUCTION

Khrushchev's Minsk address was the culmination of a discussion which had engaged agricultural economists for approximately a year and marked the triumph of the kolkhoz chairmen over the MTS bureaucrats. Khrushchev stated that the MTS had "ceased to play the important political role they played in the first stage of the building up of the collective farms." After a comparison of kolkhoz and state farm costs in which the former suffered in every instance, the first secretary concluded that the reason was that "where there are two masters, there can be no good order," and that "with the improved labor productivity (resulting from the reorganization) the cost of production will drop and, therefore, the prices of the products coming to the state will be less and then the state will, in its turn, reduce the price of goods for sale to the population."

In turn, Khrushchev anticipates more initiative from the kolkhozniki in the form of local improvements in buildings and roads and the willingness to surrender live stock and private plots to the kolkhoz in exchange for the right to cooperative ownership of farm machinery. Since the transition will be gradual and only the more successful kolkhozes will be able to purchase the machinery from accumulated "indivisible funds", confusion will be reduced. The new system has already been, to some extent, laboratory tested. The many replacements of kolkhoz chairmen in the last three years and the loyalty of raion party secretaries is apparently sufficient to insure the necessary party control in spite of the fact that the MTS has been an important level for political pressure in the countryside for over 30 years. If kolkhoz initiative develops from this apparently popular measure, Khrushchev will be one stage nearer his cherished design of introducing urban industrial life and production methods into the countryside: the agricultural commune. Though he admitted that the transfer of machinery from the state to cooperative ownership was a transition from a higher to a lower form of property, the pragmatic first secretary is evidently willing to concede a difference in degree but not in kind to the more basic problem of maintaining the level of Soviet harvests by stimulating local incentives. At any rate party theoreticians have already been marshalled to justify this apparent theoretical regression.

Borba, in a delayed reaction to the Khrushchev proposal, was enthusiastic about the pending transfer. The Yugoslavs considered that in addition to the production efficiency which the new plan offered, it was a blow against Stalinism. The Satellite world was for the most part embarrassed. Poland, whose centralized agriculture has largely collapsed since October, 1956, is attempting to rationalize the POMs and keep at least a minimal Party toehold in the countryside. The DDR and CSR, in the midst of collectivization efforts, cannot possibly afford to relax their grip on agricultural machine parks. Bulgaria, over 90% collectivized, merely commented on the proposal in the USSR and plans to extend its own MTS further. Hungarian and Romanian leaders, with only 9.5% and 15% of the

respective countrysides collectivized, are not in a position to sacrifice any influence in rural areas. The response was generally, though with various supporting arguments, that satellite agriculture had not developed as far as that in the USSR and the MTS had not as yet fulfilled its historic mission. With the exception of Poland, there is obviously no separate path in agriculture despite widely varying local conditions.

Sources:

Khrushchev Speech -- Moscow Soviet Home Service, January 25, 1958.

Background Information -- USSR

"Khrushchev and the Agricultural Commune," January 29, 1958.

"Khrushchev and the Agricultural Commune," March 7, 1958.

"Surrender of MTS Directors," March 8, 1958.

"Khrushchev Versus the MTS," March 11, 1958.

"Review of the Theses," March 15, 1958.

Evaluation and Research Paper No. 86, "Borba on 'Huge Changes' in Soviet Agriculture," February 11, 1958.

BULGARIA

The Bulgarian regime has apparently been placed in a rather embarrassing position by Khrushchev's MTS proposals. Since Bulgaria claims the highest level of collectivization outside of the USSR itself, the regime is unable to advance theoretical excuses of "backwardness" available in other countries for failing to follow the Soviet lead at this time. To date official Bulgarian sources have totally ignored the applicability of the Khrushchev proposals to Bulgaria, and have instead merely reported them as presented in the Soviet Union. Simultaneously the regime is pursuing an orthodox policy of further development of the MTS system on traditional lines.

Latest official Bulgarian figures claim that 90% of all cultivated land has been "cooperativized", reflecting an intense drive during the past several months in the last remaining non-collectivized areas in mountainous and semi-mountainous regions (as of November, 1957, 86.5% was officially claimed; see speech by T. Zhivkov, First Secretary of BCP, to Sofia Cooperative Farm Congress, December 2, 1957). Regime leaders have been claiming for some time that Bulgarian

1. Radio Sofia, March 27, 1958.

agriculture has reached the stage of full collectivization: "our agriculture has become large, collectivized, and more and more mechanized" ... "the successful completion of land collectivization in our agriculture opens up wide possibilities...

With large-scale aid from the Soviet Union, Bulgarian agriculture also seems to have reached a level of mechanization second only to the far more industrialized economies of East Germany and Czechoslovakia in the satellite bloc.³

In early December, 1957, the regime held a full-scale review of its agricultural program at which unequivocal plans were announced for further development of the MTS system. First Secretary Zhivkov called for an almost two-fold increase in the machine tractor pool during the third five year plan (1958-1962). He stated that "the MTS of our country are established as a decisive factor in agricultural production ... (they) have important tasks in the intensification of our agriculture". This general policy has apparently been reaffirmed even after Khrushchev's Minsk speech of January 25, 1958, proposing drastic alterations in the Soviet MTS system. At a meeting on February 10, 1958, D. Yurukov, Deputy Minister of Agriculture and Forests, spoke of adding over 2,000 tractors and 1,000 combines to the machine tractor park during 1958.⁵

At an MTS conference on February 26, CC member S. Todorov said that Bulgarian MTS have attained considerable successes during the past ten years, have accumulated rich experience, and are capable of carrying out new and greater tasks in our agriculture.⁶ The Bulgarian state budget for 1958 foresees increased income from MTS during 1958 as compared to 1957.⁷

None of the foregoing can be taken as conclusive evidence that the Bulgarian regime, in the immediate or distant future, will not attempt to apply the Khrushchev formula to Bulgaria. Indeed, this would conform to the prevalent tradition of the Bulgarian party in slavishly following the Soviet model. Nevertheless, the regime's silence to date and apparent intention to consolidate the present MTS system are probably a manifestation of real difficulties which counsel a most conservative approach to this problem. It is abundantly clear that agriculture is the weakest single area of the Bulgarian economy.⁸

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2. Zhivkov election speech, November 25, 1957.
 3. See Romanian Evaluation Background Paper, "Some Aspects of Romanian Agricultural Problems," June 4, 1957.
 4. Zhivkov speech to Sofia Cooperative Farm Congress, Dec. 2, 1957.
 5. Radio Sofia, February 10, 1958.
 6. Radio Sofia, February 27, 1958.
 7. See Bulgarian Evaluation Background Report, "The State Budget for 1958," February 22, 1958).
 8. See Bulgarian Evaluation Background Reports, "Bulgaria's Second Five-Year Plan -- Aims and Achievements," Dec. 18, 1957 and "The Fulfillment of the Bulgarian State Economic Plan for 1957," January 29, 1958.

The Cooperative Farm Congress of December, 1957, was characterized by detailed complaints of shortcomings in many aspects of Bulgarian agriculture. The regime is at present attempting to apply a whole series of reforms and new measures in an effort to raise efficiency and production (Decrees of March 22 and 27, 1958, respectively called for increasing the area of arable land and abolished certain compulsory deliveries while increasing certain purchase prices). Under the circumstances the regime may well not be prepared to launch the major step of basically altering the MTS system.

CZECHOSLOVAKIA

The Czechoslovak response to the Soviet proposal for the transfer of agricultural equipment to the collectives has been completely negative. With more than 95% of industrial production in state hands, the only obstacle between the CPCS and the "building of socialism" is the incomplete collectivization of agricultural lands. In 1955 when the CPCS hardened its line on collectivization, Novotny in his report to the Central Committee declared: "We cannot wait decades for the construction of socialism; we wish to carry it out in the near future." ⁹ Since this time the percentage of land in the socialist sector has climbed from about 40% to about 65%. Radio Moscow, in congratulating the CPCS on its tenth anniversary, stated that the CSR would become the second state in the history of the world to build socialism. ¹⁰ The regime clearly means to complete collectivization despite the possible damage to production.

Though the CPCS is attempting to raise agricultural production 30% by 1960 (12% in 1958) after an increase of only 4% during the last three years, the political and theoretical considerations of socialization evidently weigh more heavily than the economic. ¹¹

The state control of machinery is a powerful influence in imposing collectivization upon the country. R. Kotrba wrote in Mlada Fronta ten days after Khrushchev's Minsk speech: ¹²

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9. Prague Home Service, June 30, 1955.
 10. Moscow Home Service, February 24, 1958. Radio Prague, March 25, 1958, "Talk With Listeners," stated "In our country the CPCS focuses the people's attention already on the final completion of socialist buildup."
 11. An attempt has been made to justify collectivization economically by citing kolkhoz and private production figures to the latter's detriment. Cf., Rude Pravo, February 12, 1958.
 12. R. Kotrba, Mlada Fronta, February 4, 1958, "The Questions of the Day."

"...we can say a similar step is definitely out of the question in our country at the present. The state tractor stations have not yet fulfilled their historical task in the rebuilding of our agriculture. The quantity of our agricultural production is still lagging; there is also the question of quality, economy, and the costs of mechanized farming. The JZD's have not yet achieved necessary standards of transfer of machine equipment without fear of grave consequences. The JZD's lack organizers and managers of agricultural production. The pre-requisite amount of land under cooperative management is also lacking. JZD's with 50 or 100 hectares could not make economic use of all the necessary machine equipment; this should be quite obvious."

The "historical task" referred to is full collectivization and the "grave consequences" are the possible dissolution of "paper cooperatives" which, given the material possibility of individual production, might occur. In addition, the weakness of the Party and Party activism in the countryside is well documented and the MTS has, in the Soviet Union, proved itself a powerful influence for Party propaganda and control. Since the "basic units" in the countryside have recently been extended from the villages to the kolkhozes, the supervisory activities of the MTS becomes doubly important.

Apparently, however, the Party is not completely impervious to the necessity of the kolkhozy owning some specialized and light machines in the name of efficiency and is protecting itself against the time when machine transfer may become necessary.

Siroky was quoted on the Party position as follows: "The Premier said that under our conditions - conditions exemplified by the latter stages of the building of socialism - the MTS will continue to play their role. Most of our cooperatives are not presently capable of rational exploitation of the large type of machinery and besides, more than one third of our farmers are still outside the cooperatives. The main task remains to strengthen MTS on all sides, improve their aid to cooperatives and to create a relationship between cooperatives and MTS which would put into use the maximum of machinery with the minimum of cost, assuring at the same time high quality work in all agricultural-technical installations and establish new modern methods to mechanize agricultural production. On the other hand, the Central Committee of the CP of CSR and the government have taken steps to see to it that cooperatives are gradually equipped with lighter machines necessary for their daily tasks, especially tractors for transport purposes, mowing machines, silo loaders and threshers. At the end of last year, our cooperatives owned 9,260 tractors and this year they shall get 4,200 more. In the future it will probably be found useful to equip cooperatives with further machinery." ¹³

13. Rude Pravo, March 21, 1958, "Concentrating All Our Efforts to Increase Agricultural Production."

Rude Pravo (March 22, 1958) made rather a complete statement of the regime's position on the MTS (see Annex). It stated that "The MTS work has an immediate influence on the development of socialist production in our rural areas. In no case can these political and economic tasks of the MTS be divided." Thus, the political task of the MTS is ranked with the economic and in the present circumstances takes precedence. Czechoslovakia has been more sedulously following the Soviet path to socialism since the concomitant rise of Khrushchev and his CSR counterpart, Novotny.

In a speech in September, 1957, Novotny praised Soviet agriculture and the Party is apparently intending to push Czechoslovakia down the same path, step by step.¹⁴ After praising the experience of the kolkhozes and MTS in the Soviet Union, Rude Pravo (*supra*) cites the lack of experience in the CSR as further deterrent to the initiating of the Soviet transfer scheme. In addition, the lack of machines in the countryside is given as further excuse for their pooling in the MTS and the MTS will be useful in socialist competition in the countryside to achieve the optimistic 30% increase in agricultural production planned by 1960.¹⁵

Thus, for the CPCS, which is apparently willing to shoulder the burden of low agricultural production and has "never for one moment deviated from the consistent fulfillment of the general line of socialist construction,"¹⁶ the present stage of socialization and politicization of the countryside bodes ill for the release of MTS machinery to the kolkhozes.

EAST GERMANY

The Soviet plan for transferring MTS machinery to collectives caught the SED completely by surprise. Apparently Ulbricht had not even been informed that the Minsk speech of January 25 was in the offing since it came right in the middle of an MTS congress in Guestrów and there was no attempt to rationalize the SEP-CPSU positions beforehand.¹⁷

14. Novotny speech in the exhibition "Forty Victorious Years," Prague Home Service, September 23, 1957.

15. The lack of machines is a rather feeble excuse since the Soviet Union with .308 tractors of 15 h.p. equivalent per 1,000 ha. has initiated the MTS transfers, while Czechoslovakia has 6 tractors of 15 h.p. equivalent per 1,000 ha. of farm land (CTK, Prague I, April 11, 1957.)

16. Novotny speech at meeting of the CC-CPCS, Prague Home Service, February 24, 1958.

17. Cf. Evaluation and Research Report No. 56, "Machine Tractor Stations in East Germany Out of Step with Khrushchev" for analysis of SED position.

The keynote speech at the Guestrow Conference was given by Erich Mueckenberger who called for a further increase in the number of cooperatives and additional efforts to expand the efficiency and extension of MTS services.¹⁸ The assistance of the MTS in forcing collectivization is a matter of historical record. The DDR regime, pressing for 50% collectivization by 1960, added 400 "LPG's" (Landwirtschaftliche Produktionsgenossenschaft, the ornate East German equivalent of kolkhoz) in 1957.¹⁹ Mueckenberger stated as one of the major aims of the MTS "the development and consolidation of the producer cooperatives. At the present stage, the formation of agricultural producer cooperatives and the help in their consolidation and expansion constitute the main feature of the alliance of the working class with the working peasants." At present there are some 7,087 collectives in the DDR and only about 600 MTS. Though extension of the MTS is planned, it is clear that the collectives, which will also be expanded, must be serviced by the MTS since there is apparently not enough machinery to go around. The MTS will perforce have to function as an independent entity since every MTS will be compelled to service several collectives. In addition, it appears that the MTS will continue to service the larger private holdings of agricultural land "when they can" but Mueckenberger forbids the use of "modern harvesting machinery" on individual holdings.²⁰ However, the Soviet Union with 3.08 tractors of 15 h.p. equivalent per 1,000 ha. has seen fit to make the transfer so that for the DDR with 12.2 tractors of 15 h.p. equivalent per 1,000 ha. to use the argument of machine shortage is clearly misleading.

Neues Deutschland²¹ adjusted the regime's theoretical position on January 26. Quoting Ulbricht at the 33rd Plenum to the effect that the MTS will be put under the direction of the LPG directors for the duration of yearly contracts through the offices of the district councils, the balance of the article leaves little doubt as to the primary function of the MTS. The DDR cannot undertake such measures because the socialist order, especially in the countryside, has not yet been established. "The MTS have to operate in view of the current developmental state in the DDR in order to promote socialist

18. Mueckenberger speech at MTS conference, broadcast by Berlin ADN, January 24, 1957.

19. The stepping up of collectivization is more apparent in the first two months of 1958 when Neues Deutschland announced that 400 new collectives had been established during this time. Neues Deutschland, March 5, 1958.

20. Cf. "Machine Tractor Stations in East Germany Out of Step with Khrushchev," op. cit.

21. Neues Deutschland, January 26, 1957.

transformation of agriculture more efficiently and develop our kolkhozes which should shortly become highly productive socialist enterprises which are exemplary." 22

The Soviet move to turn over the MTS equipment to the kolkhozes also raises the problem of DDR revisionism in agriculture. Though Khrushchev could hardly be termed a revisionist, his proposal includes part of that of Professor Kurt Vieweg, who advocated the dissolution of LPG's which were not economically viable, support of family holdings of 40-60 ha, and the turning over of MTS equipment to the LPG's themselves. Prof. Vieweg was castigated by ideologist Hanna Wolf as a revisionist and fled the DDR in 1957.

At any rate, Ulbricht is preserving his orthodoxy in socialist building in the agrarian sector and the order for the present is that the MTS machinery and experts remain in the MTS until the social organization of production changes in a manner similar to that of the USSR. This is interpreted to mean near full collectivization, which appears to be a long way off.

HUNGARY

Although Hungary embarked on a "middle of the road" agricultural policy early in 1957, there were later attempts by the Party to stress the need for collectivization. Istvan Dobi, Chairman of the President's Council and Chairman of the Council of Producers' Cooperatives, delivered a speech on March 3, 1957, to the effect that the Kadar government was not willing to return to the "ruthless and inhuman" methods which characterized past Hungarian efforts to collectivize the Hungarian peasantry. 23

Lajos Feher, member of the Central Committee of the Hungarian Socialist Workers' Party, declared in a speech on May 19, 1957, 24 that "Stalin's erroneous point of view" on the intensification of the class struggle as "socialism" characterized the Party's past efforts toward the socialist "transformation" of the countryside and consequently "caused great damage." To revive Stalinist methods, Feher said, "would be a grave error." He admitted that the agrarian policy of the first Hungarian Five-Year Plan was the source of serious tensions in the countryside and that "neither objective nor subjective" conditions existed in Hungary for the socialist transformation of the countryside at the end of the Five-Year Plan.

22. Ibid.

23. Radio Budapest, March 3, 1957.

24. Nepszabadsag, Budapest, May 21, 1957.

The Kadar regime's future policy toward collectives, Feher declared, would consist of increased investments, credit grants and technical assistance. He also stated that principle direction of agricultural collectives would be left to the local councils. He admitted that small and medium peasants had to be encouraged to produce more and that this group was amenable to measures encouraging and helping them.

In December, 1957, however, a change in the government's agricultural policy was noted. The problem of collectivization again became a topic of daily radio and press coverage.

On December 8, 1957, the Hungarian Ministry of Agriculture held a day-long press conference devoted to defining its policy.²⁵ In brief, the Ministry promised pensions for elderly members of the collectives, dissolution of inefficient cooperatives and continued support for individual farmers.

Nepszabadsag of the same day stated that "the only solution for Hungarian agriculture was the collective farm."

Janos Kadar said in a speech delivered at the Barcs collective on December 13, 1957,²⁶ that 99% of the working peasantry would be collectivized in five years. He stressed that the most important task for the Party was the "strengthening of the collectives." This was an indication that the Party's policy toward agriculture would continue to be based on the theory presented in the Agrarian Theses published in August, 1957. "Now after a transitory period of stagnation we must go ahead on the road of (socialist) development."

Ferenc Z. Nagy, Chairman of the Agricultural Commission of the Hungarian parliament, stated on January 3, 1958, that "the government needs the confidence of the peasants in order to increase production. This confidence would be lost by applying a policy of violence."²⁷

Magda Salamon, reiterated this viewpoint on January 5, 1958. "The private peasant is the one who supplies the majority of agricultural goods. Increased productivity of the private farm serves the good of the country. Any attempts to collectivize should be free from violence."²⁸

As of December 31, 1957, collective farms in Hungary numbered 3,394 (as adverse to the pre-revolution figure of

25. Radio Budapest, December 8, 1957.

26. Radio Budapest, December 14, 1957.

27. Nepszabadsag, Budapest, January 3, 1958.

28. Nepszabadsag, Budapest, January 5, 1958.

over 5,000) containing 1,083,000 cadastral holds, or approximately 9.5% of the arable land in Hungary. Their membership at this time was given as 155,794. 29

Faced with the dilemma of sacrificing agricultural productivity for ideological reasons, the Hungarian Socialist Workers' Party, although continuing to advocate collectivization, took no "administrative measures" to enforce it.

Khrushchev's Minsk speech favoring the abolition of Machine Tractor Stations was, therefore, not met with too much enthusiasm in Hungary. "It is very difficult," said Marton Lovas, writing in the economic political weekly Figyelő "to abandon our machine stations. We believe that the efforts of strong, well-functioning cooperatives to purchase tractors should be encouraged. Yet whether or not to abandon our policy of developing the machine stations should be examined in the light of experience. The fundamental aspect is whether the strengthening of the machine stations or the sale of their tractors promotes the development of socialist agriculture." 30

The Hungarian Socialist Workers' Party is aware that the Machine Tractor Stations cannot be abolished without further endangering efforts to collectivize. With only 9.5% of the total arable land in the collectives, they do not seem willing to bargain.

This view was well expressed by a farmers' commentary of Radio Budapest: 31.

"Their (MTS) role in the socialist transformation of agriculture is growing every month. They are not merely the centers for plowing and sowing, as many believe, but also the centers and active promoters of the socialist transformation in our village."

The Hungarian press first reported Khrushchev's Minsk speech on January 26 and repeated portions of the speech on February 4, "owing to the great interest shown by the readers."

The majority of commentaries agreed with the dissolution of the MTS in the Soviet Union because:

29. Nepszabadsag, Budapest, March 20, 1958.

30. Figyelő, February 4, 1958.

31. Radio Kossuth, March 6, 1958.

"They do not any more fulfill the same political function as during the time of building kolkhozes. The workers of machine stations do not have to convince anyone today of the advantages of collective farming on a large scale as the system of kolkhozes triumphed in the USSR a long time ago." 32

"Today when the kolkhozes have become really powerful and well-to-do agricultural large-scale undertakings, the machine stations have in many respects lost their justification and have even become an obstacle to development ...

"Under present Soviet conditions it is necessary that in the same area both kolkhozes and machine stations should exist." 33

When questioned as to whether the Hungarian government could follow the Soviet pattern regarding MTS, Laszlo Gyáros, Chairman of the Information Bureau for the Central Ministry, stated that:

"The questioner left out of consideration the fact that the socialist transformation of agriculture was completed in the USSR already 25 years ago. In Hungary, however, we have hardly passed the initial stages of transformation. It will take a good many years before our machine stations can carry out the work which has already been completed in the USSR. In Hungary it has been decreed that well-functioning farmers' cooperatives can purchase tractors and other agricultural machinery." 34

Influenced by the Minsk speech of Khrushchev, the Ministry of Agriculture held a national conference on January 31, 1958, at which it reported on the joint instructions of the Minister of Agriculture and the National Association of cooperatives regarding the control of the work of the machine stations.

"Machinery belonging to the machine stations and not working for the farmers' cooperatives are to be lent on a seasonal basis to the agricultural cooperatives which are to operate them." 35

32. Nepszabadsag, March 1, 1958.

33. Radio Kossuth, March 3, 1958.

34. Radio Kossuth, March 21, 1958.

35. Radio Kossuth, January 31, 1958.

Approximately 5.4 million cadastral holds of arable land are now cultivated by the individual farmers. There is little prospect for the dissolution of the Hungarian machine tractor stations until the drive for collectivization is realized to an extent where it would be feasible to expect collectivization to continue without their assistance. If the regime continues its present policy of "collectivization without force" there is equally little prospect of a radical increase in the number of collectives.

POLAND

By the time that Khrushchev enunciated his plans for the reorganization of Soviet MTS's, Polish MTS (POM) policy had already undergone considerable modification, largely as a result of the major reforms in agriculture which followed the events of October, 1956. Prior to the Fall of 1956, Polish POM's differed little from their counterparts elsewhere in the Soviet bloc and, as officially stated, "the fundamental task of the State Agricultural Machine Centers is to extend productive, technical and political help to the productive cooperatives, and to provide organizational and economic directives for the development of the productive cooperatives." 36

With the sudden and massive dissolution of collectives which began in the autumn of 1956, some modifications became essential if POM's were to maintain any position in the countryside whatsoever. Seeking to find employment for existing POM's, the joint Agricultural Policy outline of January 9, 1957, prepared by the executive committees of the Polish United Workers' Party (PUWP) and the Polish Peasant Party (ZSL) stated "The POM must considerably widen the servicing of individual farms with regard to both field work and overhaul of machinery," that "POM enterprises ought to aim at the achievement of profitability at the earliest possible date" and, in apparent recognition of the hopelessness of further pro-collective agitation, "all POM functions connected with the administration and management of cooperatives' activities ought to be eliminated." Thus, POM's were divested of major segments of their original mission.

In September, 1957, it was announced that POM's would come under the direction of the Presidiums of Voivodship National Councils at the beginning of 1958. 37 This transfer of authority was subsequently carried through as anticipated.

36. Zycie Gospodarcze, No. 5, 1951.

37. Dziennik Ludowy, September 28, 1957.

Increasingly in 1957 the necessity for POM's to become financially self-sufficient was emphasized by government spokesmen. In September, 1957, Minister of Agriculture Ochab stressed the elimination of POM deficits as being one of the three most urgent tasks facing the Polish countryside.³⁸ Service points were reorganized, administrative personnel cut, and subsidies to POM's were reduced from some 960,000,000 zlotys in 1956 to 270,000,000 in 1957.³⁹ Prices of POM services were re-scheduled on the general rule that POM services were to cost less than similar work would have cost if carried out with the aid of horses. POM equipment, long geared to the needs of larger collective farm areas, began to undergo modification in order that it might better serve the needs of individual peasants. An effort was made to sell obsolete equipment (this met with relatively little success inasmuch as such staple items as the "Ursus" tractor had earned little but a reputation for impracticality), considerable purchases of the smaller and more efficient Czech "Zetor" tractors were begun, and generally speaking, a genuine effort seems to have been made to increase POM efficiency and make of the POM an accepted, if not sought after, feature of Polish agriculture.

Collectives continued to enjoy certain privileges in utilizing POM services inasmuch as they paid 25% less than did private peasants. Aside from irritating the peasants, this ruling also seems to have caused certain questions among POM personnel charged with transforming POM's into profitable institutions, for it was necessary to remind people that "POM's are not on the losing side, because the work on collective fields is usually in bigger units requiring less fuel, time, repair, etc. (per hectare)." ⁴⁰ However, the provision was also made that the State reimbursed POM's for 15% of the 25% reduction in charges granted to collectives. Thus the State, within its overall policy of subsidizing collective enterprises, was, in fact, also subsidizing the POM's even at the time it was demanding financial self sufficiency from these stations.

Apart from servicing individual holdings, POM's were encouraged to help in local transport problems and even to repair and service machinery in possession of private peasants. An additional task for the stations was to aid in bringing electricity to villages.

While these changes were taking place in the structure and work of POM's per se, other methods were being implemented

38. Glos Pracy, September 9, 1957, reporting Ochab's speech to the nation-wide meeting of the Trade Union of Agricultural Workers.

39. Chlopska Droga, November 20, 1957.

40. Ibid.

in an effort to hasten the effective mechanization of Polish agriculture. County machine tractor stations (GOM's) were liquidated, and at least part of their equipment was made available for purchase by peasant machine teams and groups of individual peasants. (The abolition of GOM's had begun as early as July, 1956, when those in Szczecin Province were liquidated, more or less on a trial basis.) More and more machinery was made available to private peasants or groups of individual peasants who formed teams to use machinery on a truly cooperative basis.

Although Polish officials had expressed high hopes for POM profitability at reduced service rates, it became necessary on January 1, 1958, for the Ministry of Agriculture to publish a new list of maximum service rates which were at a higher level than the previous schedule of charges. Commenting on prospects for POM's in 1958, Ochab reported in January that the number of POM's had been reduced by 50,⁴¹ that administrative personnel had been reduced from almost 17,000 to just under 7,000 and that only forty million zlotys would be spent for POM subsidies in 1958.⁴²

It is obvious that the role of the POM in the Polish countryside had undergone a very considerable change prior to Khrushchev's now-famous speech of January 25, 1958. In fact, it appears that the POM, even in its altered form, was almost the only potential instrument which a Polish regime might one day attempt to utilize in the event of a renewed effort to reactivate the so-called socialist sector of agriculture. The collectives themselves, having been reduced in number from over ten thousand to about seventeen hundred, are today a negligible factor in Poland. However, the POM's have been carefully preserved, and there is no indication as yet that their dissolution is contemplated. Therefore, there was no rush in Poland to emulate Khrushchev's MTS policy pronouncement. Actually, the Polish press devoted relatively little attention to the discussion of the problem of Soviet MTS's. Several articles, of a purely explanatory nature appeared, but these carefully avoided any discussion of the relative merits of Khrushchev's ideas in their possible application to Polish conditions.

What must be considered to be the most authoritative Polish reaction appeared in an article by M. Jagielski in the March, 1958, issue of Nowe Drogi, PZPR monthly theoretical publication which is the highest authority among Polish communist journals. After outlining the changes in Polish POM

41. The last official figure on the total number of POM's was published in Rocznik Statystyczny, 1957, page 42. This stated that as of December 31, 1956, there had been 425 POM's.

42. PAP, January 13, 1958, on Ochab's report to the Sejm Agricultural Committee.

operations as they had evolved in 1956 and 1957, Jagielski wrote, "...there can be no complete analogy made with the /Soviet/ MTS's" because "...we must first of all point out the fundamental difference and impossibility of comparison of the conditions of agriculture in the USSR and in Poland." Because of the prevalence of scattered individual farmsteads, the beginning stage of technical progress, and as "...the difficult and complicated process of the socialist transformation of the village has only just begun, the POM's cannot be dissolved." There was nothing at all ambiguous in this presentation which made it clear that the Poles will continue to follow their "own road" in matters of POM's as they have in so many other problems during the last year and a half. Jagielski even attacked what he called the "wrong" policy of "limiting the POM's possibilities of purchasing modern machinery, by assigning the funds for improvement of the situation in communal economy (since such things also happened) or be directing the tractors assigned to the POM to supply the market, etc." From this it appears that all further efforts to reduce the POM's role will be resisted, even if such attempts are purely local and on a far less sweeping scale than those proposed by Khrushchev. (Whether or not such secondary encroachments on POM activities can be effectively resisted in Poland remains to be seen. The fundamental change in Polish agriculture has certainly allowed the development of innumerable practices which are anathema to orthodox communists, and there is little reason to doubt that the private sector will continue to consolidate its position - at times undoubtedly at the expense of such institutions as the POM - in the foreseeable future.) That Poles have already found means of circumventing the POM system is evident from Jagielski's complaint that "the tendency appearing here and there to transform individual POM's into all kinds of local industrial enterprises" is "short sighted and taking into account only the needs of the present day." (underlining mine - ed). By these last few words Jagielski has brought the POM's into focus as an instrument retained in case of the necessity for re-collectivization. It is, however, likely to be a long time before they are again used in this manner. In the meantime, Khrushchev notwithstanding, the Polish regime obviously intends to make whatever use of POM's it can within the framework of possibilities which remain since Poland's "October revolution."

ROMANIA

The Romanian regime has explicitly stated that Romanian agriculture is not ready to follow Khrushchev's MTS proposals at this time. Mircea Gogiu, Director General of the Romanian Ministry of Agriculture, explained to E. Abel of the New York Times that while the Soviet Union has completed the collectivization process and developed big, strong kolkhozes, Romania

must adapt itself to its own "special conditions:" only 15% of the land is in collectives, which are scattered all over the country. 43 Mr. Gogiu's modest appraisal of Romanian possibilities seems well-founded. Despite rather impressive nominal progress toward "socialization" of Romanian agriculture in the past several years, only 12.2% of the agricultural area of the country was in kolkhozes as of late 1957; the great bulk of the so-called socialized sector (48% of arable area as of December 31, 1957) is in state farms and a primitive form of cooperative called agricultural associations. 44 Roughly speaking, Romania continues to lay behind Bulgaria, Czechoslovakia, and Albania in the drive toward collectivization. 45

Of more specific relevance to the MTS problem, Romania is among the least mechanized of all Eastern European countries in agricultural equipment; the regime is making rather strenuous efforts to "catch up" in this field. 46 It should be noted that since the Hungarian revolution, the regime has abolished most compulsory delivery quotas, and instituted a "contract-purchasing" system which involves higher prices to producers.

On the other hand, the regime is in fact pursuing a rather novel reorganization of the use of agricultural machinery. In 1957, a new system of brigades of "5 tractors to 500 hectares" was started on state farms. Apparently based on this example, special brigades drawn from MTS are being assigned to specific "cooperative" areas for as long as a year, thus making them quasi-independent of the MTS. This innovation is to be greatly expanded during 1958. 47 According to a Radio Bucharest broadcast of March 29, normal repairs to machines and tractors will be done in collective farm workshops, and only general overhauling will be done by MTS. The tempo of increase in the number of MTS in Romania has been lagging considerably behind the announced 1960 target of 380; the latest figure is 240 as of late 1957. 48

43. New York Times, February 23, 1958.

44. See Romanian Evaluation Background Report, "Romanian Peasantry's Resistance to Collectivization Camouflaged by Official Figures," March 5, 1958.

45. See Evaluation and Research Background Report, "Agricultural Collectivization in the Soviet Bloc," August 31, 1957.

46. See Romanian Evaluation Background Report, "Some Aspects of Current Romanian Agricultural Problems," June 4, 1957.

47. See Romanian Evaluation Background Report, "Progressive Amalgamation of Kolkhozes and MTS in Romania," March 7, 1958.

48. See Romanian Evaluation Background Report, "Some Aspects of....," op. cit.

While no definite conclusions are possible at this time, it appears that Romania is cautiously carrying out a mild experiment in MTS methods, without altering basic relationships as proposed by Khrushchev. *

* In a six-hour speech at the Constanta National Agricultural Conference (Radio Bucharest, April 5, 1958), Party First Secretary Gheorghiu-Dej gave no hint of any future plans to transfer MTS machinery to collective-cooperative units. On the contrary, he emphasized the government's determination to keep the MTS as a whole under its direct control in "the present stage of development of industry in the country." (See Romanian Evaluation Background Report, "Gheorghiu-Dej's Constanta Speech on Agriculture, Part II," April 11, 1958.)

APPENDIX

MTS EXCERPTS FROM KHRUSHCHEV'S MINSK SPEECH

Moscow Soviet Home Service
January 25, 1958

I would like to submit for your discussion one of the important matters connected with economic development -- the role of the MTS under modern conditions. The MTS have played a historic role in establishing the new socialist system of agriculture in the villages. Their outstanding importance had its effect in the years of collectivization, in the years when the collective farms were being set up. As is known, the collective farms were joined in the first instance by the poorest peasants and also by the medium farmers.

The poorest peasant eagerly responded to the Party's appeal and joined the collective farm; but he had no horse, no cow. The young collective farms had to rely on some kind of force and which a force was found in the MTS which provided machines to the collective farms, ensured the wages of the tractor drivers and to other workers. The MTS supplied the advantages to the peasants of a large-scale mechanized economy; they attracted them to a new life.

You will remember that in his day Lenin said: "If we could give the villages 100,000 tractors, the peasant would say: I am for Communism!". Our Party, guided by Lenin's theory of the industrialization of the country and the development of heavy industry as the basis of the peoples economy, gave the villages tractors and other machines. The peasants joined the collective farms and began to build a new life.

Thus, the MTS became the organizers of production on a large scale, the channels for technical progress. They played a great political role by helping the transition from the individual peasant holdings to collective farms.

The MTS were an important source in obtaining bread, grain and other products as well as industrial raw materials. They helped to strengthen the finances of our state.

The MTS have helped the collective farms to establish themselves economically and administratively, to train outstanding cadres of tractor drivers, combine drivers, and other workers. Has this role of the MTS been preserved today? Let us examine this important matter.

Today, the collective farms have become strong, and they have produced cadres capable of coping with their tasks; the Party organizations are strong in the villages, and the Party committees which have begun more thoroughly to concern themselves with their economy, are headed by persons with, as a rule, great theoretical training -- thus, there is no longer a need to invest the MTS with the role of organizers of production.

At a certain stage, when we had small collective farms with but little land, when such collective farms were unable effectively to use modern machines, the concentration of the machines in the MTS was justified.

However, today the collective farms have been enlarged; they now sometimes have five, ten, and even twenty thousand hectares of land. It is natural then that by passing the MTS they will be able to more rationally use the machines.

The MTS have ceased to play the political role they played in the first stage of the building up of the collective farms. They no longer have the need of convincing any one in the advantages of large-scale mechanized economy as our collective farm cadres know this well themselves, nor can a member of a collective farm visualize himself outside the collective farm.

As I have said earlier, in the past the MTS were important sources for the accumulation of cheap grain. Today, when we have raised the procurement prices and when the products of the collective farms used for payments in kind are more expensive than those produced by the state farms, the MTS have ceased to be such a source

...Thus, we have two masters on the same land: the collective farm and the MTS; and where they are two masters, there can be no good order. In contemporary economy everything depends on the tractors and the combine harvesters, yet, the collective farm has to reach an agreement and arrange even such matters as where to put a tractor. All this leads to non-rational use of machinery and damages the state and the collective farm.

We often meet with such manifestations such as an MTS serving one or two collective farms, maintaining a huge administrative personnel. One asks whether it would not be better to sell the machines to the collective farms and to let them use them themselves in the interests of their economy. Then the machines would be made to work more productively and give a greater yield. All these matters are being carefully studied by the CPSU Central Committee and the USSR Council of Ministers. In the Central Committee we held a conference with the secretaries of raion party committees and the chairmen of collective farms and directors of MTS. All the comrades considered this matter to be urgent.

Individual workers ask: "If the machines were to be transferred to the collective farms, will the amount of products provided to the state not be diminished?" Such concern is without foundation. There can be no doubt that the transfer of the machines directly to the producers of the goods will help the general development of the economy and, therefore, also increase overall production. This means that the amount of production coming to the state will not only not be reduced, but will definitely be greater.

The following relevant question arises: What will be the cost to the state of collective farm products? Once we begin this necessary reorganization, it will be necessary to agree with the collective farms that this reorganization does not lead to an increase in the cost of goods delivered to the state. On the contrary, with improved labor productivity the cost of production will drop and, therefore, the prices on the products coming to the state will be less, and then the state will in its turn reduce the prices of goods for sale to the population.

Now then, how are we to approach this new solution of the question of the MTS? Tractors, cultivators, and all soil-cultivating appliances should be sold to collective farms. MTS should be entrusted with centralized repairs as well as the sale of spare parts and machines; the MTS should be converted into repair stations. The collective farms must take upon themselves the full cost of the machines and the maintenance of the technical personnel servicing the machines; since the machines will become the property of the collective farms, they must also maintain them. It must be worked out how many repair stations there should be per raion -- one or two, or maybe one for two raions. The repair stations will work on the basis of cost accountancy; obviously, it is expedient to have at these stations hiring places for the maintenance of the machines which the collective farms consider unprofitable to buy, for example amelioration machines, road machinery, and so forth. Such machines will be hired by the collective farms from the MTS at a certain cost.

It is expedient also to plan later on at the repair stations convoys of trucks for the transport of collective farm freight by agreement. Centralized motor transport is also economically profitable for both the collective farms and the state. What will the new solution of the question of the MTS give us? Both the collective farms and the state will gain advantages. The machines will be used in a more rational manner; the collective farms will buy only the machines they need and the bureaucratic distribution of the machines from the center will be stopped. There is now, unfortunately, a great deal of disorder in this matter causing the state enormous losses. The MTS takes any machine, even if it does not need it. It sows no flax, but is supplied with

flax combines; it plants no cabbage, but is supplied with planting machines for seedlings. As a result, a great deal of machinery is not used for years, yet in it hundreds of millions of rubles of state funds have been invested.

Talks with Party and economic workers, chairmen of collective farms and directors of MTS prove that we have no obstacles to prevent the realization of the measure in view. Everybody asserts that it is useful and that it should be done. However, this is undoubtedly a serious question. We shall still discuss it and think of how to solve it. It is possible that a plenum of the CPSU Central Committee must be convened; if the plenum will approve it, we may proceed as we did with the question of the reorganization of the management of industry -- we shall publish theses for a nationwide discussion after which we shall convene a session of the USSR Supreme Soviet, for, I repeat, the reorganization of the work of the MTS is one of the radical questions of the further development of our agriculture.

If decisions on the reorganization of the MTS will be taken, it must be held in mind that the question will be solved gradually. This is due to the fact that the level of development of production in the collective farms is far from uniform. There are collective farms which are economically strong, with a well-developed communal husbandry. They are in the position to acquire the machinery they need and to organize its correct use even this year. We have, however, also weak collective farms; possibly for them the existing system of servicing by the MTS will have to be left in operation for the next two or three years. In short, this work will be carried out with the peculiarities of the individual raions and even collective farms taken into account.

At present, of course, we must not under any circumstances reduce the attention paid to the MTS. Moreover, their work must be improved in every way so that they successfully cope with the execution of important agricultural work, and primarily that of the spring sowing.

Such are the thoughts about MTS which I wanted to express to you at your conference. It seems you support the way the question is posed; consequently, it has indeed become urgent....

THE IMPORTANT TASK OF OUR MTS

Rude Pravo

March 22, 1958

Lately, there has been much talk about our Machine and Tractor Stations. This talk has its grounds. We are just about to start the spring field work, which -- in spite of the still cold weather -- no longer can be postponed. And the JAC members, particularly in the newly established JACs, expect a substantial assistance to be rendered by the stations.

The work of our MTS will this year have a great significance for both the new and the other JACs as well as for our entire agricultural production. There is a tremendous amount of means in our stations. Their exploitation has a direct influence on a great part of our vegetable production whose results then reflect on our animal production. It is, therefore, indisputable that a considerable part of responsibility for the fulfillment in this year's really high targets in our agricultural production, lies in the hands of the MTS workers.

MTS mechanics till the greater part of fields of our JACs. Their work has a direct influence on economic results. And the point is, of course, that the JACs achieve the best results whatsoever in order to prove in a practical way the advantages of Socialist mass-production and to influence the winning of the remaining still privately managing farmers for a common work. Thus, the MTS work has an immediate influence on the development of Socialist production in our rural areas. In no case can these political and economic tasks of MTS be divided.

The majority of our people generally realizes the great mission of our MTS in this era when we are just about to complete the Socialist buildup in our country. And yet, from time to time, there resounded voices demanding that the stations instantly hand over their machines directly to the JACs just the same as they are prepared to do in the Soviet Union. Even though these voices were scarce, it will do no harm to repeat that there is a considerable difference between Soviet kolkhozes and our JACs. It is sufficient to realize that in the Soviet Union the majority of kolkhozes have had more than 20 years of practical experience, while in our country not all communities have yet set up a JAC of their own. Under the present situation the majority of our JACs would not even succeed in exploiting rationally all mechanization means. Many a JAC would not even be able to carry the burden of expenses connected with the purchase, servicing and maintenance of all mechanization means it needs in its work. The MTS

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represent a form of help of the working class to working farmers, both those who joined in JACs and need the help for the boost of their collective farms, and those who are still farming individually -- small and medium farmers -- who simply have no means to buy machines on their own. By paying for the MTS services, the JAC members and the individually managing farmers cover only a smaller part of expenses the state has invested into the MTS. In our country the MTS will further on remain a significant material and technical basis of agriculture. The plan counts on further extension of the MTS machine depot as well as on an increased output of tractors and other machines.

In comparison with last year this year's MTS output is to increase by more than 25%, while the capacity of work on behalf of JACs will step up by more than 40%. This year the stations are to till the acreage of 16,775,000 hectares. This year, the ploughing, sowing and harvesting of grain in JACs will be substantially ensured by the stations' mechanization means. Inbetween-row-cultivation which until recently was only insufficiently mechanized, will be ensured this year by the stations by about two thirds. And we could bring further and further examples. And yet, only these few basical data already clearly prove the important role played by the MTS in our agriculture. Therefore, it is necessary to reject as being unsound, voices which call for the handing over of MTS machines to JACs in our country, just as it has been planned in the Soviet Union. Besides the strengthening of the position of MTS, which -- as far as mechanization means are concerned -- will yet long remain a decisive factor namely in vegetable production. In our country, too, some stations hand over machines to certain JACs and JACs are being offered more possibilities to purchase tractors, trucks, trailers and other mechanization means of their own. Last year, for instance, it concerned about 1,000, mostly transportation tractors. This year another 4,200 pieces will be added to the more than 9,000 tractors, which already are in JACs. The JACs people will be able to purchase above all those machines and equipment they are able to exploit nationally on their farms. Naturally, even here the situation of individual JACs will be taken into consideration and namely cooperatives which are economically well developed and organizationally stable will be enabled to make larger purchases.

It is necessary to clarify all these things everywhere; and yet, people's main attention is now required by the preparation and the setting out of stations for spring field work. The fulfillment of high tasks of agricultural production requires, as it has been said before, big and responsible tasks from MTS in the course of this year, which is the decisive year in the entire second Five-Year Plan. The point will be -- starting with this spring -- to exploit most thoroughly all mechanization means. And this can be achieved by a perfect cooperation between mechanics and JACs.

The majority of JAC farmers is fully aware of the significance of stations. Even among individual mechanics and JAC farmers there exists a generally good relation for they know that one cannot exist without the other. MTS' good mutual cooperation and effective assistance most frequently brings about good economic results. Therefore, all forms of cooperation between JACs and stations which lead immediately to a more perfect exploitation of machines, to an increase of production and lower production costs, should be supported and boosted. However, there exist JACs which underestimate the cooperation with mechanics. This has been proved by the fact, for instance, that so far not all JACs have signed an agreement with stations. In some JACs they rely on their own means only. They perhaps dislike to spend cash or in some instances disagreed in certain points with a station, or else -- but in no case is such attitude a reasonable one.

The JACs alone lack a sufficient number of machines for a fast and well mastered spring field work. And this is why there are the MTS to help JACs' members. Therefore, it will be most useful to take advantage of the time that is left until the arrival of spring, to sign a contract wherever this has not been done so far. This spring's requirements on tractor drivers will be immense. The spring field work will be delayed. It will, therefore, be necessary to master the spring field work in a shorter period. And we all know well, for instance, what influence a timely sowing may have on the grain crops. It will be necessary to make a full use of all machines. This has been said every year and before every season, but it must be emphasized this year in particular. In spite of a fast growth of the machine depot in the past years, the boost of JACs was even faster. To fulfill all tasks each individual tractor has to accomplish more. It is very topical for instance to exploit tractors in two shifts and to set up highly efficient aggregates. These are well known facts, but, for instance, a great majority of tractors still operates in one shift only in spite of the fact that with a more perfect use of these tractors, and without further investments, the degree of mechanization of field work would considerably increase.

Even this year Socialist competition will be of a great help to tractor drivers in the fulfillment of their big and responsible tasks. Many collectives and individuals have already pledged to help JAC farmers to attain the level of agricultural production planned for 1960, already one year earlier. These commitments will have to be kept up to the last dot. And it is essential that all other stations sign similar commitments. And let us not forget then that the main thing for the sake of their fulfillment, will be a frequent and consistent control of both the MTS and the cooperatives.

Though greatly displeased with the present weather conditions, we must admit that, on the other hand, it helps us to improve all preparations for the setting out to fields.

For that reason it will be useful not to wait idly and along with work which can be presently done, such as taking care of meadows, to improve the preparations so that when time will come to set out to fields, everything goes as smoothly as possible.

THE MECHANIZATION OF AGRICULTURE

By Mieczyslaw Jagielski
Nowe Drogi

March, 1958.

"...While justly setting forth as our aim the marked improvement of the supply of individual peasant farms with machines, tools, and other mechanical means of production, we should, nevertheless, avoid the making of a new mistake of serious consequence. For it would be unpardonable if we now concentrated all our effort and the production force of the agricultural machine industry only on the work of satisfying the needs of the individual sector, forgetting about the existence, significance, and prospects of development of socialized farming."

"...The development of the mechanization of agriculture should be based on definite organizational forms.

"In our conditions, one of these forms should be the Machine Tractor Stations (POM's).

"The role and place which should belong to the POM's in the whole of our drive toward the development of agriculture, demands an explanation. For in this connection there are many and often contradictory views voiced, going even so far as to suggest a complete liquidation of the Machine Tractor Stations. Here those supporting this view put forward as their basic argument the lack of profitability of the POM's."

"...Up to now the nature of the POM activity has been connected with their basic concept, their role and tasks, which were assigned to them by the whole system of our agriculture. POM's were to be the main level of the transformation of the agricultural system and the basic form of State direction of agriculture. It was on this basis that the main mechanical means used in agriculture, cadres of agricultural specialists, and even political activ, were concentrated in the POM's. Through the POM's the state was to give machine, agro-technical, and organizational aid to the production cooperatives. Under these conditions the prices for POM services rendered to production cooperatives differed from prices based on economically justified own costs, they were also considerably lower than the prices demanded by the peasants themselves for services mutually rendered. Further, the very heavy sums paid to the numerous personnel of the agronomical, and zootechnical service, the

agricultural accountancy apparatus, and to workers of the political departments serving on behalf of the POM the production cooperatives, weighed on the POM activities.

"...Finally on July 1, 1957, the POM's were given the character of State enterprises working on the principles of self-support and full cost accounting.

"...We must take into consideration the fact that the purchase of this kind of heavy or special machines as well as the purchase of tractors by individual farmer will not yet be possible for the time being on a larger scale, because of the lack of such goods and their high cost. The investment initiative of the villages, developing so favorably in 1957, will undoubtedly during the next few years be directed mainly towards the building of accommodation of people and livestock, which, on account of the great wants and neglects in this sector undoubtedly will be just and desirable. Anyway, small-landed farms simply cannot afford to make an individual purchase of this kind of machines. They will and should be purchased by farmers united in various associations, and this wants time; at the present moment then, they can (only) be purchased by economically stronger farms, which in consequence can lead to exploitation through hiring these machines at a high price. We must also remember that most of the tractors purchased by the villages in 1957 were used for transport work on account of their profitability and attraction.

"...In discussing the tasks of the POM's and defining the direction of their further activity, there can be no complete analogy made with the MTS's (Machine and Tractor Stations). I am stressing this moment because here and there the advocates of liquidation of the POM's refer to the moves which it is intended to carry out in the MTS sector in the USSR. First of all, it must be explained that there is talk not of the liquidation of the MTS's, but of their fundamental reorganization.

But irrespective of this explanation we must first of all point out the fundamental difference and impossibility of comparison of the conditions of agriculture in the USSR and in Poland, if we take into consideration its social-economic foundations. In circumstances when scattered individual peasant farms prevail, when technical progress in agriculture is making its way, when the difficult and complicated process of the socialist transformation of the village has only just begun, the POM's cannot be dissolved. That is why I regard the tendency appearing here and there to transform individual POM's into all kinds of local industrial enterprises, as very short-sighted and taking into account only the needs of the present day. This is a tendency lacking justification, even when it is sanctified by what is in fact an important end, such as, for example, the growth of employment in the given locality. Also wrong is the limiting of the POM's possibilities of purchasing modern machinery, by assigning the funds for improvement of the situation in communal economy (since such things also happened) or by directing the tractors assigned to the POM to supply the market, etc.

"During the last session of the agricultural committee of the Mutual Economic Aid Council, I had a lot of talks with nearly all the representatives of the agriculture of the countries of people's democracy, on the subject of the POM's, their role and duty. All the German, Czechoslovak, Romanian, and Bulgarian comrades think that in the conditions prevailing in their countries, until the Socialist transformation of the villages is not complete, until the production cooperatives are not consolidated, the State machine stations have a very important role to fulfill.

"Taking fully into account the situation which began to develop in the villages after the 8th Plenum -- taking into account the experiences of POM activity in the course of the past years -- there were carried out in the course of 1957 (of which we have just spoken) some fundamental changes, concerning both the POM economy and their role and place in the whole of our agriculture. The direction of these changes resulting from life, from our practice, is correct, as proved by definite facts and results noted in 1957.

"...In this situation it seems a necessary thing to determine -- after thoroughly analyzing the existing state of affairs -- certain basic principles in the organization of machine unions and associations, and the forms and scope of subsidies granted them by the State.

"How, mainly, would this help be expressed?

"In the guarantee of possibilities of buying tractors, machines and installations (machine teams should have priority in the purchase, without, however, infringing on the rights of production cooperatives in this sphere);

"In granting long-term credits, payable on easy terms;

"In exempting the unions from income tax on the profits made on the services rendered (at least during the first years of the union's activity).

"The organizer and patron of this movement should be the Association of Agricultural Unions and Organizations."