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SOURCE Magyar Kozlony.

CHANGE PROFIT DISTRIBUTION IN HUNGARIAN PRODUCERS' COOPERATIVES

The Hungarian Council of Ministers has issued the following Decree, No 1,022/1951 (VII. 8), relative to the distribution of profits by producers' cooperative groups type III.

With the help of the Hungarian Workers' Party, the producers' cooperatives are harvesting a plentiful grain crop and may also expect excellent results in other agricultural products, as well as from animal husbandry. The members' continued welfare will be assured if the producers' cooperatives will make adequate use of their large earnings, add to the assets of the cooperatives, and distribute the profits -- in kind as well as in cash -- among the members in proportion to work performed.

The Council of Ministers finds that the present system of profits distribution by the producers' cooperatives does not completely satisfy the above requirements, because thus far profits have been calculated on a cash basis, and distribution in kind has not been made in proportion to work performed. This defect has been repeatedly debated in the producers' cooperatives.

The Council of Ministers has now resolved to make it mandatory for producers' cooperatives to adopt the method of profit distribution which has been employed in the Soviet kolkhozes for many years. Beginning this year, profits shall be distributed among the members of producers' cooperatives, in kind as well as in cash, in proportion to work performed. Distribution of profits by independent producers' cooperatives and producers' cooperative groups type III (hereinafter, cooperatives) beginning with the 1950 - 1951 agricultural year will be governed by the following rules:

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After the payment of obligations due to the state and appropriations for the reserve fund, the remaining amount of products must be distributed among the members of the cooperative in the ratio of work units earned. All commodities which the cooperative receives in exchange for its own products (sugar, rice, cotton goods, oil, etc.) must likewise be distributed according to work units earned. Distributions in kind will be made as follows:

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1. The foremost duty of the cooperative is to satisfy its delivery quotas in all agricultural and animal products. The cooperative must also make payments in kind to the machine stations and satisfy all obligations which it has assumed under production contracts.

2. Seeds selected from the best crops must be placed in reserve for the following year, with due regard to an increase in arable land. Fibrous as well as grain fodder shall likewise be held in reserve in sufficient quantity for the livestock which will be increased according to the cooperative's plan. In addition, 5 percent of the bread grain and potato crops may be placed in reserve to meet unforeseen requirements.

3. After the cooperative's obligations to the state have been fulfilled and reserves provided for, the membership meeting may authorize sale of part of the remaining products to the state or in the open market.

4. All products remaining after fulfillment of obligations, reserves, and free sale must be distributed among the members of the cooperative on the basis of work units earned during the year. The work units must be totaled on 1 October.

In case production results exceed the planned figures, the president of the cooperative, as well as the brigade and labor group leaders and members, may be allotted a bonus in kind. The various products shall be distributed among the members of the cooperative on the following basis:

1. Bread grain rations must be advanced to all members and their dependents who have earned a minimum of 50 work units by threshing time. An exception to this rule may be made in case a member was prevented by illness or old age from earning 50 work units. Rations must be withheld from able-bodied dependents who are working elsewhere than in the cooperative or did not participate in the common work during the summer.

In addition to rations, the cooperative must distribute, in the ratio of work units earned, an amount of grain equal to that sold to the state in excess of mandatory deliveries.

2. A minimum of 15 percent and a maximum of 30 percent -- according to the resolution of the membership meeting -- of the various kinds of fodder (barley, oats, corn, hay, straw, etc.) shall be distributed in kind in the ratio of work units earned. Half the fodder to be distributed must be advanced to members at the harvest and the other half is due after 1 October. Fodder distribution must be made also to members who do not yet own livestock, thereby enabling them to acquire livestock of their own.

3. Other products (potatoes, grapes, fruits, wine, etc.) must be distributed among the members in the ratio of work units earned, after the obligations of the cooperative have been fulfilled. Commodities received by the cooperative in exchange for its own products (rice, sugar, cotton goods, oil, etc.) shall be distributed among the members likewise in the ratio of work units earned. Vegetables and early fruits may be sold for cash only to members who are in need of these products.

4. The livestock owned by the cooperative and the animal products derived from this livestock cannot be distributed among the members. The livestock of the cooperative may, however, be used to promote livestock breeding by members. Members may receive such help only in case they are in need of it and participate systematically in the common work. Animals and animal products thus allotted to members shall be paid for at full market price.

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II

The cooperatives' cash income shall be distributed among the members as follows:

1. The cooperatives must first satisfy their monetary obligations to the state (taxes, debts due, machine station fees, etc.) as well as to other creditors. Particular attention must be paid by the cooperatives to the payment of rent for land previously owned by members and of installments due on the price of agricultural equipment contributed by members.

2. Twenty percent of the cash income should be added to the cooperatives' reserve fund. The reserve fund shall be employed for the purchase of livestock machines, and equipment and for the construction of new farm buildings. Two percent of the cash income may be used for social purposes, such as support of the aged and sick and for recreation rooms.

3. The remaining cash shall be distributed among members at the end of the year in the ratio of work units earned. Thirty percent of the cooperative's cash income may be advanced to members during the year.

III

The Ministers of Agriculture and of Food Distribution are directed to take proper steps to introduce the new system of profit distribution by the cooperatives. The Minister of Agriculture shall cause the cooperatives to make appropriate changes in their statutes.

[The decree is signed by Matyas Rakosi, Deputy President of the Council of Ministers. Ordinarily, decrees of the Council of Ministers are signed by Istvan Dobi, President.]

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