

NO.606

"B-8-1" FACESHEET AND RATING

AJ

p.1

Basel, Switzerland  
August 1957

1. SJ-2
2. [REDACTED]
3. Basel
4. 41
5. Male
6. Hungarian
7. Reformed
8. Reformed
9. Married
10. 0
11. Agricultural marketing executive
12. ---
13. ---
14. Intelligentsia
15. 1933, Sergeant
16. Rumania, Beograd, Prague
17. No
18. Yes
19. Dr. of Law, Ferenc Jozsef Univ. Kolozsvar
20. Budapest
21. Budapest
22. Transylvania
23. Social Democrat
24. 30 November 1956
25. Switzerland
26. United States
27. ---
28. ---
29. ---
31. 5
32. 6
33. 6
34. 7

This man had wide political contacts amongst the former opposition parties, and his accounts of their state of mind seem to be useful.

After taking my law degree in 1938, I took a position with the head office of Hangya, (the agricultural marketing and retail trade cooperative) as accounts controller. After a Transylvanian Award, I became press officer of the Transylvanian Cooperative Center. The chairman of the center was close to the regent and I was his confident. Through him I knew that the regency <sup>was</sup> ~~is~~ hoping for an Anglo-American victory, but I ~~thought~~ felt that this was an unrealistic expectation, and through an employee, I established contacts with the then illegal Hungarian Communist Party, whilst our chairman, whose home county was County Temes, maintained contacts and conversations with the Yugoslav partisans. In 1943, the Transylvanian-Hungarian Economic Alliance, the Transylvanian Hangya and the Transylvanian Credit Cooperatives, representing just those groups which were most able and willing to resist German policy, established a joint Council under the joint chairmanship of Count Béla Teleki, Count László Bethlen and Ede Korparich. I became one of the free joint secretaries. Under the pretext of inviting them to study cooperative life in Hungarian Transylvania, I invited the Budapest press for two weeks and brought together the extreme left and the extreme right for a fruitful exchange of ideas. The Minister Presidency (Kállay) commissioned me to prepare a series of memoranda on cooperatives with a view to incorporation into the

government's land reform plans.

When Romania capitulated, I rushed to Kolozsvár, getting together with the Transylvanian Hungarian Communists and agreeing on a common stop-gap plan of action. As editor of the Marosvásárhely Déli Hírlap, I urged my Hungarian public not to flee from Transylvania with the retreating Germans, and on one occasion, by bullying and brow-beating a few Gestapo officers, I succeeded in saving a number of Jews and Romanians from extermination. Now that the situation has changed, I enjoyed great prestige because of these acts. Right after the rush occupation of Marosvásárhely, we started publishing a newspaper Szabad Szó, and in connection with this work, I met Groza, Luca, and Vishinsky. I was general secretary of the Magyar Népi Szövetség (the new mass organization for the Hungarian minority) for Maros-Torda county. I was instrumental in starting the Székely theater and in the transfer of the faculty of medicine of the Transylvanian Hungarian university from Kolozsvár to Marosvásárhely, in order to increase the weight of this purely Hungarian town which we envisaged as the center of Hungarian life in Transylvania. Before the Romanian capitulation, the avowed stand of the illegal Communist Party on the nationality question was either full Transylvanian independence, or a bilingual administration in every locality with a significant Hungarian minority, with complete administrative autonomy for predominantly Hungarian communities. ~~In the event,~~ it turned

out that the Hungarian minority in Transylvania is in graver peril now than it was during the bourgeois regime in Romania. During the 22 years of Romanian occupation, Hungarian national identity was maintained by the economically independent classes, - the peasants and craftsmen, - The Communist regime attacked the roots of economic independence, "Vermassung" and "Verproletarisierung" threatening them. To count <sup>of</sup> this <sup>long-</sup> ~~long~~ range ~~fact~~, I set about advocating and organizing Hungarian cooperatives, arguing that if there must be Kolkhozes, let them be Hungarian ones. This would have at least partially insured the Hungarian peasantry, which was losing its economic independence, against absorption by the Romanians. This proposal broke my neck. I was summoned to the Kolozsvár provincial secretariat of the Romanian Communist Party who advised me that this is contrary to their policy, they will not have any organizations along national minority lines. I argued back on a Marxist basis, but they insisted that organization must be on a class basis, cutting across national lines. They offered me (January 1946) that if I undertake to disorganize and undermine the existing Hungarian cooperatives, I will be rewarded with the post of secretary of state in the Ministry of Cooperatives in Bukarest. I refused this deal, and then they acted against me. After the Moscow Big Three meeting in 1945, the Groza government co-opted a liberal and a nationalist minister pending the general elections.

The maniust minister was Emil Hacieganu, formerly the chairman of the Romanian cooperative movement. On his appointment, we sent him a congratulatory telegram, which I drafted. Thereupon they accused me of working for <sup>an</sup> alliance between the maniusts and the Hungarian minority. To safeguard myself, I joined the Social Democrat<sup>ic</sup> Party, who took the matter before the committee of workers' unity, which cleared me on Social Democratic insistance. The matter, however, was probably still not forgotten. In the summer of 1946, Transylvanian Hungarian elements, including bourgeois and smallholder figures, tentatively agreed with the Social Democrats to propose a joint Hungarian list of candidates for the autumn elections. As the initiator and organizer of this idea, I was arrested and tortured in Torda for two and a half months, coming out 40 kilos lighter than I went in. I was charged with having received £2,000,000 from the British Labor Party for election purposes, and with having had contacts with a reporter of the Boston Christian Science Monitor, who has visited Romania and wrote a series of unfavorable articles. I never saw him, - I believe his name was Mathews, - but I was beaten an additional two weeks for his articles. Incidentally, it was a favorite trick of the Romanian secret police to approach us Hungarian minority leaders in the <sup>guise</sup> ~~guise~~ of "American journalists".

I told them to let me have a sensible and credible charge

and I will confess to it, - instead, in October '46, they evicted me from Transylvania, putting me across the Hungarian frontier. By the agency of Ferenc Szeder, (the Social Democrat agrarian leader), I was given a job in MOSZK (Hungarian Cooperative Center). Its president, Sandor Hamburger (another Social Democrat) wanted me to become the head of the general secretariat of MOSZK, but then came the Communist-Social Democrat Merger, and I lost both my party membership and my job.

Through political friends, I found a position on the daily newspaper Szabad Szo of the National Peasant Party, writing under a pseudonym but being active mainly on the publishing side. This work brought me nearer still to peasant problems. At the time, the Peasant Party was pro-kolkhoz. I was once present at a heated debate between Péter Veres, the nominal head of the party, and the two Erdei brothers (Sandor and Ferenc). The latter two were in favor of true, Soviet-type kolkhozes, and Péter Veres gave in to them as usual.

Ferenc Erdei. He was a classmate of my brother, while his brother(Sándor) was my classmate, at the Makó gymnasium. At the age of 16, his ideal was Mussolini. He went Left whilst at Szeged University. He once wrote a letter to his brother Sándor, who<sup>was</sup> then serving in the army, which compromised him politically. The letter was intercepted by the army authorities, he was arrested, charged with ~~treason~~ <sup>reason</sup>, and sat in prison for several months. This



confirmed him in his extreme Left attitude. At the historic Balatonszárszó conference, he was the main antagonist of László Németh. But he married a bourgeois girl, and he was still a bourgeois. He drifted to the Narodnik line, and with his father and two brothers, established an onion farm at Szigetszentmiklós, where they lived an independent life during the war years. Then he got entangled with his present wife, Jolan (Joci) Majláth, the mistress of Jozsef Revai, a Communist woman of biblical fanaticism, who made him abandon the Narodnik line and switched to Communism. After March 19, 1944, he fled to Temesvár, and from there he went to Debrecen to become Minister of the Interior. However, he did not join the party. When his close friend Rajk succeeded him as minister, he went to Yugoslavia to study the cooperatives there. Months after the Cominform broke with Yugoslavia, Tito's large portrait was still hanging in his office. Then came Rajk's arrest, then Losonczy's arrest, both of whom were his friends, - the next blow was Kádár's arrest, - the following morning, Sándor Zöld, another one of his friends, was dismissed, and knowing that he <sup>would</sup> be arrested, went home (his apartment was one floor below Erdei's apartment), and killed his wife, his mother-in-law and children and himself. These series of arrests, with the lightning striking left and right of him, was such a cumulative shock to Erdei that he would not let any of his former political friends near him, he was in mortal ~~for~~ fear of his life, the only man

he would see was his male secretary Somogyi, with whom he drank and went to shoot. He drowned himself in work. His wife was pushing him cruelly towards the Rakosi line and he yielded. He personally engineered the Hungarian agricultural transformation. His brother Sándor went along with him a long way, (for some time he was State Secretary of Education), but he despised Joci Majláth, - his own wife, the daughter of the former mayor of Nagykörös, was a decent woman. When Sándor became the general secretary of the Writers Union in 1954, he wanted to move towards a liberal cultural policy. In this connection, the Magvető publishing house was founded. I was designated to be its co-director with Géza Képes, but Akademia St. (Party Headquarters) vetoed this and put in their own man. Sándor Erdei was then editor of Uj Hang, which really started the literary rebellion by a practically revolutionary issue in November 1954. The street sales of this issue were stopped by the police, but Sándor got out of trouble by finding an alibi, pleading that he was not in Budapest when this issue was prepared. After Rakosi's re-assumption of power in early '55, he was put in cold storage, but got back the general secretaryship of the Writers Union in 1956. He then did a great job and created the prerequisites for the Writers Union to become the focus of intellectual resistance. Ferenc Erdei was at this time sharply Communist, though he was either a non-member or concealed



his membership, while his brother's membership was open and above board. Ferenc was universally hated and despised, yet he, ~~M~~losonczy and Tildy were the real managers of the Imre Nagy government in October-November. Attila Szigethy was completely under Erdei's influence, even during the revolution he was in constant telephonic touch with either Erdei or with his wife. Ferenc Erdei is not basically a dishonest man, he is not particularly power-~~hungry~~<sup>hungary</sup> and his tastes are essentially simple ones. He makes little money, and at home prefers to dress in patchy clothe<sup>s</sup>. He has incredible capacity for work and is a man of great intelligence. However, he is frightened, and is being nagged by his wife. - Despite being everybody's whipping boy, he undertook to play a role during the revolution because he felt that he can talk to the Russians better than the others, and thought he can do some good. His brother Sándor is an idealist, (is<sup>a</sup> sculptor and hence presumably competent to direct Hungarian literary politics), and he will always choos~~e~~ the Hungarian rather than the Communist interest. If Hungary is to become a buffer state between Russia and the West, he will be a useful and important man.

From Erdei on the Left to Fėja and Sinka on the Right, the falukutatók ("village explorers") formed one solid group, which is beyond question the strongest political force in Hungary. Their solidarity transcends political

coloring: e.g., the Fascist Sinka, who was practically outlawed, was receiving a monthly subvention through the accounts of Szabad Szó, - I know because I paid him the money each month. Jozsef Erdelyi was got out of prison because he once belonged to the village explorer group.

Contractual Cropping. In 1950, I left Szabad Szó. Ferenc Erdei got me a job as organizer, and later as executive director, of the Növénytermeltető Egyesülés (Contractual Cropping Union?). This was a trust binding together 26 firms in this field. Its task was to insure, by the making of contracts with agricultural producers, the growing of such crops which the state wanted to promote. The regime had a direct influence over cropping plans in the state farms and kolkhozes only. To influence the acreage of various crops according to plan, the system of Contractual Cropping was ~~emphasized~~ emphasized, and it was the task of the ME to induce the peasants to sign for the required acreages. I succeeded in establishing the machinery of the trust where my predecessor failed, so that in the first year, we let contracts for 1.2 million hold for 240 plants from sugar beet to lentils. 1950 was the year of the first major crisis in Hungarian agriculture. The first symptom was a grave meat shortage. To shake things up, the director and deputy director of the Meat Industry Center were executed. In the further search for scape-goats, they then got on to sugar. We had signed contracts for 200,000 holds of beet sugar in

that year. The planning board drafted their plans on the basis of an estimated 1.6-1.7 million ton beet crop. The actual crop turned out to be 1.1-1.2 million tons. They made export commitments on the basis of the higher estimate, and as these commitments had to be met, ~~xx~~ a shortage ~~developed~~ developed on the home market. There was trouble of a similar sort with other Contractual Crops too. In the autumn of 1950, the phone <sup>rang</sup> one morning, and a voice asked for comrade Szigetvári (the managing director of ME). I asked who it was speaking? the answer was: Mátyás Rákosi. When Szigetvári came in, I told him to ring back Rákosi. He went pale as a sheet, and talked to Rákosi for a quite couple of minutes on the phone. It turned out that Rákosi was accusing us of sabotage in the letting of contracts and in the in gathering of the crops contracted for. He demanded a report in 180 lines by day after tomorrow, warning us that if the report is unsatisfactory, Szigetvári and other responsible executives will be arrested. We concluded that the only hope of a way out is to be brutally frank and tell him in our report that the whole agricultural policy of the government is rendering our work impossible. I drafted 180 lines, referring quite blankly to the artificially created labor shortage on the land, to the perpetual organizational re-shuffles, and the unwillingness of the peasants to produce because of their insecurity of ~~the future~~ <sup>the future</sup>. I said, and could prove, that we did provide seed and fertilizers in time and that we could do

no more. We sent the report to Rakosi and a copy to Erdei. On the very next day, they had a top level committee discussion on the report, where Rakosi was alone in talking about sabotage, and the other participants agreed with several points in my report. As a result, we were let off. In 1951, a new director was placed at the head of the Contractual Cropping Union, with whom I had much strife. Partly as a result of this, and partly because they needed an agricultural organization expert to start off the great and glorious experiment in rubber growing in Hungary, I was transferred to the Rubber Plant Contractual <sup>Cropping</sup> ~~Cropping~~ Enterprise, a newly established firm with 70 employees, which was independent of the Contractual ~~Cropping~~ Cropping trust. Its director was a worker kader, who was quite at a loss about what to do, and the whole task devolved upon me.

The idea was to introduce, following the Russian example, the growing of koksagyz, a rubber bearing plant whose roots are supposed to contain 2% natural rubber. This plant ought to be sown in February, but as the enterprise was set up far too late, and they did not want to wait until 1952, they ordered a trial seeding for August. This we carried out on 600 hold, and it failed to germinate. For the next season, the seed from Russia did not arrive until early in April. We hastily distributed it and it was sown on 6000 hold. On 5000 hold, there was no growth at all. On 1000, the roots yielded 0.45% rubber instead

of the forecast 2%. By the time (August 1952) the impracticability of the whole idea and the failure of the whole experiment was ~~fx~~ officially admitted, the Russians unexpectedly sent up 10,000,000 fts. worth of koksagyz seed for which we had to pay. Two weeks after the delivery of the seed, they declared they made a mistake, they did not really want to grow koksagyz, it is not a nice plant at all, they have just decided to grow taüsagyz instead! So this was the end of the grand idea of Hungary growing her own rubber. The total cost of the experiment amounted to no less than 30,000,000 fts., and the yield was 400 pounds of rubber.

After the painful liquidation of the Rubber Plant Firm, my next post was in the Contractual Cotton Cropping Enterprise, a similar setup directed at the organization of cotton growing. The regime was pushing cotton production since 1949. At first, they tried it on a sensible scale, on less than 1000 holds. A highly competent old seed man, Ferenc Schüller, had a hand in this. He relied on Bulgarian seed, which seemed capable of being acclimatized to Hungarian conditions. However, the regime wanted to force the pace, they had fantastic ideas about the desirable scale of Hungarian cotton growing, and they also felt it ~~was~~ <sup>im</sup> proper to rely on other than Russian seed. These factors were jointly responsible for the eventual scandalous failure of the attempt to establish cotton in Hungary.



Cotton matures in 210 days, and it needs a 150 sunny days. in Hungary, these conditions are fulfilled in 2 out of every 10 years. In other words, cotton only succeeds in Hungary when the weather is disastrous for most other crops. Such a year was 1951, when a score or so people starved to death in the Nyírség. In that year, cotton yielded 300 kilos per hold on an area of 50,000 holds. The enthusiasm of the planners caught fire, and they set an acreage target of 100,000 hold for the 1953 season. This meant that the frontier of cotton production had to be pushed further North. Schüller opposed this, so he was removed and expelled from the Party. In his place, Skoldykov, a Soviet adviser in the Ministry of Agriculture, became Hungary's cotton dictator. He switched exclusively to Russian seed, and prescribed a pace of development reaching an acreage of 300,000 hold for the second Five Year Plan. Even the 100,000 hold acreage was absurdly high. It involved two things. Firstly, it meant encroachment on the acreage of other, more valuable crops, - e.g. the onion acreage had to be contracted in the Földeák area and paprika in the Kalocsa area. Besides, everywhere it meant an encroachment on the maize acreage, as well as on the quality of maize cultivation on the remaining acreage, because both maize and cotton are labor intensive and the pick periods of cultivation more or less coincide. Secondly, the fulfillment of the 100,000 hold acreage target meant that cotton had to be sown as far North as Heves, Szabolcs



and Komárom counties, ~~where~~ where it was invariably a total failure. In both 1952 and '53, the autumn was wet and early, and the average cotton yield was under 200 kilos per hold, with the proportion of unopened (immature) shells being over 50%! The cotton spinning industry had a <sup>horrible</sup> ~~maritime~~ time, they were in tears and flatly stated that it is simply impossible to use Hungarian-grown cotton. The picking, too, <sup>was</sup> ~~was~~ heroic task, school children and army troops had to be commandeered to do it. The contractual price of zero class (the top grade) cotton was 1200 fts. per 100 kilo, and that of the unopened 200 fts. per 100 kilo. There were five intermediate grades, the price of which lay between these two limits. The average cost of production (excluding the cost of land) was around 600 fts., and the average price received by the grower was usually less than that. Freak cases occurred where a peasant would receive a gross income of 20,000 fts. per hold from cotton, but typically the gross yield would amount to no more than 1000 fts. per hold. By contrast, the peasant could, if contracting to grow sugar beet, get a gross income of 5000 fts. per hold, with maize he could get 4-5000, and with onions 15,000 fts. per hold. The cotton average yield in Pest county was 100 kilos per hold, in Nógrád county it was below 100 kilos. My estimate would be that on 1/3 of the country's cotton acreage, the growers received no more than one half of their cost of production, and only on 1/3 did the growers break even or

made a profit. No other Hungarian cash crop is priced at below average cost of production! However, "cotton is a political plant".

1953 was the last year of the cotton craze. For 1954, the acreage was reduced to a few thousand holds, the Budapest Head Office was quietly liquidated, and the Headquarters were shifted to Hódmezővásárhely, for there was a large cotton gin. By now, there is only "experimental production" at a few State farms. One can produce cotton in Southern Hungary, in Csongrád, Bács and Békés counties, but cotton is competitive with other plants which yield a greater value per acre (vegetables, paprika, onion.) One reason for the more complete failure of cotton in Hungary than should have been the case was the bustle and helter-skelter methods of the Russians - they would not give us a chance to breed the Bulgarian seed.

After the dis<sup>solution</sup>~~solution~~ of the Central Cotton Growing Firm, respondent transferred to the firm organizing and maintaining the annual Agricultural Exhibition and Fair. He was, in a vague way, also active in all sorts of other agricultural organizations.

Displays  
In the Agricultural Exhibitions and ~~displays~~, there was much deliberate falsification of statistics and the tilting in favor of the Socialist sector, although despite all majors favoring the Socialist and repressing the private sector, private peasant yields were still higher than kolkhoz and afortiori higher than sovchos yields. All

average yields were lower than before 1944, but the kolkhoz and State farm yields fell more than the private yields.

X The gravest problem of Hungarian Agriculture is the insufficient <sup>live</sup> stock, leading to insufficient soil fertility maintenance and to the "mining" of the soil. There is also a host of less basic anomalies. One is the forcing of deep plowing. On shallow soils, deep plowing kills the humus, - Hungarian soil science was very highly developed before the war, and we knew perfectly well where deep plowing was advantageous and where not. Under the Soviet system, ~~xx~~ however, deep plowing is the general order of the day, and since the evasion of this order counts as punishable sabotage of the people's economy, agriculturists can do little to prevent the resulting damage to the land. Hand in hand with the insecurity of the <sup>future</sup> ~~present~~, (a peasant never knew ~~xxxx~~ whether he or somebody else will reap where he was sowing) went the flight from the land and the labor shortage created by the industrialization program. To get seasonal help, a private peasant had to pay 60-80 fts. a day and even at this wage he would get only third-rate labor. From one 800-hold kolkhoz I knew, all the members but one walked off to the towns, leaving the theoretical stake in it to the dogs. The so-called reserve lands were actually abandoned lands, for which no tenants could be found, - at the peak, in 1952, the area of reserve

lands reached 1,000,000 holds.

At a conference of viticulturists in December of 1956, I learnt some details of the fate of Hungarian vineyards. In the Bács-Kiskun area, 80,000 holds of fruit and vines died in the past 10 years. Médoc production in the Eger area ceased altogether. Vines in the Villány region have been bastardized. 70% of the Szekszárd red vine area either died or became bastardized. Production of quality wines from the Tokajhegyalja practically ceased, the little trickle what remained was barely enough to cover the needs of the Foreign Ministry and the Hungarian Legations abroad. On the other hand, the Balaton region almost succeeded in holding its own, and there was actual progress compared to pre-war in the Sopron area, where the people of German origin very cleverly formed kolchozes among themselves and went in for wine growing very successfully.

Another field where there was progress in Hungarian agriculture was in rice production. This followed the lines already laid down before and during the war years. The building of the Tiszaörs dam had a beneficial influence here.

As far as agricultural machinery is concerned, the consensus of opinion was that Russian tractors were far too heavy and unwieldy for our purposes, and this was even more true of the combine harvesters. On both the kolchozes and the State farms, machinery was mishandled and its maintenance was neglected.

Cooperative organization. Superseding the original post-war set-up of the Hungarian Cooperative Organization centralized under the MOSZK (which also controlled the Central Credit Cooperative OSZH), in 1949 a new set-up was established. This new set-up was organized on four levels. On the top level, we had SZÖVOSZ, or Central Cooperative Union. Below it, in each county seat there was a MESZÖV, or Union of County Cooperatives. Under each MESZÖV, there were FJK or District Cooperative Centers in each district seat. The FJK controlled the local agricultural cooperatives. The two main faults of this organizational set-up were that it tended to be top-heavy and bureaucratic, and that the tasks given to the local cooperatives on the village level were far too comprehensive, involving all conceivable cooperative functions, and there were not enough all-round men in the villages capable of handling this. Nevertheless, if it were not for Communism, it would not be a bad thing to have a comprehensive economic center in each village, the managers would soon grow up to their tasks. SZÖVOSZ was meant to be a mass organization with a predominantly political function, driving the villages towards collective agriculture. Willy-nilly, however, it is obliged to turn towards truly economic functions as well. Originally, the local co-ops sold to and bought from State wholesale firms, but lately SZÖVOSZ tended to step in and perform various wholesaling tasks. There is a fierce fight between



the Empire builders in the SZÖVOSZ and in the Ministries. Kolkhozes. Depending on various well-defined functional differences, there are four kinds of kolkhozes, the number one, number two and number <sup>three</sup> type tsz.cs, (producers' co-operative group) and the "producer's cooperative", - only the last one is a full legal person, but the difference between it and the type 3 tsz.cs. is insignificant, and can be ignored, so that one can safely talk about a division into three types only. Type one is not a true collective, it is formed for the common performance of certain operations, e.g. the purchase of seed, or the letting of plowing contracts to the MDS. This type of cooperative gives little opportunity to the regime for interference in peasant life. The number two type cooperative implies the pooling of members' harvest to a common rickyard, its communal thrashing and distribution. No actual number two type tsz.cs. exist, it is a paper category only. The number three type is the true kolkhoz. It implies the communal ownership of all the "means of production", the income of members depending on the "work units" they perform, and not on the initial contribution in terms of land or livestock. Irrespective of whether a man brought in 5 holds or 25 holds, he gets paid according to the work units he has done. Admittedly, the articles of association of most guide-free tsz.cs.'s provide that out of the kolkhoz, a certain fraction must be devoted to the payment of "rent" on the land contributed by the individual members. But nobody takes this seriously,



and the obligation is never honored. Some articles of association do not even provide for it.

The income due to members is calculated in the following way. From the value of the crop yield, non-labor costs are first deducted, (e.g. fertilizers, petrol and oil, repairs etc.), then a statutory deduction is made for investment reserve and for the "cultural fund". The value of the residue is divided by the number of work units performed during the accounting period. This establish<sup>es</sup> the value of a "work unit", and members were paid according to the number of units standing to their credit, - payment was either in cash or in kind, the authorities favoring the former and the members the latter. In the course of the year, the members were being paid advances and these advances were deducted when the value of the work units was declared. The private plot of a member was generally one half hold, although the cleverest kolkhozes could get away with as much as one hold per member. On these plots, the members could do some cropping and keep a few pigs or geese on maize stolen from the kolkhoz.

The articles provided wide democratic rights to the membership, but if they wanted to avail themselves of these rights, the District Branch of the National Bank would simply suspend finance, and members' advances could not be paid, which was enough to keep the membership at bay. The second means of coercion was the <sup>refusal</sup> ~~refusal~~ to extend<sup>d</sup> long-term

investment credits, and the third and perhaps most important means arose from the fact that it was quite impracticable to conform to all the agricultural regulations, so that there were always minor irregularities in the conduct of each kolkhoz, - if the kolkhoz was recalcitrant and kicking against the political authority, up came the AVO, "detected" the irregularity and arrested the leaders. Agricultural price policy contributed to it that the kolkhozes were always heavily indebted to the National Bank. While the State sold bread at 3 fts. per kilo, for wheat it paid 60 fts. per quintal (one hundred kilos). "Free" wheat was 300 fts., but which kolkhoz had "free" wheat after meeting its compulsory <sup>delivery</sup> ~~statutory~~ quota? However, the kolkhozes could at least get credit from the National Bank, but the private peasants did not get any from anywhere. Their compulsory delivery quota were heavier than that of the kolkhozes. It is a mystery how they made ends meet. The "free" crop was not in fact free, it was compulsory to offer it to the cooperative marketing organizations, but a better price was paid for it.

The statutory allocation to investment reserve was a first charge on the gross income of the kolkhozes. It was always the same flat percentage of the gross "profit", (value of crop less non-labor costs). It was the same in good years and bad. Its purpose was to amortize the investment credits given by the Investment Bank. The latter bank was the

supervisor of of the capital account of the kolkhoz, but <sup>supervised</sup> oddly enough the replacement account was ~~supervised~~ by the National Bank. For investments up to 2000 fts., no approval was needed, - investments above 2000 fts. were divided into two classes. In the first class belonged investments deemed not to affect the rest of the economy, only the kolkhoz itself. For these, County Council approval was sufficient. In practice, Ministry approval was necessary because only the Ministry could make bricks, materials, etc. available. In the second class belonged investments deemed to affect the whole "people's economy". For these, Ministry approval was sufficient in theory but Planning Board approval was needed in practice. The main reason was that contracts worth more than 50,000 fts. (previously the limit was as low as 5,000 fts.) could only be let to a State firm, and whether the State firm had ~~any~~ unused capacity to accept the contract depended on the Planning Board. Lately, kolkhozes have been permitted to act as contractors for themselves, - e-g., in building a cowstall, the kolkhoz can employ its own bricklayers and so on. There were too many scandals with State Building Firms, stalls were built with such idiotic design that the cows could not even <sup>lie</sup> ~~lay~~ down.

It is necessary to understand what is meant by "consolidation" today. Suppose the regime succeeds in having a tsz.cs. formed in a village, embracing 30 or 40 peasants with bits of land here and there. Now ~~then~~ these bits

~~dis~~<sup>per</sup>se all over the place have to be consolidated. An arbitrary area equal to the sum of the individual holdings is marked out somewhere, generally on the best land of the village, and those peasants whose lands happens to be in that area are "compensated" with the outlying bits belonging to those who have entered the kolkhoz. This is usually a disastrous deal, and to avoid being compensated, the peasants concerned will often choose to enter the kolkhoz themselves. In fact, the pret of "consolidation" is one of the most potent means of forcing reluctant peasants into the kolkhozes. The other means is discriminatory taxation. On the area marked out for the kolkhoz, a central farmyard is build, and the former cowsheds and other buildings of the individual peasants become redundant, - despite this scarcity of investment resources for agriculture, facilities <sup>are</sup> ~~are~~ being thus duplicated.

In theory, the chairman of the kolkhoz is elected by acclamation by the members. In practice, he is appointed by the District Authorities. This is done in the usual manner: at the constituent meeting, some pre-arranged person gets up and nominates so and so, and the members have to vote yes or no openly. It is very unhealthy to propose an alternative candidate. Beside the Chairman, each tsz.cs. has a party secretary and a bookkeeper. Tsz.cs. accounting in the prescript form is incredibly complex (e.g. value accrual on young livestock to be sold

two years hence). On the other hand, the "work unit" value of a job (e.g. cowherd, attendant of draft animals, etc.) is prescribed<sup>by</sup> by government decree and the ~~tez.cs.~~ need not argue it out. This does not prevent the emergence of internal conflicts, because some jobs are declared to be worth more "work units" than others, (e.g., <sup>nigherds</sup> ~~high herds~~ are aristocrats) and on forming the kolkhoz, it matters a great deal to each individual peasant who enters it whether he will be given this job or that. The Chairman and the Party secretary more or less arbitrarily decide the matter, but there are always many intrigues about it. While there is an almost universally bad experience with general kolkhozes, market gardening kolkhozes have proved themselves relatively well.

The peculiar Hungarian agricultural settlement system, the tanyarendszer (farmstead system) is condemned by the regime to liquidation. In regions settled on a farmstead basis, so called "settlement centers" are marked out, which are eventually to become cooperative villages. This trend is bitterly opposed by the population. An example of the intensity of opposition occurred in connection with the last great flood ~~one~~<sup>the</sup> of Danube, which destroyed a large number of farmsteads on the Mohács Island. The State granted a large reconstruction loan on the condition that instead of farmsteads, a number of compact villages must be built. The peasants preferred not to accept the rebuilding credits, and lived in partially destroyed houses,



because they knew that the building of a village in place of the widely scattered farmsteads will inevitably involve the formation of kolkhozes. Under the farmstead system, there is no need, nor even any excuse, for "consolidation" of holdings. The general experience is that <sup>in</sup> ~~on~~ farmstead regions, the peasants can resist much better and collectivization is extremely difficult to achieve.

Characteristically, the stiffest resistance against the kolkhozes is being put up by those who first got land in the 1945 land reform. The kulaks have been easily broken by administrative (AVO) means, and the middle peasants cling to the land, - if all else fails, they will join the kolkhoz rather than walking off the land and taking a job in town. But the new peasants will sooner walk off than enter a kolkhoz which they identify with the status of estate servants. Moreover, most of them will say that it was better to be an estate servant under the old landlord than to be a kolkhoz member, - one got a better deal under the old system. They have easy means of comparison, - they add up the wages in kind which an estate servant received before the war, and compare it with what a kolkhoz member is getting today. Nutrition standards in the villages are definitely worse than they were before the war, - it often happened in recent years that during harvest time the women could not provide bacon or other concentrated foods for the harvesters. But by 1956 things were much better than during the years of fright.



Politics

The Hungarian Revolution of 1956 began<sup>a</sup> with the Russian occupation of the country in 1945. People never really acquiesced in the fact that Hungary must permanently remain a Soviet colony. Both the 1945 and the 1947 elections were acts of ~~the people~~<sup>defiance</sup> and rebellion. The Russians did not fail to notice this, and they first ~~counter-~~<sup>counter-</sup>attacked by the conspiracy trial of 1946. This pattern of attack<sup>a</sup> and ~~counter-~~<sup>counter-</sup>attack went on cumulatively right through. Successive clusters of resistance developed, first the ~~the~~ Catholic church, next the peasantry, next the Communist Party itself.

Each class, group or stratum has learnt that it has lost by Communism. After the second liter of wine, even directors of State firms, former workers, admitted that Communism meant a loss to them, - their main grievance was the feeling of insecurity, of being at the mercy of the AVO. But throughout these years, there was one solid point, the person of Rákosi, and this proved that not everything was liable to arbitrary change. When Rákosi fell, there was no single fixed point any longer. Moreover, to see that the Chained Dog has suddenly become the arbiter of Hungarian Communist fates (respondent is referring to Tito) was shattering. It was a humiliating climb down for a regime trying to hypnotize its subjects with its own cruelty and arbitrariness. Rajk's rehabilitation was another psychological shock. To say that "I had him hung by

accident" is devastating, and the man who is obliged to say such things is no longer fearsome, he has lost his prestige. The manner of Rákosi's removal also contributed to the leprosis of the regime. It was gossiped in Budapest that when he was ushered into the TU 104 plane in August 1956, he was kicked in the behind. Everybody felt they were cracking up. The next contributing factor was the belief that the discovery of uranium in Hungary has made us important for the West, so that if we take a risk now, they will be prepared to take some slight risk themselves.

I have had occasion to read a confidential 7-page report of Zoltan Vas on his Yugoslavia trip in 1956. He was then the President of SZÖVOSZ, and his report was sent to each MESZÖV President. It praised the Workers Councils system to high heaven. At the time, everybody was betting on an Imre Nagy government, and Vas was tipped for Minister of Economics. Before long, the contents of the report leaked all over the place, and everybody concluded that Hungarian Titoism is on the way in.

Through the Agency of Miklos Vásárhelyi, Imre Nagy, who was preparing to revive the People's Patriotic Front for the time of his assumption of office, established contact with a Smallholder politician whose name I do not wish to divulge, asking him to sound out Béla Kovács whether he would accept the General Secretaryship of the PPF. Kovács is a sick man, he suffers from enlargement of the heart

and high blood pressure, and the 8 years he spent in prison made him indecisive. He would best like to be left in peace, but he agreed in principle to accept some position or participate in some manner in the PPF, though he did not formally agree to accept the General Secretaryship. Anna Kéthly, on the other hand, would not play ball with Nagy, she simply sent no answer, - she is a rigid person, a sectarian Social Democrat putting Party interest above all. During these weeks, Tildy paid several visits to Béla Kovács, trying to establish friendly contacts between him and Dobi. By this time, Dernői-Kocsis (assistant of Béla Kovács prior to the latter's arrest) was again the political advisor of Béla Kovács, and was influencing him to consent to a rapprochement with Dobi, despicable as the latter may be.

Another channel for negotiations about reviving the PPF and democratizing the regime of a Nagy government was the old Peasant Alliance group around Sándor Kiss. The most important members of this group apart from Kiss himself were just being released from prison, - I am referring to Jaczkó and Bálint Arany. Their release, and that of about 30 other former Smallholder members of Parliament in July to October 1956, was the result of a complex deal. There was a natural suspicion on the part of peasant politicians that they are being lured into the PPF so that the Communists could exploit their names. To obtain some tangible return for the agreement to support a Communist Nagy government

through the PPF, they asked, as a token of good faith, for the release of the imprisoned Smallholder MPs.

The Smallholder politician ~~was~~ mentioned above negotiated, through Dobi and Parragi, with Imre Nagy who agreed to obtain their release. Apparently, he did so, and this facilitated our entry into the PPF, because we could say that no matter how disappointing the political results of our participation may have been, at least it did gain liberty for these people. Jaczkó and Arany had strong connections to the Nékosz (federation of people's colleges), and it was this group which had the greatest influence on university youth. To Imre Nagy they had no direct line, except through me, but through the Nékosz they had a line to Mrs. Rajk and hence to Imre Nagy.

Yet another line between a future Imre Nagy government and the opposition was the Writers Union. The Writers Union could be roughly divided into four groups. In the first group were the old Stalinists, such as Béla Illés, Sándor Gergely, Tibor Barabás and György Bölöni. The second group I would call the "crowd", young people of little consequence who wrote fiery poems and agitated wildly. The typical examples were Sándor Derzsy and Obersovszky. And the third group belonged to the urbanus writers, most of them Jews. They included the present London group of Méray, Aczél, Faludi and Pálóczi-Horváth, and in a more important way, Háy and Déry, as well as Géza Képes. Closest to people's hearts was the fourth group, the Narodnik writers,

Illyés, Tamási, Remenyik, Kodolányi, László Németh, Géza Féja, Lőrinc Szabó and Lajos Kónya. Each of these groups had its second and third file, made up of younger chaps with lesser names. The General Secretary Erdei himself belonged to the Narodnik group. Their closest political affiliations were with the former Peasant Party. Prior to the revolution, István B. Szabó, Sándor Kiss, Vidovics and others used to argue that we ought not to have two Peasant Parties, the Smallholders and the Peasant Party proper. The plan was to have just one Party called, say, Hungarian Party or some such name, - this was designed to remove the false distinction between Smallholders and poor peasants, and to provide a counterweight to the enormous potential strength of a future Christian Democrat Party. Although the Peasant Party was re-formed during the revolution, it has dropped its old name, it called itself Petöfi Party, and there were quite specific plans to amalgamate it with the Smallholders into a single party. The first step towards such an amalgamation was to have been a common press, serving both the Smallholder and the Petöfi Parties. To this end, I was charged, at the end of October, ~~with~~ with starting up two dailies, a morning and an evening paper, - the latter was to absorb Igazság, the paper at which I then worked. I obtained Géza Féja as editor in chief for the two papers, as well as 16 contributors, the greatest and most respected names including Illyés. The first issue was scheduled to come off the



press on the sixth of November, but by the second of November, we saw the impending Russian attack and deemed it unwise to go on with the organization of the paper, let alone to make an announcement of these plans and reveal the existence of this particular grouping with these particular names.

We judged the political spectrum of the country in the case of free elections in such a way: 3% Communist, 12% Social Democrat, 50% us (the Peasant Alliance grouping) and the balance Christian Democrat. We put the latter no higher than that, because Mindszenty alienated public opinion by his rashness, it was felt he should ~~have~~ not have emerged on the political ~~stage~~ <sup>scene</sup> until the Russians were ~~not~~ safely out of the way.

In the last two years, many members of the loose group I describe above as "us" (former Peasant Alliance people and Narodnik Writers) used to meet in a wine cellar in Havas St., holding long preparatory discussions and hammering out the outlines of a political program.

The main agreed points were peasant ownership of the land, the retaining of such state farms which had genuine functions in either livestock ~~breeding~~ <sup>Breeding</sup> or seed improvement, the placing of tractor stations under the control of Local Agricultural Cooperatives, and the upholding of the principle of compensation for land taken away in the land reform, but not up to its full market value. Industrial property was to be owned partly by the State and partly



by workers' joint stock companies, with a pragmatic dividing line between the two kinds of ownership pattern. Mines and other basic resources were to remain State property (though with workers' supervision of management) to insure the fulfillment of the full employment program. In wholesale trade, the distribution of essential goods was to be kept in public hands, the wholesaling of non-essentials, as well as retailing, was to revert to private enterprise, with sporadic competition by State firms to keep private enterprise on its toes. Outside basic industries and mining, the industrial property of the State was to be a transitional phenomenon. This was linked up with the principle of compensation to dispossessed land and industrial owners. The latter were, of course, to receive less compensation than the value of the <sup>a</sup>wealth they lost, the difference between the two to be regarded as a capital levy. Some State shares in industry were to be used for compensation (hand it to dispossessed owners, and others were to be slowly and gradually auctioned off to private investors as they came along). In other words, the idea was to wipe the slate clean and then make a new start on the basis of full private property rights being assured for any future private acquisitions. State Planning was regarded as necessary for a transitional period.

We did not then foresee the spontaneous up<sup>surge</sup> ~~surge~~ of the Institutions of Workers' Councils. Their role turned out

to be enormously important, and during the revolution their cooperation with each other was unbelievably close. This, and their stupendous success in organizing the general strike, was not due to any common program or ideological basis, but to the overriding wish to resist Kádár and the Russians. Their great unity and efficacy rested on the universal negation of the existing regime, not on a common positive program. Nor does the great role they succeeded in assuming imply, as is believed in the West, that Social Democracy had a large following and a vigorous potential organization in Hungary. The Workers Councils were predominantly anti-Marxist, although as a matter <sup>of</sup> good manners, they paid lip service to such slogans as the "Workers' State" etc. They were a revolutionary organ, replacing the bankrupt State, - but with the revolution successfully over, this would have been too much to digest and too difficult to handle afterwards. Their enormous, almost absolute, power would have been almost incompatible with the existence of a State. Even for the administration of the plant themselves, the Workers' Councils would have been too unwieldy for efficiency. They would have been all right as Boards of Directors, but not as managements.

There was a stubborn belief during the revolution that it would spread to the neighboring states, - this belief, which I came near to sharing, ignored <sup>two</sup> ~~the~~ basic facts.

One was the solidarity of the Slavonic people with Russia, -

whatever they say, they do like to bask in the reflected glory of Soviet world power which they regard as Slavonic power. If there is to be a revolution after the Hungarian one, it is more likely to ~~be~~ break out in Romania than in Czechoslovakia. The second fact was that each neighboring satellite believed that a free Hungary would want to raise territorial issues and revise the Trianon treaty. It is hard to say whether this is true or not. Opinion in Hungarian political circles was quite varied. No group had a policy hammered out on this question. The view which prevailed at the Havas St. wine cellar discussions, and which was shared by Sándor Kiss, Sándor Kelemen, Fėja, Pártay, Áron Tamási and István Tompa was that the problem should be treated as unmentionable and taboo, - instead, one should work by every means to diminish the practical significance of frontiers. A Danube Federation was regarded as the ideal solution, and as the first stage in its creation, a federation of Austria, Hung<sup>a</sup>ry and Czechoslovakia, as the ~~two~~<sup>three</sup> countries with the greatest cultural similarities, was envisaged. Should it prove possible to establish an independent Transylvanian Republic, it would join this federation as its fourth member. Then Europe would have a natural strategic frontier with Russia along the crest of the Carpathian mountains.

Among future politicians who could play a part in a free Hungary, I would put the name of István Bibó first.

Second in importance would be Losonczy. Kéthly is old and rigid, and besides she is an emigré now. The only possible Social Democrate is Szélig, but he too is an emigré. Sándor Kiss has great potential, because his prestige among the younger peasant generation is great. István B. Szabó is hardly more than a name by now. He is old and sick. As to László Németh, ~~his~~ <sup>his</sup> word would be law, but he is a very sick man.

It is unfortunate for a future Hungarian foreign policy that the whole Hungarian emigration, and to some extent those who remained at home as well, automatically got turned against the United States because of the latter's complacency and the sanctimonious speeches of American leaders, particularly of the President and of Dulles, who praised "our yearning for liberty", - this was in a nauseating contrast with their complacent ~~inactivity~~ inactivity. Compared to the magnanimity of European countries in admitting Hungarian refugees, American pettiness in this matter will also make it difficult to base a future Hungarian foreign policy on close cooperation with the United States. Nevertheless, on grounds of ~~Real-politics~~ <sup>Real-politics</sup> we will have to work with them, - they are the only counter-weight to the Soviet Union. But I wish they would make it easier for us to put this policy across Hungarian public opinion.