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ONE DECADE, SELECTED SPEECHES AND WRITINGS OF IMRE NAGY

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SPEECH AT THE MINISTRY OF AGRICULTURE PRESS CONFERENCE, 6 JULY 1945

[Vol I, pages 119-136]

Honored guests! Dear Friends!

As I welcome you here into our circle, into our already democratic Hungarian Ministry of Agriculture, I trust you will permit, by way of introduction, a few words on the task of the democratic press, addressed to those illustrious representatives of the press who are present. The press is unquestionably one of the mightiest weapons in the struggle between democracy and reaction. It is a strong weapon in the economic reconstruction of our nation, as well. Especially now, in the present situation, the democratic Hungarian press has a role of very great importance. We encounter the reactionary spirit day after day; in particular, the representatives of the press see it attacking the democratic bases on the economic front. It tries to bring forth chaos and confusion in the economic life. It throws obstacles before our work of reconstruction; it impedes that work. It tries to mislead public opinion by any means.

Naturally we must oppose with economic means on that same economic front this attack by the reactionary spirit that has begun on the economic front. But the press has a great task, as well. In connection with this struggle I should like to touch on some of the important tasks which confront the press. Now, at a time when we must press every force into service in reconstructing the economy of our nation, it is most important that we, the individual economic ministries, have the aid of the press in mustering all forces to solve our problems and overcome our difficulties. A second point that I should like to call to your attention is that the democratic economic policy must be well known. This is a much-neglected area for our press, but if we wish to wage a successful war against reaction, special care must be given to these problems. It is an important task to educate public opinion in a democratic attitude. It is by no means secondary that such trust should be developed in public opinion if we are to wage a continuing and relentless war against reaction. We must consciously direct public opinion in democratic directions. It is important that this directing take place in all daily news, and through editorial comments as well, but it must take place according to plan.

There is yet another point. The broad social strata have lived scarcely 5 to 6 months under democratic conditions; they are hardly yet able to live with democracy, especially in economic areas. Thus the democratic training of these social strata through the press is

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important. Naturally, since the press discusses these questions before the public day after day, there must be cooperation between the Ministry and the press. The press can meet these tasks only if we hasten to its aid; only if we interrelate the everyday problems, as well as those problems of national significance, which we are attempting to meet or solve. Today's conference serves this goal. The nearer the Ministry is brought to the press, the nearer we shall approach the resolution of problems by the cooperation between the two. This must become systematized, not only by periodic meetings in the form of press conferences, but also by daily contacts. I believe in this; thereby we shall be able to wrestle with our tasks mutually.

With this in mind I should like to mention that, remembering an old request of the representatives of the press, the reporters, today I signed an order whereby a manorhouse with its buildings, a park, and a garden of 26 holds will be transformed into a sanatorium and club for newspaper writers. This house is in Dencshaza, in Baranya County [varmegye]. For the moment this is provisional, since the approval of the National Council on the Arranging of Landed Estates [Országos Földbirtokrendező Tanács] is also necessary, but this approval will be given.

Whether it was accidental or not -- it would be difficult, though interesting, to decide -- today's order falls at a period between two developmental periods in agriculture. One period is closed, and now we are progressing into a new one. What is now behind us? Two great successes for the young Hungarian democracy. The first is the land reform; and the second, also of great significance, is the spring crop. I should like to emphasize that both the land reform and the struggle in the field of production, waged between the forces of reaction and of democracy, ended in the victory of democracy.

Let us look at the land reform. We have already said much of this, and it is not necessary to emphasize it further now. I should like only to point out that its political significance extends far beyond the borders of the country. The land reform is not only extremely important in internal politics, but in relation to foreign policy outside the country as well. We know that we possess a Hungarian democracy not by virtue of words, but of deeds, and accordingly we know how sincere and how deep a transformation the country has undergone. I need not mention that the land reform was the thing that once again has restored the confidence of the nation, shaken by the martial policies of the criminals who would have led the country to ruin.

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The land reform was the thing which aided in bringing our home-land back into the sphere of the democratic peoples from whence the worthy reaction, and the open terror which followed in its wake, had wrenched the nation. In the economic significance of the land reform must also be included the fact that the breaking up of the large estates set up a new basis for agriculture and gave a great impetus to production. I dare say that, without the land reform, last spring we should not have been able to cope with the work of tilling the soil, and we should not have been able to avert an impending famine. To mobilize the hundreds of thousands of smallholders it was necessary that every available foot of ground be cultivated.

The land reform has great social significance, too. Certainly we know that rural areas had a very low cultural and economic level. Perhaps we cannot yet say what the land reform has meant in raising the cultural and social level of the village, but already we are seeing some firm results.

The operations in the field of the land reform are drawing to a close. Recently I participated in a conference at which the varasgy councils for the disposition of landed estates, and the directors of the land offices were present. I heard the complaints, the problems, and the suggestions with which the organizations accomplishing the land reform were struggling. It was possible to establish that the land reform had been basically executed. About 4 million cadastral holds have passed into the hands of smallholders; about 600,000 of these smallholders have received land.

Naturally the reaction has not been quiet; the land reform has been opposed vigorously, especially in Transdanubia. The chief aim has been to undermine the confidence of the new landholders in the reform. What would be more natural for us to do in this struggle than to bolster the confidence of the new landholders? And here I should like to point out a condition which, though seemingly insignificant, has in reality far-reaching importance.

The reaction is trying to prevent the distribution of the ownership documents. But the ownership documents are not simply papers which we should hand over to the new holders without ascribing any further importance to it. The ownership document is a powerful political weapon against the reaction. It strengthens the confidence of the new holders. The land which they receive is once and for all given into their hands and no power can take it from them. For this reason I have called to the attention of the committee, the first they should give out the ownership documents immediately, if not

thereby, firstly, we shall increase confidence in the land reform, and secondly, we shall deal heavy blows to the reactionary trend-

There is yet another great problem arising from the land reform which must be solved before the autumn work: this is the work of resettlement. When we began the land reform we knew that the distribution of property in Hungary was uneven. On the Plain there were great masses of destitute people crowded together, while in Transdanubia, due to the conduct of anti-Hungarian Volkbundist traitors, large areas of land were available, making it possible to settle Hungarians on those areas. But this work is divided into two parts. First comes the resettlement (of the Volkbundist); only after this can we effect the remaining resettlement. The two tasks are progressing concurrently. Where there were many Volkbundists we have been able to assign their lands to several thousand Hungarians. The work demands great care and planning. Therefore we have set up the Public Welfare Office [Nepkedozo Hivatal] to deal with this problem systematically, and, as I see it, we shall still be wrestling with this problem by autumn.

The second great success of the young Hungarian democracy was the spring harvest. I need not mention how we began in the spring, and that we cultivated an average of 85% of the arable area, and that in some places the amount was 100 percent. The land reform played a very great role in this. The success of the harvest meant that the Hungarian democracy had not only the energy but also the ability to organize production, and that it can meet the task, even in the most difficult aspects of agriculture.

I should like to point out what a large role public initiative played in this. At one time there was much opposition to the production committees. It was said that they could not grapple with the difficulties. We, however, energetically maintained our view, we believed in the people and in their creative and productive power. And we were not disappointed. I dare say that, without the setting up of the public production organizations, there were no such organizations previously. We could not have accomplished the spring harvest. This success was due to them. The main slogan in the spring was that not a single foot of land should remain uncultivated. And we can declare that we succeeded in this. Thereby the period was closed and is now behind us. Now we must overcome such difficulties as did not arise before. Formerly, whether or not there were such difficulties, but now we must surmount great difficulties to make sure that

sufficient scythes are available, and that they are where they are needed. Another great problem is drivebelts for threshing machines. We are dealing with this serious matter and it will be met; the threshers will be supplied with drivebelts. The fate of the harvest rests on this.

A second important problem is assuring fuel for the threshers. Not only is procuring the fuel a problem, but no less a problem is transporting it to the sites. For the spring harvests we successfully distributed 12,000 tons. Now 22,000 tons must be moved, and it is my hope that we shall carry out the task. In this we are trusting upon the production committees which are completing their work successfully, and which will take care of distribution as well. Hungarian industry cannot produce lubricants. Procuring these is a great problem. We have conducted discussions on procuring the lubricating oil, and this we are solving the problems connected with the threshing.

The working force is another serious problem. Difficulties are caused, on the one hand, by the lack of male inhabitants and, on the other, by the disparity in the distribution per region. Nevertheless, we must assure without fail the labor-force requirements for reaping, threshing, and gathering the crops.

We have approached the problem in two ways. The first is the settling of wages. Under the influence of the reaction we are contending with excessive demands in some places. With the agricultural production of today we cannot pay excessively high wages; this would cripple the whole of production. We are trying to make the agricultural workers understand that it is not in their own interests that there should be difficulties in the reaping; that sacrifices are necessary (as the other working classes are making them, too) so that as much produce as possible can be supplied for the industrial workers. We have worked out wage guide lists and dispatched them so that there should be no difficulties. We have also set up the work commitments. We have dealt with this problem so stringently, because it must not happen that anyone in the villages should not work with the vigor the interests of our agriculture require. We are obliging everyone to use his ability in such a way that the success of the reaping, threshing, and gathering of the crops will be assured.

The summer work has not yet been completed, in fact it has only now begun, but already we must make preparations for the fall plowing. The difficulties are much greater than they were with the spring plowing, for instance. Much larger areas must be cultivated with the

same number of draft animals and with the same machinery. It is feared that there will be a work delay in the fall if the first fall plowing is not begun at the proper time, therefore, especially in those areas where military operations were conducted, as for instance in Fejer County (Varnagy), we are already trying to begin the stubble stripping. To insure this we are transferring tractors from Pest County (Kegy) to Fejer County, so that when the fall work begins, the significant areas will already have been worked. But we wish to aid in another way those areas which were especially hardhit in the war. There are areas, for instance, one part of Sonogy County, where there are no draft animals at all. Here we are trying to help with loans so that we may insure procuring the draft power and the other production implements. In the form of immediate relief, Sonogy County has received only 5 million of its allotted 60 million pengos. We are also trying to help the wine regions with loans. The Red Army and its Control Commission here have rushed to our aid; this must be emphasized. Great quantities of seed grain were released from supplies, in order that the fall sowing might be assured. Thus the preparation for the fall shows that we shall be able to wrestle with the problem with our own forces and with the support of the Red Army, even though the problem is greater than it was at the time of our spring agricultural work.

The utilization of our bounteous vegetable and fruit crops has been and still is a source of particular concern for us. As an instance, here we encounter the problem of transporting the produce. I wish especially to emphasize that the Ministry of Transport has offered extensive aid in this regard, and day after day has made available more and more cars, so that we might properly utilize the fruits and vegetables, and move them as quickly as possible in a natural fresh state to consumers in the cities. Under today's transport conditions this is a monumental task. For this reason we made plans for processing the fruit and vegetables at the point where they are produced. Distillation has already begun in many places. We have placed new distilleries in operation on the basis of preliminary discussions with the Ministry of Finance. We have set up a complete network of dehydration plants, and we shall continue this work to an even greater degree. In passing I should like to mention that the institute which is dealing with these arrangements has received credits of 200 million pengos, which have already been exhausted. Naturally our chief consideration is getting the new holders on their feet. Before all else, this most destitute class, living under the most difficult of conditions, must be aided, and we are preparing a large-scale credit program. We at the Ministry have worked out a plan the broad aspects of which we have discussed with the

Ministry of Finance. Within the framework of this plan we wish to make available about 1 1/2 billion pengo for the economic rehabilitation of the new holders. I shall mention only a few of the particulars: for procuring seed, about 400 million pengos; for plowing expenses, 215 million pengos; and for procuring machinery, tools, and equipment, about 100 million pengos. In the course of the land reform about 30,000 cadastral holds of vineyards were given into the hands of the new holders; especially great care must be taken to aid these. We are appropriating 210 million pengos for this purpose, and for horticulture and orchards we are appropriating 100 million pengos. It is important that we be fully able to utilize these loans; therefore the money can be invested now in the purchase of implements and livestock and turned to the development of the economy. We held discussions at the Ministry of Industrial Affairs in this respect. We presented those requirements which are indispensable to our agriculture. It is in the interests of industry that we should get our agriculture on its feet as soon as possible. The sooner it recovers, the more produce will be available to industry, and the industrial reconstruction will receive a greater impetus. We have assembled a list of the most necessary things needed from industry: among these, some 84,000 horse-drawn plows, 280,000 plow shares, and about 400,000 scythes must be made available to agriculture in the coming year. In addition, we need 18,000 grist mills (hand-operated), 20,000 sieves, and a number of other tools, without which it will be impossible to rebuild our agriculture. It is our hope that Hungarian industry will promise us these things and will help agriculture to receive those absolutely indispensable tools. Besides credits and loans, livestock and seed, and other farming equipment, we are trying to rush to the aid of the new holders with agrarian policy measures. One of these is the order for the surrender of crops. It is evident from the new order for the surrender of crops that the farmers will surrender only one part of the crop, and that part is to be determined progressively. We have taken up the protection of the smallest, weakest classes, the new land holders. This graduated scale assures that the burden which the surrender of crops places on them will be bearable; it assures their receipt of industrial articles, on a compensation basis, through their surpluses.

There are still many serious problems, but the most serious is the rebuilding of the animal husbandry industry, primarily to provide us with draft animals. In the interest of this we have taken important steps, and we have ordered a prohibition of slaughtering, which, unfortunately, has not been complied with, but to which we shall employ the proper energy to assure that it is complied with, since on this point Hungarian agriculture will stand or fall. We must be

concerned with draft power, although our possibilities are unfortunately extremely small. Nonetheless, we can solve this problem on our own. We are also attempting the purchase of livestock. We have already taken the initial steps in this matter.

Agriculture and the Ministry of Agriculture have thousands upon thousands of problems. It would be possible to list here the main departments and the branches which are dealing with important and far-reaching problems. I shall not dwell on them now. I shall mention only one problem, which is connected with the land reform; the forestry problem. This concerns the city as well. It is now summertime, but after it will follow autumn and winter, and fuel must be considered. We are cherishing no illusions. We know that it certainly will not be possible to import wood from abroad, and we also know that, under present conditions, assuring a supply of wood with our tools and possibilities will be extremely difficult. We are turning to the representatives of the press so that they may lay great stress on this problem and emphatically point out to the populace that fuel should be conserved. Our forests must not be ruined, cutting must be restricted. One thing must be done: firewood must be conserved, as much as possible.

I do not wish to deal with daily problems. But we have our larger problems, too. We should not submerge ourselves in the day-to-day problems. The greater part of our energies must be concentrated on one problem: the reconstruction and reorganization of agriculture. There is need of a great all-embracing plan. Preliminary work on this plan has been begun; I myself am working on it, and it is my hope that shortly we shall produce a reconstruction plan for agriculture. Up to now, if we spoke of reconstruction, we thought of industry. But in the reconstruction of agriculture, a task of great significance confronts us, one which is no less important than industrial reconstruction. The guiding principle in the economic reconstruction of the nation is that we do not wish to rebuild just any kind of a nation, but a democratic, popular Hungary, one whose economic structure rests on popular and democratic bases. In the reconstruction of agriculture we shall keep this in mind; we are starting from this general guiding principle.

The strength of the reaction lay in its ability to pit the village against the city, or industry against agriculture. Now, in connection with the reconstruction, the reaction is again beginning its battle and directing its energies, so that it can continue the practice of pitting off the village and the city in battle. It is no accident that the main force of the reaction should be directed against

the village. One may see the great strides of democracy in the villages, and if the democratic village should now encounter the city, the city and the village will and must, find themselves in accord, and the reaction will have lost its battle. Every democratic force must be brought together for the economic construction. In the field of agriculture we too must set out upon systematic, far-reaching reconstruction work. The tasks are great, and there are others as well, as in industry. Here the tempo of the whole pace of reconstruction is slower than in industry. In industry it is a problem of the reconstruction a few thousand plants; in agriculture it is a question of about 2 million small farms torn to pieces. In addition, industry stands on a much higher production plane, and its technical equipment is much better.

Hungarian agriculture, and I include the large estates, was extremely backward and undeveloped in the technology of production. Should we compare the Hungarian agriculture with the agriculture of some developed democratic nation. Therefore the prerequisites of reconstruction in agriculture are totally separate from those in industry. We are starting from much farther back. Naturally these circumstances influence our plan for reconstruction, as well as the methods, whereby we shall bring about the reconstruction.

What are the "levers" by which we can remove Hungarian agriculture from its backward state?

The first is the cooperative. The cooperative and democracy complement each other. Democracy without the cooperative cannot be conceived. On the economic front the cooperative is an organic part of democracy. The formation of the network of agrarian cooperatives is an important tool whereby the small plants and the small farms can attain those conditions necessary to their recovery, and can have the advantages usually given to large plants. Without the formation of a network of cooperatives, Hungarian agriculture built upon a new base by means of the land reform, cannot advance.

Therefore we are devoting a great deal of care to including the broadest circles of the peasantry in the cooperatives network.

The second "lever" by which we can remove Hungarian agriculture from its backwardness is technical instruction.

We cannot conceive a conversion to qualitative production without developing technical instruction in agriculture, without taking agricultural science to the lowest strata of the people, those who

are concerned with it in their everyday work. In regard to this an order was recently announced. Unfortunately even the press passed over it in silence. The substance of this order was that the farming technical instruction institutes, hitherto split up with one part under the control of the Ministry of Agriculture and the other under the Ministry of Religious and Public Education, are to be unified under the control of the Ministry of Agriculture. We are beginning the democratic reorganization or development. Many fine words could be written about this; it is a matter of such significance that the public should be informed of it.

A broadening of technical instruction gives rise to the possibility of solving another painful and urgent problem. This is the problem of the farm managers, the farm technicians. Not only can we not do without the technicians, we need them in increasing numbers. With the breaking up of the large estates this class was left without status and without a means of livelihood. Democracy, both because of its inherent viewpoint, and from the standpoint of the national economy as well, will help those who would turn from the large estates to the cause of democracy, who without a backward glance would give their whole hearts to the cause of the Hungarian workers. Those who wish to participate in this work, in instruction, can do a great service to Hungarian democracy. This is a very important question.

The third "lever" by which we can remove agriculture from its present backward state and put it on the path of development is the state experimental and sample stations. We emphasized these in the land reform, because with them we can demonstrate the possibilities to the remaining lower peasant classes and we can give them examples. Thus the sample farms play an important role.

Finally, I should like to mention the problem of mechanization. This problem is coming more and more to the fore. It is an extremely difficult problem, because Hungarian industry, with its present capacity and under today's circumstances, can do little to aid in the matter. But in spite of the difficulties, looking to next year, we absolutely must lay this task before Hungarian industry. The agricultural production industry finds special significance in itself, because on it depends the modern reorganization and reconstruction of agriculture.

These are the problems of which I wished to speak in broad terms. Democracy, in a great test of strength, will wrestle with them. But we shall surmount the difficulties and we shall rally

treasonous leaders had brought to the edge of the grave? To whom should go the praise that, to the surprise of the nation and the world, we are living and working again, and building a new nation in the land of the Danube and the Tisza?

We can thank the Hungarian Communist Party for these things; the praise belongs to the Party! It was our Party which first snatched up and raised on high the banner of national unity, which marshalled the forces of democracy, which showed the way, which furnished the example, and which spurred us on.

It was the Hungarian Communist Party which poured spirit into the weakened nation, which helped to their feet the other democratic Parties, too, and which led in starting steady production. The greatest act of the popular democracy, the land reform, is linked with the name of our Party. It was we who answered the ancient cry of the peasantry: the land belongs to him who works it.

That the Hungarian Communist Party should have realized such gigantic achievements in such a short time can only be explained by the great love for and confidence in the Party as regards the working people of every village and city. The Hungarian peasantry know from experience that there is no difference between the words and the deeds of the Party; they know that rash promises will not be made, that what is promised will be brought to pass. It is common knowledge -- and even our enemies cannot deny it -- that the Communist Party, within only three-quarters of a year, has carried out more of the democratic tasks than any of the parties banded together into the Hungarian National Independence Front, even though such a party may have been professing democracy for decades.

Thus it is that the Communist Party is the strongest support of, and safeguard to, the popular democracy and the prosperity of the nation. Without it there is no democracy.

The Communist Party has been able to accomplish such remarkable successes, and will be able to accomplish them in the future, only because there are within its ranks the most unselfish sons of the Hungarian people, the greatest patriots, who are imbued with the faith of the broadest masses of the workers in the villages and cities. The Communist Party is the only true party of the people! This cannot be denied. In vain the reactionary elements have protested with pitiful efforts that the Communist Party is the party of only the city workers, and that it has no roots in the villages. Those who have lulled themselves with such fantasies are due for the shock of their

lives! The Party will judge by the deeds of the people in the villages. No other party has done as much for the peasantry as the Communist Party. And up to now only one part of the large-scale national rehabilitation program has been realized. This program will mean a better, happier life. This is not some problem of the distant future. In contrast to those who think the damages and devastation caused by the war must be repaired over a long period, 20 or 30 years, the Communist party has worked out a 5 year plan for the reconstruction of the country, and within this plan, for the rehabilitation of our agriculture. Thus we Communists maintain -- and we believe everyone will agree with us -- that the healing of the wounds inflicted by the war does not require decades, but only 5 years. The longer the time of reconstruction, the more the suffering of the people will be prolonged. We shall use all our strength to shorten this period. But we can accomplish this only if, in spite of privations, we undertake the work, much increased by this concept, with the greatest sacrifice. In this way not only our children and grandchildren, but we ourselves, will be able to enjoy the fruits of our work. We shall free ourselves of the ponderous cares about food, clothing, and shelter.

This will be decided at the upcoming parliamentary elections. For the vital interests of the peasantry, and for their future too, it is decisive that the Communist Party emerge from these elections victorious, so that it can press forward in the reconstruction of the nation with an even greater vigor and strength than has been exhibited up to now, with the combined forces of both the manual laborers and the white-collar workers of the villages and cities solidly behind it and, within the framework of the reconstruction, to enable it to raise the peasantry to a higher economic, political, and intellectual level.

The land reform will cause the peasantry to advance with seven-league steps. An increase of 4 million holds of land is the thing which forms the economic basis for the progress of the peasants. This is the amount of land transferred in the land registry to the new holders.

There were plenty of parties in Hungary who protected the personal property of the little man by words, but there was no party in Hungary which would protect these rights by deeds as the Communist Party has done. This the good fellows of the reaction and the pseudo-democrats could not bring themselves to do. It pained them when we divided the large estates and gave them over to the people of the soil. And this because they understand only the protection of the large

estates under "the sanctity of private property." The property of the peasant had never been sacred to them, for each year they had ordered the auctioning off of the small holdings of the peasants tens of thousands of times. The leaders of the reaction play a double-dealing game. They are trying to turn the people against communism, as if they would protect "personal property," while at the same time they wish to repeal the land reform and return the land to the estate owners. The most important task of the Hungarian Communist Party, the same party which has brought land to hundreds of thousands of poor destitute peasants, is the protection of the peasants, both the new holders and the old farmers, against any overt or covert reactionary attack. "Hands off the peasant holdings!" is one of the main slogans of the Communists, and it is a warning to reactionary ambitions.

And with the land reform the Communist Party effected acts in the sphere of family protection which no other party in the land has brought about. The greatest enemy of family life is poverty, destitution. It impedes the foundation of the family, it breaks up the family. But the granting of land to those who had none, as well as the supplementing of the holdings of small holders, has brought a sure means of livelihood to hundreds of thousands of families, and has made it possible for the young people in the villages to establish families. The girls will not remain in the Party; the young men will marry their chosen ones. The household will be secure. This is genuine, effective family protection; it gives food and shelter; it assures the growing up of a healthy, vital new generation; it assures the happy life of childhood. The land reform spells the end of national misfortune and of one-child families. It brings joy and satisfaction to the family. And the Communist Party assures all this for the people of the villages.

However, the granting of land has not yet realized the goal which Hungarian democracy set for itself in the land reform. As a matter of fact, we have assured production in several hundred thousand small farms forced from the large estates, and the sooner we rise to the former level of production of the large estates, the quicker we shall surpass it. One of the most important prerequisites to this is the immediate completion of the land reform. Every tiller of the soil, both those who have only recently received land and the older farmers, must know with absolute certainty that no one will ever interfere with the peasant in his holdings. The new holders, with the receipt of their ownership documents, have assurance that the land is theirs permanently and no one will take it from them. And the older farmers must also be sure that everyone will respect

their rights to the land granted them under the land-reform act. In this way we shall stabilize the basis of agricultural production, the smallholder system, which has increased the peasantry by more than 2 million.

In many places where large estates were not expropriated, great masses of lawful claimants have not been able to receive land. These people must be moved to areas where land is more abundant. The traitorous Volksbundist Germans must be removed immediately; their farms, and their livestock and farm implements too, must be given into the hands of these destitute Hungarians who need land and who have not been satisfied. When this is done, a hundred thousand new agricultural families will have land. Quite apart from the economic significance, this act will have a far-reaching national significance for Hungary, and the Communist Party will deserve the greatest appreciation.

Why only the Communist Party? Because, just as in the accomplishment of the land reform, the Communist Party has led the way in the resettlement field. It has done, and will continue to do, the lion's share of the work. If the Communist Party were not to throw its every resource into the matter of the dissolution of the feudal estate system and of giving land to the people of the soil — if it were not to keep up its work incessantly — everyone can see that the land reform would again be lost, or at best would be a repetition of the ill-famed, so-called Nagyvadi type of land reform. An God forbid that such a national calamity should again befall the Hungarian farmers, as befell them under Szabo Nagyvadi of the Small-holders' Party.

In the democratic land reform now completed we felt that the claimants to land should receive it under advantageous conditions, and thus they would bear their loads easily. But we can assure them of their land only if we aid the new holders economically, and use every available means to help them to grow strong.

This is one of the fundamental principles of the agrarian policy of the Hungarian Communist Party. We shall do everything possible to help the new holders to reach within a year a position which is at least equal to that of their comrades with small farms of comparable size. By proportioning the national livestock reserves through purchases by the state, by bringing back the Hungarian horses and cattle which were carried off to Austria by the armed forces and the Germans, and, finally, by importing livestock from other countries, we must reach a point where the individual new holder will not be without

draft animals.

Too, we must bear in mind that the village production committees ensure that the lands of the new farmers will be cultivated this fall and next spring by granting loans for yokes and seed. But the new land holders must also be supplied with the most basic agricultural implements. Therefore we feel it is very important, and I might add we have brought all the forces we have to bear on the problem, for the agricultural machinery plants to begin operations immediately within the frame work of the reconstruction, so that next spring they can supply the new holders with the most necessary agricultural implements and machines. Several tractor repair stations must be set up in each of the most hard-pressed counties. In each of these stations it will be necessary to keep 1,500 tractors in good operating condition; these tractors must be made available to the new farmers through the machine cooperatives.

The production of lubricating oil in our several petroleum refineries, if by no other means, must be begun immediately with state intervention, so that it will no longer be necessary to import such oils, giving rise to a great many problems.

But the poorer people in the villages have still another kind of economic need which must be eased immediately. They are in rags. Therefore the Communist Party wished to divert to a clothing program for the villages a significant part of the textiles produced from cotton imported from the Soviet Union.

For all these things, plowing, the procuring of seed, livestock, implements, and clothes -- no matter how much they are needed by the peasant -- money is needed. Therefore the Communist Party feels it is absolutely necessary that the small farmers who are in need, both the new and the old, receive cheap long-term credits for the purpose of useful economic investments. And those who should have these credits first are those new holders who have no surplus crops from which to realize money. This is only the first step on the way to a flourishing agricultural production based on the small holder system.

Completion of the land reform set the basis for, and produced the necessity of, modernizing agricultural production. The feudal system of large estates was not only the cause of the oppression and misery of the peasantry, but was in itself a drawback to agricultural production. In the last 4 decades the average yield of both agriculture and animal husbandry either did not increase at all, or increased only an insignificant amount. Thus in this respect Hungary stood

last in Europe, and outranked only one or two of the small East European nations. This happened not only on the peasant holding, but on the large estates as well. And, in contrast to this, if Hungary exported large quantities of maize, livestock, and foodstuffs in the past, then it was only because the peasants were forced to sell their products to the detriment of their own needs by the anti-popular agrarian policies of the governments then in power. High taxes and interest exhausted their profits. In this way nothing was left for the small peasant to develop his farms, and so he remained at the stage where he was a half-century before. This must now be changed. The Communist Party wants to change this, and its plan shows how it can be done.

Agricultural production in democratic Hungary depends on more than 2 million small holders. These small holders know that they can assure an abundance for the populace and prosperity for the peasant only if the peasant farms convert from one-sided, extensive, primitive agriculture to many-sided, intensive, modern agriculture. In the interests of such a modern conversion of agriculture, the productive capacity of the soil must be raised by soil improvement, by the wide-spread use of chemical fertilizers, and by the construction of a vast irrigation network; the low average yield per hold must be increased significantly; and large new areas must be made arable by improvement with fertilizers.

There must be a progressive conversion from one-sided grain production to a greater production of industrial crops and garden vegetables. The growing of new high-profit produce must also be encouraged. In conjunction with increased production, greater stress must be placed at the same time on quality production, and on improvement of the plants which form the basis for this production. The rehabilitation of our livestock reserves, which were reduced in number and which declined qualitatively during the war, must be assured by importing livestock and by using our domestic animals sensibly.

The peasantry, primarily the young people, must be acquainted with modern agrarian science by the development of widespread agricultural technical instruction, and by setting up winter classes.

A new dwelling construction program must be begun with state loans in the villages for those who have sites. Graduated taxation must be introduced. The prices of agricultural produce and industrial articles must be reconciled. The agricultural business federation must be reorganized on the basis of the people's democracy.

The basis of this is the agricultural committee formed by the union of the land claimants and the production committees.

The Hungarian Communist Party wants this. To bring it about the Party is summoning the plowmen of the Hungarian villages under its banner. Scarcely a person will be found who would not want to see this program brought about as soon as possible. Hungary would be the free homeland of a happy, prosperous people. Hungary reborn in democracy could not be otherwise. But it will be necessary to defend and secure this program against all reactionary attacks which would hamper the reconstruction of the country and rob us of our present achievements.

This will be decided at the elections of representatives on 4 November. Every single vote is of gigantic importance to the future of the country. The stronger the Communist Party emerges from the elections, the more representatives it has in Parliament, the greater influence it has in government, the sooner we shall see the end of the miserable care-laden life, the sooner we can meet the demands of the peasant which are prerequisites to his happiness.

If the people of the villages rally to the support of the Communist Party, then victory is certain. All the more so is this true, because the Communist Party, in addition to the peasants, will also have the votes of the workers of the city. The fraternal union of the workers of the cities and of the villages, of the proletariat and the peasantry, under the leadership of the Communist Party is a force which, despite any reactionary machinations, will bring about a people's democracy for which our beloved Kossuth waved the banner of liberty almost 100 years ago.

You should help to victory that party which will lead the Hungarian working people in the struggle for a better future for the peasantry and for realizing our great national aim, the final triumph of the people's democracy.

Vote for the Communist Party!

STABILIZATION, RECONSTRUCTION, AND AGRICULTURE
[Vol. I, Pages 235-244]

It has been a year and a half since Hungary started on the road to democratic progress. Its beginning was extraordinarily hard. It was necessary to overcome gigantic economic hardships with incredible efforts. The Hungarian people grappled with these initial hardships successfully and have achieved significant results in the field of reconstruction.

We have now arrived at a new phase in the economic reconstruction of our nation -- stabilization, upon the success of which depends not only the maintaining of the reconstruction and its triumphs, but also the foundation of the whole fate of the country. This is now the most important task, and every force of democracy must be brought to bear on it. This is a prime requisite of the reconstruction, whose tempo we dare not slow down, for we must even accelerate it by successfully realizing the rehabilitation. We shall create the economic conditions for the reconstruction with stabilization. But other, no less important conditions are also necessary to reconstruction.

We must know what, when, and how we want to reconstruct. There is a great deficiency in the economic activities of the Government in that there is no over-all reconstruction plan embracing our whole national economy. The plans and ideas of the Government, appearing at random, but otherwise correct, must be unified under one great national reconstruction plan.

A very essential part of the general reconstruction plan is the reconstruction of agriculture, including the economic strengthening and further development of the agrarian organization resting on the small holdings which were forged when the system of large estates was done away with, and the reorganization of agricultural production along modern, intensive lines.

This problem which arose when the land reform was put into effect, demands a solution without procrastination. The first step is to work out a plan for the reconstruction of agriculture, the organizational part of which would have to be set up after stabilization, and on the basis of that, to set up one great plan reconstructing the whole economic life of the country on a democratic basis.

In connection with the working out of a reconstruction plan for

agriculture, in the course of which very important theoretical and practical problems will undoubtedly arise, I should here like to touch upon a few general ideas which should not be omitted from our consideration.

Usually when the question of reconstruction comes up, it is industrial reconstruction which is understood. People do not think of the second basic production branch of our economic life, agriculture. Yet in this field there are tasks at least as great, in fact, even greater and more difficult, than any which face the Hungarian democracy.

The reaction derives its own economic and political force from, among other things, a contrasting of the village and the city, of industry and agriculture, of the industrial workers and the peasantry. And the backwardness of the village, the almost colonial position of agriculture as opposed to industry, forms the basis for this. Thus one-sided industrial reconstruction which would omit agriculture from consideration, or which would try to place the blame for industrial reconstruction problems directly on agriculture, is in conflict with the economic system of democracy and is undermining it.

The land reform has reduced to a large degree the antagonism between the village and the city, and has formed a broad economic base for the democratic construction of the nation. It is not accidental that the reactionary leaders are making every effort to enslave the liberated villages again and to throw agriculture back to a colonial state.

Thus the reconstruction of agriculture is a decisive and leading national task. There is need of a reconstruction plan which defines the rehabilitation and reorganization of agriculture, as well as the direction it should take, the methods to be used, and a schedule, taking into consideration an over-all view of the economy, of stabilization, and of the conditions for formulating the democratic economic system.

Agrarian Vs. Industrial Policy

There is a trend these days, even in certain democratic circles, though certainly not consciously, asserting that Hungary should become an increasingly agrarian nation. One argument put forth is the land reform, supposedly orienting the economic structure of the nation in such a direction; another is the economic progress which would keep it so oriented.

Unquestionably the land reform has broadened the sphere of agrarian

production. The number of agricultural producers has been increased substantially. But to casual observers and laymen this means "agriculturalization." The meaning and significance of agriculturalization to the economy is not a dispersion of producers within agriculture, and in the changes arising in property rights; rather, it is in the changes established in the relationship between the two major production branches, industry and agriculture. The land reform has undoubtedly brought about a change in this area, but is just the opposite of what they would like to call "agriculturalization." The spirit of agriculturalization is anti-industrial, while the land reform, in the sphere of the economy, leads in an opposite direction; it leads to the development of industry, to greater industrialization. Among other things, and quite apart from the removal of the remnants of the feudal large-estate system, this gives the land reform a progressive significance in the democratic economy.

The land reform liberated an agriculture tied to a very low level by the shackles of feudalism, and has opened up opportunities for the development of agriculture. This development will mean not only that a wide area of the increased domestic market will open up for the consumption of industrial products, but also that agricultural production can expand along "industrialization" lines. By this we mean that, just as in industry, the opportunity has arisen for agriculture, freed from the shackles of feudalism, to convert from primitive, one-sided production based on manual labour, to intensive large-scale production done with the aid of machines. But this will be possible only with the fostering of the cooperative movement, with mechanization, with more intensive work, with many-sided crop management, and with the proper processing of products.

Thus it is that democracy must develop agricultural production along these lines, not according to "agriculturalization," but according to industrialization. This is the only right democratic "agrarian policy" which will ensure a large-scale increase in the agricultural productive forces, and which, by the increasing productivity of agriculture, will give rise to opportunities for the agrarian population to raise themselves to a new economic and intellectual plane, helping to close the great chasm existing today between the city and the village. This is the great national problem which must be solved by the reconstruction of agriculture. Already in the first steps we must see the goal which lies before us, and the means by which we can attain this goal.

The reconstruction of industry and agriculture must progress concurrently and must complement each other. If we neglect either one or

the other, or if we try accelerate one to the detriment of the other, we shall undermine the economic base of our Hungarian democracy.

Naturally we realize that the tasks and conditions of industrial and agricultural reconstruction, and the methods and tempo as well, differ considerably from each other. To those concerned with industry, the problem is to increase production capacities and, by means of this, to raise industrial production to a higher level, at the same time taking into consideration the changes that have taken place in the raw-material base. In addition to this, the reconstruction of agriculture has put new problems before industry, which, if overlooked, would lead the whole industrial policy of Hungary in the wrong direction.

The reconstruction of agriculture, that is the development of intensive production on a broad scale, opens up new opportunities for industrial development. This is not only because the industrial raw material base will be increased significantly but also because tremendous tasks will be put Hungarian heavy industry and machine industry in equipping the 600,000 to 700,000 thousand new holders, and in the whole mechanization and electrification programs for agricultural production.

There can be no doubt but that the several hundred thousand new land owners who became such through the land reform have broadened considerably the domestic market for industry, meaning new opportunities for the nation's future industrial development. It is a vital interest of industry that the demand of agriculture should be greater than the supply. But this can be attained only if agriculture does not remain at its old level, but instead, far surpasses it.

Thus the agricultural reconstruction plan must be one which is progressive from the economic viewpoint, and which coincides with the general economic development of the nation, that is, not along the so-called reactionary "agriculturalization," but in the direction of further industrialization. This will smooth the road for the parallel development of industry and agriculture, an essential condition to the economic development of democracy.

The Methods of Reconstruction

The basic differences which arise in the reorganization of the national economy along democratic lines, and in the conditions permitting this reorganization, may be seen in agriculture and industry. The old productive organization has remained in industry, while in agriculture the land reform has done away with the old, and must replace it with a new organization. The productive emphasis in industry rests

on large-scale manufacturing based on an extensive capital and labor concentration over a long period of development. At the moment, more than 2 million primitive small-peasant farms form the basis for agricultural production. After the construction and equipping of plants, industry can take its place in the new national economy of Hungary, if the democratic state cooperates wholly, that is, if the more important plants or branches are put under state ownership or state control, and democracy occupies the high places of industry.

In agriculture it is not enough to replace the damaged or destroyed plows, implements, and so forth. This in itself will not solve the problem of smoothing the way for the reorganization and intensification of agricultural production, or for reducing the contrasts between the village and the city, as well as raising the economic and cultural level of the agrarian populace by the development of large-scale production.

Which conditions are necessary to the reconstruction of agriculture, and how do they differ from those of industry?

There can be no question but that an expansion of production in the two basic branches of our national economy will be possible only at a time when not only the worn-out productive forces are replaced -- that is, using Marxist economic language, when not only simple production is accomplished, since this would be standing still -- but when additional productive forces (capital, machines, etc.) are produced (on the basis of expanded production), and put back into production, pushing it forward. In agriculture today this course is followed on an incomparably smaller scale than in industry. As a result, the pace of agricultural expansion and reconstruction is much slower than in industry.

Thus if we wish to span the great gap which lies between industrial and agricultural production levels, and overcome the great differences which exist today in production and reconstruction, possibilities for the reproduction of the productive forces must be created in agriculture on a much broader basis.

The economic base of the people's democracy will deteriorate if agricultural production is consigned to the level of today's primitive small-peasant farms, while industrial production expands on the basis of increased reproduction and capital accumulation.

In industry the joint-stock companies, through bank capital, have made possible one of the most important conditions for the expansion

of production, the concentration of capital and labor. In agriculture this role must be filled by the various cooperative, such as supply, marketing, producer, credit, machine, and other organizations. The cooperative is that lever by which agricultural production can be moved out of its present backwardness, and by which it will be possible not only to match the advantages of the large estates, but also to far surpass them. By means of the cooperatives agriculture can be set upon the road to democratic economic development, smoothing the parallel industrial and agricultural expansion and doing away with the contrasts between the two productive branches. Therefore in the sphere of agricultural reconstruction, the major task which differs from industrial construction is the establishment of as broad and large-scale a network of cooperatives as possible.

The other three such levers in agricultural reconstruction are mechanization (with electrification) and the organizations for technical instruction and for safeguarding the interests of the people's democracy. In the hands of the people's democratic government, these four "levers" resting on the state-controlled industrial sector, will produce for Hungarian democracy a solid agricultural base from today's crumbling and economically restricted small-peasant operations.

Thus in drawing up the agricultural reconstruction plan every effort must be made to bring about the conditions conducive to expansion, to increased production and capital accumulation, and to emphasize greatly the economic "levers" by the aid of which it will be possible to reconstruct agriculture.

There can be no doubt but that the above points are connected with yesterday's problems, and it is also true that we cannot become too engrossed in day-to-day tasks; this will only obscure the goal which lies before us. Quite apart from this, however, the day-to-day problems and yesterday's problems are interrelated in such a way that we could not properly solve the problems before us today if we had no perspective, if we did not know the steps which we must follow.

In any case, one thing is certain: in the reconstruction of the nation, both in industry and in agriculture there is need of one comprehensive, well-prepared plan with a broad perspective. The formation of this plan is urgent, it must be begun immediately, so that in the coming agricultural year, on the basis of it, we may already be able to point to the next agrarian task standing before us in the field of reconstruction.

FOR A FLOURISHING AGRICULTURE, FOR A PROSPEROUS PEASANTRY

Vol I, pages 282-317

1. The Communist Party and the Peasant Question Esteemed Party Congress

The public battle waged against reaction and fascism, against the double oppression of the capitalists and the large estates, and fought under the difficult conditions of illegality, has already forged our Party in the interests of the toiling peasant, who sees in the Hungarian Communist Party the courageous and militant protector of his interest. The influence of the Communist Party grew rapidly after the liberation, in the continuing struggle for democracy, and as a result of its past militant traditions. In addition to the working class, its influence has extended to the broad masses of the toiling peasantry.

The national parliamentary elections held last fall proved that the Communist Party is the second largest peasant's party in the country. And in spite of all the schemes of the reaction, in the coming struggles we shall win over to our Party's objectives, to the people's democracy, new and even broader masses of the peasants by our peasant policies.

The victory of the people's democracy is a national affair; it is a matter of economic elevation of the nation and of the happiness of its people. Therefore, it is not just in the Party's interest; it is in the national interest, as well, to gather the greatest possible number of peasants into the ranks of the Communist Party and to ally them with the working class under its banner.

Our Party still has great and difficult problems to solve in the struggle against reaction and in putting into effect our policies on the people's democracies. One assurance of the success of our work is that the peasant policy of our Party is a policy of principles which have been thought out and worked out carefully.

My dear comrades, I hope you will allow me to touch briefly upon a few of the principles involved in our peasant policy. This is all the more necessary because stupid reactionary speeches and writings are trying to make the peasants believe that our peasant policies are nothing more than party propaganda, that they are only frauds with which we would enlist the aid of the peasantry only for a time.

Our great teacher Lenin wrote: "Only that party can fill the progressive martial role that puts forth the most advanced theories."

The Works of Lenin, Vol 25, pages 331-332, Szikra (Spark), Budapest, 1955/. Lenin taught us that we should be political realists and progressive men. This enables us not to break under actual conditions, so to speak, and, if we but consider it a bit farther, not to lose sight of the tasks of the present. One of the great strengths of our Party is that it believes this teaching; Marxist-Leninist teaching direct it in its practical peasant policy, giving the Party confidence, a sense of orientation, and an understanding of the close relationships of the events going on around us. Engels, in his work entitled "The Peasant Problem in France and Germany," defined the standing of the working class in relation to the peasantry in the 1890s. Among other things, he wrote the following: "...we definitely stand beside the peasant; we shall do all we can to make his lot more bearable, to facilitate the transition to cooperatives if that is his choice...." Marx-Engels, Selected Works, Vol 2, pages 433-434, Szikra, Budapest, 1949/.

So, my friends, this is our relation to the peasantry in the long stage of social development. The adoption of peasant affairs and advancing them is the best of our faith in the teachings of Marx and Lenin. He who would abandon the peasant in a struggle between the two working classes, does not support democratic aspirations; he is disloyal to the teachings of the intellectual leaders of socialism.

Comrades, we may establish with a certain amount of pride that our party has accomplished the solution to the greatest of the problems confronting us, the working out in theory of the transformation of agriculture -- even before the democratic transformation. Thus in relation to both the theoretical and the practical problems of the transformation, our Party was found to be completely prepared. The explanation for this is simply that our Party first worked out the guiding principles for the radical land reform, which principles later were incorporated into the government program, and materialized in Article VI of 1945, Article IX of 1946, and in the order dealing with the land reform.

The result of our theoretical work and our policy of principles is that program plan, which we worked out before any other party, for expanding agricultural production and improving the position of the peasant. This program we presented to this Party Congress today for debate and approval.

In the course of the theoretical elucidation of the problems of the Hungarian agrarian transformation, both in the years preceding and during the war, our Party has clearly and unmistakably defined and

justified its opinion. We have already established, and it is a cardinal principle of our agrarian policy, that in Hungary it is not a question of a transition from capitalism to socialism, it is not a struggle between two social orders: it is that we must successfully drive out the remnants of feudal forces. Thus it is not a question of a struggle between two social orders; it is a question of a struggle within capitalism between democracy and reaction. The socialist transformation -- and even those reactionary slanderers who would defame the Communist Party at any cost would admit this -- means the cessation of the private ownership of production means and the establishment of large-scale collective farms. And what did we do? We did not do this, comrades, but we did create 650,000 new small-peasant land holdings by which we increased and strengthened a democratic form of property, the small peasant holding, to a degree unprecedented in Hungarian history. Comrades, this is democracy, just as the development of the small peasants production is also a democratic, not a socialist, task.

We must show our opponents that the working class and its party, the Communist Party, is the leading force in the battle waged not only for socialism but also for democracy. It is a fact that the agrarian transformation has come at least a hundred years later than in most European nations -- at a time when the working class was playing a decisive role in the economic and political life of the nation -- and that the social evolution of Hungary and the historical conditions have changed the working class and the Communist Party by the bringing about of this great task, the agrarian transformation.

After the agrarian transformation, a battle developed on three main points. All three are essential parts of the agrarian policies of our party.

The first point is the completion of the land reform and the final consolidation of its results.

The second point is the further development of the democratic agrarian transformation, the production reform, and the economic and cultural elevation of the toiling peasantry.

The third point is the problem of the worker-peasant alliance and the battle for the peasant. In my report I should like to deal chiefly with these problems for the point of view of the tasks before us. First, however, let us look briefly at the land-holding aspects and the position of the peasantry before the democratic agrarian reform.

2. The Completion of the Land Reform and the Consolidation of its Results

Esteemed comrades, across the centuries the so-called historical class has done everything in its power, including deception and violence, to prevent the people of the villages from obtaining their ancient rights, the land.

The withdrawal of entailments and the liberation of the serfs was a great step forward in the cessation of feudal restrictions, but it did not bring about a successful change in property relationships. Neither was this bettered by the so-called land reform brought about by Article XXIV of 1920. It could not better it; it dealt with scarcely 4 percent of the area under cultivation, and at such a ridiculously low price as could not be paid. The author of the plan, Szabo Nagyvárdi, considered it to be the most moderate land reform in Europe. In democratic countries the Hungary of the landlords was rightly considered the bastion of feudal reaction. Tyranny by the landlords, deprivation of civil rights, and never-ending oppression of the people ruled in a country where the holdings of the Church were 300,000 holds; those of Duke Esterházy, 225,000; those of Duke György Festetics, 69,000; those of Marquis Pallavicini were 51,000 holds, and so on. About 1,070 landowners managed holdings of over 1,000 holds, a total of 4,800,000 holds, of which 3,600,000 holds belonged to 302 mammoth estates of over 3,000 holds each.

The area of holdings of over 100 holds amounted to 7,700,000, or 48 percent of the total area. At the same time, holdings of less than 100 holds each by peasant holders, who equalled 99.2 percent of the total land holders, amounted to 1,600,000 holdings covering a total of 9,200,000 holds, 52 percent of the total area. The fact that the number of completely destitute agrarian proletarians in Hungary was very large must also be considered. In the years preceding the war there were more than 200,000 hired farm hands and about 550,000 laborers, sharecroppers, seasonal workers, and day laborers. If we add to these things the fact that 3,000,000 cadastral holds of land in the form of entailments and holdings by the Church and others were withdrawn from free circulation, then the anti-peasant nature of a land distribution system heavily laden with feudalistic vestiges becomes all too clear.

This feudal distribution was the source of horrible social misery and the living standards of the people in the villages dropped so low that only the plight of the Chinese coolie was worse. Ever larger classes had the hope that they might obtain land by diligent work, or that they might add to their dwarf farms. Hundreds of thousands saw

that the ownership of land was a privilege of only a few, and this fact shook their faith in property.

The system of large estates was the cause of deep-seated social unrest. Economically it caused inestimable damage to the country. It raised obstacles to the peasant's obtaining land and to raising his economic level, since it retarded the development of agricultural production. Our production results lagged far behind the averages of production attained in Western countries. Our production averages in both agriculture and animal husbandry stood in seventeenth and eighteenth place in Europe. With the exception of one or two small East European countries all other nations were ahead of us. The feudal large estates were not only underdeveloped, they impeded agricultural production. The result of this was that only 60 percent of the work force available to agriculture was employed, meaning large-scale unemployment, misery, and hunger to great masses of the agricultural population.

The peasant policy of the feudal reaction not only oppressed the destitute and poor classes, but the small holder class and the small and middle peasants, as well. Great masses of the peasants were in debt. In the 10 years preceding the war, the average loan debt per hold of farmers with less than 30 cadastral holds amounted to 700 pengo, which, taking the land taxes into consideration, meant an encumbrance of about 70 to 80 percent. Each year an average of 16,000 to 18,000 peasant holdings were auctioned off. Eighty to ninety thousand peasant holdings were broken up into small parcels. More and more land was slipping away from the peasantry. Under the weight of the double pressures of the bank and the landowners, the peasants began to leave the villages for the uncertainty of the city. Within 10 years the emigration amounted to 246,000 people, or 36 to 37 percent of the natural reproduction rate of the village populace. Economic ruin followed the emigration of the peasantry from the villages.

Thus social, political, and economic reasons alike made imperative the liquidation of the large-estate system and the successful elimination of the feudal-reactionary system.

Esteemed Party Congress! The Red Army of the Soviet Union liberated our nation from the horrible aftermath of the World War. The moment had come to bring about the transformation to democracy.

The one great conclusion which we had reached as a result of our experiences in unsuccessful democratic transformations, the war for freedom in 1948-49, and the 1918-19 revolution, was that the key to

the transformation, and the guarantee to its success, lay in the successful democratization of agrarian matters, primarily the elimination of the feudal large-estate system. In short, it lay in distributing the land.

The wartime defeat of the feudal, reactionary, fascist order produced conditions advantageous to the democratic transformation. The power relationships were unquestionably favorable to democracy. The leader and the main driving force of the transformation was the working class, which assumed the leadership because of its consciousness, its organization, and its militant traditions. The second driving force in the transformation was the peasantry. The hatred of German imperialism and the devastations of war, the general desire for peace, and common interests gave to the two working classes an opportune basis for eliminating the inhuman exploitation and misery: they produced a united struggle for land, food, and liberty.

In spite of the fact that democratic transformation is social development at an advanced stage, the peasantry, after weeding out groups of opposing interests, followed it. The above conditions placed almost the whole peasantry alongside the working class, and produced opportunities for the broadest national solidarity.

There was no doubt that this was the most advantageous time to bring about a radical land reform. It is to the great praise of our party that it recognized this fact and acted. Today we can see that had we not brought about the land reform in the spring of 1946, using every force at our command, then it would have been much more difficult later, and perhaps impossible, even though the interests of the peasants demanded it.

In addition to the social development of the nation, other views impelled the young Hungarian democracy into bringing about the land reform as soon as possible. In the spring of 1945 groups of destitute and poor peasants learned that the land reform was already being carried out in Poland, Rumania, and other democratic nations. Hundreds of assemblies and delegations demanded the initiation of a land reform immediately. In fact, I might point out here something not generally known, in many Tisza communities land claimants, driven by their hunger for land and righteous impatience, began the distribution of land even before the order was published. It was evident that if we procrastinated, both the government and the democratic parties would lose control of the situation, and, instead of a land reform, we would face general chaos. The immeasurable suppressed bitterness would erupt with an elemental force. A speedy and successful land reform

was put into effect, and it was of inestimable value to the young Hungarian democracy.

But other things were happening. It is common knowledge that during the winter of 1944-45 and the ensuing spring most of the large estates were without farmers or directors. It was evident that the large estates could not begin production. There could be no question that, if the peasants did not take over the large estates, enormous areas would remain untilled and famine would menace the country. The fate of our homeland depended upon successful work in the spring. But this great task could only be solved by placing the land in the hands of those who wanted and who were able to till it. The result vindicated us completely. The land reform saved the nation from the impending famine.

There was another important point which made the quick accomplishment of the land reform imperative. By it we aided in the disillusionment of the deluded Hungarian peasants who had been pressed into the German service. And thus, if only to a slight degree, we reduced the great number of casualties suffered by the Red Army in liberating our homeland.

Just as our land reform was of great national import, so too did it have an international significance. One of the pillars of European reaction had been shattered, the Hungarian feudal-estate system. There can be no doubt but that it struck a blow against the warlike aggressive policies of international reaction which pit one people against another.

The land reform was the prerequisite to the realization of the historic tasks of the transformation to democracy. It had to be a reform which would eliminate the system of large estates, which would give the land into the hands of the peasants, and which could successfully convert the whole Hungarian agrarian organization to a system of small estates. Our democratic land reform, my friends, was just such a reform.

What were those characteristics which made our land reform democratic and radical? Above all else, its scale. According to the latest and still not final data, the combined expanse of the land reform has spread to 34 percent of the present area of the nation, and embraces roughly 5,600,000 cadastrol holds. The land reform has touched 3,262 communities in all. Ninety-five percent of the land distributed was taken from the areas of medium farms of 100 to 1,000 holds, and the large estates of more than 1,000 holds. If we break this down by the

major branches of production, we see that, of the areas given into private possession, roughly 2,900,000 central holds was plow land; 345,000 holds, grass land; 550,000 holds, pasture land; 42,000 holds, gardens; and 46,000 holds, vineyards. Of the land distributed, 539,000 holds were seized without compensation and 5,060,000 were taken with compensation.

In the course of the reform, the community councils of land claimants drew up a total list of 730,425 claimants. The total of those who actually received land was 642,342, of whom roughly 110,000 were hired farm hands; 261,000 were agricultural workers. In addition, 214,000 dwarf holders and 33,000 small holders received land to supplement their present holdings. The destitute land claimants received an average of 5 to 8 holds each, while 4 to 4.5 holds were given to supplement the small peasant holdings. The land reform extended to both the secular and the church estates. However, the land claimant committees, under the guidance of our Party took the interests of the poorer church communities of the lower clergy into consideration, and in the course of the reform distributed more than 25,000 holds in those places to those who showed need of land.

The land reform became the expression of radical democracy in the social composition of the new holders, showing clearly that those who needed and had a right to land had received it. It also came about that in the course of the land reform, via the directing organizations of the land reform, we not only distributed the land, but also expropriated from the large estates the live and dead stock, the farm buildings, and agricultural industrial plants as well, all of which were handed over either to the personal possession of the land claimants or to the agricultural cooperatives.

The popular democratic character of the land reform also was evident in the fact that those who got land received it not at a price so high it could not be paid, as was the case with the so-called Nagyatadi land reform, causing a large part of the land to revert to the old owners. The establishment of fair redemption prices and repayment conditions aided in the economic strengthening of those receiving the land, an important consideration from the standpoint of the national economy.

When we speak of the democratic character of our land reform it is necessary to point out emphatically those democratic and humanistic national principles which are embodied in both the Land Reform Act and the implementation of it.

In the East European countries, with the exception of the Soviet Union, the land reforms of the past were more or less means of national suppression, as in Czechoslovakia and Romania. We may speak of our land reform with justifiable pride before the democratic and progressive world opinion. Every lawful claimant received equal treatment without regard to nationality, race, or religion. The peaceful Slovak land claimants received just as much and just as good black earth as a Hungarian claimant. Yet in Slovakia the honest and industrious Hungarian farm populace are deprived of every right and opportunity; in the midst of inhuman persecution they have lost personal belongings and real property, land, homes, and cattle, and they have been driven from their ancestral property. In spite of these things, the Slovak national minority in Hungary can testify that neither these things, nor any other, have diverted us from our principles and the practice of them, as in the land reform.

But even the radicalism of our land reform could not satisfy every lawful destitute claimant. Therefore it is extremely important that the German question be settled, and that those destitute agricultural workers should also receive land.

Two decisive factors assured the democratic and radical achievement of the land reform. The first was that the working class of the city and the progressive intellectuals, with all the strength of their organizations, stood beside the peasantry, supporting it in the struggle for land and for the elimination of the system of large estates. The greatest recognition must be given to the hundreds of workers and to the representatives of the progressive intellectuals -- among whom the ardent young guard of the Gyorffy Kollegium rank high -- who rendered invaluable service to the land reform as district, county, and regy ministerial commissioners with their great experience, counsel, and organizational abilities.

The second decisive factor, by means of which the democratic and radical achievement of the land reform was accomplished, was the fact that the order was not implemented by the old bureaucratic and reactionary state apparatus, but by the claimants concerned themselves, or by committees elected from within their own ranks. More than 3,200 such committees, with some 35,000 members, were formed during the course of the implementation. These were the heroes of the land reform. On their shoulders fell the lion's share of the immense amount of work, and they did it successfully and with honor.

The land reform successfully altered the Hungarian agrarian organization, and took for its basis the privately owned peasant farm. This

brought about the transition from the system of large estates to the system of small holdings. At the same time, it produced a new stratification within the peasantry and altered the ratio between the individual strata which had existed until then. There are no exact statistical data as yet, but roughly the following condition was brought about: In contrast to the prewar conditions, the number of holdings with less than five cadastral holds rose by about 200,000, and the area of these holdings by about 1,100,000 holds, showing clearly that the land reform brought about a marked improvement in the status of this class. But the greatest change took place in the condition of the small and middle peasant holdings of from 5 to 20 holds each. Their number grew by about 190,000, and their area by about 2,000,000 holds; the area presently amounts to 5,600,000 holds. To these people went most of the land in the villages. An important task of the peasant policy was to impart a new vigor to this broad peasant class, and support it in its efforts towards intensive farming.

The most urgent tasks of the agrarian transformation are the completion of the land reform and the strengthening of the small peasant land holdings. The incorporation of property rights on the distributed land should take place immediately by prompt entries in the land registers. The new holders and the old should be equally secure in the knowledge that no one will bother their holdings, that the law of the people's democracy will protect their property, and that they may enjoy the fruits of their labor unmolested. This a prerequisite to peaceful, harmonious production in agriculture.

Act No IX of 1946 has already dealt with the completion of the land reform. But the battle still wages around us. The reaction, after regaining strength during the fall and winter, conducted a general campaign against the new holders for the return of the lands.

This campaign was repulsed successfully by democracy and the land was protected. The reactionaries vainly tried to force the surrender of the land by the new holders by scare rumors and threats. Now their tactics have changed. Today they are urging those poor agricultural workers and peasants who did not receive land to press for a redistribution of the lands. This will stir these people up against their brothers. It produces uncertainty about the land reform, causes a loss of confidence in it, and endangers the success of the crops. Therefore the general national interests require the immediate implementation of the land registry and the incorporation of the properties in the name of those who received them.

One of the most important problems of the peasant policies of our

Party is the position of the 650,000 new holders who came into being as the result of the agrarian transformation, and their day-to-day struggles. Economically this is the weakest class of the peasantry. Their production is the most backward, making it most difficult to put down roots on the land received. With the Government we are promoting such agrarian policies as will produce successful farming and the chance for a good life for this broad and industrious class. In the Government, in Parliament, and any place else where the interests of the new holders are involved, the Party is battling with every force available to it for the lawful rights and demands of this class. As we set forth our planned program for the development of agriculture and the betterment of the toiling peasant's status, our Party also supports with all available means the UPOSE in the execution of its program for the economic strengthening of the peasant holdings set up or supplemented by the land reform.

At the recent congress of the UPOSE, when I greeted the group in the name of the Party, I stated -- and I now repeat here before this Party congress that we have always been at the side of the new holders, and there we shall remain. I assured the UPOSE that the Hungarian Communist Party stands behind it with all its strength and influence, and that the mighty army of land recipients can depend on us in good times as well as bad. This is a fundamental party of our peasant policy.

5. The Further Development of the Agrarian Transformation

Entombed Congress! The land reform was a decisive step forward in the democratic agrarian transformation, but it was only the first step. We must be aware that, in the people's democratic system, the land reform is possible and will continue, and that the consolidation of production based on the small holdings system is possible, only if we persist in the second step -- the reform of agricultural production, the conversion to many-sided, intensive farming. The Communist Party has taken the initiative in this question vital to the national economy and the economic development of the country. The agrarian program planned by our Party, and presented to the peasantry for discussion -- in as much as we have emphasized that it should really be a program for the whole toiling peasantry -- has laid out guiding principles and methods for this enormous task.

Great national economic interests are involved in democracy's aiding the intensification of farming by the toiling peasantry, so that the crops produced on the family peasant holding will equal and surpass the production of the former large estates. For a long time to

come in agriculture, increased production must be promoted by the increased yields of croplands. This is of great importance not only to agricultural development, but also to the national economy, and to the struggle between reaction and democracy as well, since the reaction builds primarily on poverty and the discontent fostered by it.

Besides increased production, the quality of crops will take on heightened importance. This will make the crops more profitable, a fact which cannot help but enrich the peasantry.

However, it is not enough just to try for more and better production; the present unsound proportioning of land among the individual branches of agriculture must be changed. Gradually, all of the best qualified men of each region must be converted to branches of production requiring intensive work: industrial crops, fodder, and other profitable crops, not to mention the processing of produce included in the industrialization of agriculture.

The planned agrarian program of our Party, in the section dealing with production reforms, takes up and formulates these problems in the form of a number of concrete statements. And the program goes further; it presents the means and methods by which these problems can be solved. These are mechanization, technical instruction, and the cooperatives. With these three "levers" agriculture can be moved from its backward state and set on the road to quick development. I should like not to speak of the problem of cooperatives, as related to agriculture, in some detail.

With a view to the economic consolidation and further development of the people's democratic order, the agrarian transformation can only be considered successful when the small peasant agrarian organization assets and surpasses the production of the now defunct large-estate systems. The small and middle peasant holdings, most of which are working on the basis of family cooperation, are incapable of separately developing production in such a direction; but the cooperatives will make it possible. Mechanization will be a further aid whereby the small farms will be helped by the cooperative groupings. Prior to the liberation, the toiling peasantry suffered a double exploitation by the large estates and the capitalists, not to mention political and economic pressures. One of those, the large estates, has already been eliminated by the combined forces of the working class and the peasantry. But the second remains: the peasantry is still menaced by the capitalists. The cooperative is a powerful weapon by the aid of which the peasantry can succeed in its battle against the exploitation of the capitalists. The cooperative movement can produce

for the toiling peasantry possibilities for progress along such a way which, when followed, will remove the peasantry from the menace of impoverishment and ruin. The cooperatives will strengthen the personal property of the peasantry and will aid in expanding its assets. One measure of the depth of the agrarian transformation was the land reform. To a large extent this is now behind us. The second measure will be the cooperative movement, and this still stands before us. The more widespread this movement, the more solid will be the people's democracy, and the sooner the economic progress of the peasantry will come. We need a democratic government and executive power which are not the pawns of the banks and cartels, but which will support the cooperative movement of the toiling peasantry. However, it is quite apparent the peasantry will be capable of attaining its goals only when it aligns itself closely to the industrial worker's movement. The pace and direction of the political and economic development will not be set by agriculture, but rather by industry; they will not be set by the villages, but by the cities.

Here I must bring up one or two critical remarks, partially self-critical, on our work in the cooperatives. In spite of the fact that this is a far-reaching problem of very great importance, we have not laid proper stress on it. This must be changed radically. The guiding principles for the cooperatives now being worked out must be introduced immediately, so that on the basis of them our Party can prepare its cooperative program, a prime requisite to resolute, planned cooperative work. Following this congress, this will be one of the most urgent tasks for our Party.

Our planned agrarian program goes beyond credit and marketing problems and deals with the day-to-day demands of the peasantry. For a long time one of the great weaknesses in the work of our Party in the villages has been that we have not given the proper attention to the petty annoyances and grievances, great and small, of the peasantry. The great problem was that the land reform occupied the whole attention and energy of the party. The situation began to change with our battle for modification of the decree ordering the delivery of produce to state organs. Our Party took the initiative in this question, but we went to the task belatedly -- I must say this -- and in this way we were able to achieve only partial success.

Our Party has already achieved notable success, with the approval and support of the broadest classes of the peasantry, in its battle for the lowering of the crop levies and the termination of the individual worker categories, as well as for lowering the prices of industrial articles and lessening the gap between the relative prices of

agricultural and industrial products. Among other things, we brought about a successful reduction in the price of agricultural fuels, though not as much as was needed. The battle for further reductions must continue. Another great result for our Party was that, on the basis of its spurring and militant stand, the Ministry of Agriculture formulated the order dealing with the small tenancy rents, thereby realizing a reduction in the rents last year and establishing fair rents for the future. It is of great significance that it ended the centuries-old feudal usury under which the small tenants had suffered so much. Honest values and assuring the prices established by law for the peasantry are in the fore of our Party's battles.

The demand for the municipalization of the mills and the introduction of the bill to this effect really had the national popular movement as the originator. The Party center was besieged with masses of telegrams and letters; as a result, the National Assembly made the bill into law as soon as possible. Quite beyond the profusion of corrupt practices, the great storm stirred up by the popular movement showed what a sore point this problem was to the peasantry; and only one solution was possible: the satisfaction of the demands of the peasantry.

A serious problem for our peasant policy is the situation of the agricultural workers who were excluded from the land reform and who are now without work, and of those in the villages who were not provided for. We know that only a reorganization of agricultural production, the introduction of intensive-type production branches, will elevate them permanently from their pitiable plights. To improve their situation, our Party, both in the Government and in the Parliament, has fought energetically for useful public works, primarily the establishment or reconstruction of water conservation projects serving the interests of agriculture, irrigation canals, and fish ponds. It has fought for the elimination of unemployment, and it has fought for an increase in social security and maintenance by which to aid these people.

In its continuing battle for the protection of the day-to-day interests of the peasantry, our Party is now turning its attention to the fall plowing. Our major demands are for credit grants for the fall work, for reducing the cost of tractor plowing, and for supplying the peasants who need it with seed or with loans to procure seed.

I must speak separately of the business federations. First and foremost, I must establish the stand of our Party on this question.

The Hungarian Communist Party will support to the ultimate the aspirations of the peasantry that these be truly democratic business systems. The creation of their federations is urgent and important for us. The masses of peasants in our ranks feel the need of at least as good and as efficiently run a business system as the peasants of the Smallholder's Party enjoy. In fact there is greater need of this, simply because up to now it has been mainly the poor peasants who have come into the Communist Party, and it is they who are subjected more to the exploitation of the capitalists and the banks and the cartels. Therefore, we feel that the business federation should be truly democratic; it should be run by the toiling peasants, and it should smooth the way for progress hand-in-hand with the working class. For these reasons our Party is waging a battle to make the bill really conform to the interests of the toiling peasantry and the people's democracy.

Honored Party Congress! I do not wish to speak in detail of the planned agrarian program of our Party. It is in print, and the press will deal with it amply within a short while. But I do wish to say a few words about its special features and significance.

Our agrarian program plan constitutes a turning point, not only because the reaction sees the time as ripe to try to turn back progress and to bring the matter to a head with the people's democracy. Our agrarian program plan came about at a time when a long historical development finally ended in the land reform. The so-called "Prussian road" of the progress of Hungarian capitalism was closed, the road which had condemned the great masses of the Hungarian peasantry to a life of misery and drudgery for most of a century. The result of this road was the medieval picture in the Hungarian villages, the low standard of living of the peasantry, the backwardness of agricultural production.

Thus our planned agrarian program is not the result of some sudden notion of flight of fancy; it is rather the imperative demand for the transformation of agrarian aspects upon those of us in agriculture after the "Prussian development" was concluded. It was historical necessity and not Party propaganda which raised the problem before us, and it was neither some sly tactical trick, nor a desire to beat all others to the matter at any price, which determined the time the program was to be prepared. Such a program was not justified earlier, because other tasks were being worked on. No, however, with the close of a long historical era, delay would have endangered progress. In any case, the fact remains that the Communist Party recognized this and made it its business. Thus it was that the agrarian program plan came about.

A second characteristic of the program plan is that it established the conditions for the expansion of peasant production and agricultural production forces in general in the completely new small peasant agrarian organization which sprang up after the destruction of the semi-feudal agrarian organization. Another typical feature of our planned agrarian program is that it connects the expansion of the small holder production forces to the battle against capitalist exploitation. In the feudal-reactionary system an expansion of agricultural production means that the capitalists subjugate, exploit, and bring about the ruination of great masses of the peasants. Our planned program intends to insure the development of agriculture by restricting to the greatest degree possible the chances for capitalist exploitation. In touching upon the new peasant stratification, I have already pointed out that most of the land held by the small and middle peasants with 5 to 20 cadastral holds lies in the rural areas; therefore the greatest task in the field of agricultural production devolves upon these people. There is no question that this stratum of the peasantry will derive the greatest good from the realization of the objectives of our planned program, yet the economic elevation of this stratum is a vital interest of our people's democracy. Our program plan merges these two important facts, and it is also suitable for winning over to the side of the people's democracy this group which forms the basis for production development and for the future agrarian organization.

Thus the goal of our planned agrarian program is summed up in its title: "The development of agricultural production and the improving of the toiling peasantry's situation, or, in short, a flourishing agriculture, a prosperous peasantry."

4. The Battle For The Peasantry

Esteemed congress, the realization of the objectives of our peasant policies will devolve upon our Party organizations in the villages. The chief task is for the Party to lay down correct and good guiding principles, thereby increasing the regard for, and the influence of, our Party, as well as confidence in it. The work of our Party organizations still leaves much to be desired. But, realizing this, we cannot overlook the fact that our Party organizations in the villages have had only a year and a half to consolidate. During the long decades of illegality our village Party organizations had no sort of organized party life. Our Party organizations in the villages have been formed since the Liberation; they are the youngest of our organizations and we can see in their work many signs of infantile ailments.

Since the Liberation the village Party organizations have covered a great deal of territory: our Party presently has organizations in 2,845 villages and 409 detached groups, as well. We must set ourselves to the task of assuring that, by the end of this year, no single village or detached center remains without a Communist Party organization. Great care must also be taken that our peasant comrades participate in directing our Party organizations in the villages. And it should not happen in many of our village organizations whose members are predominantly peasants, that the local store owner should become the secretary, not because the Party members have confidence in him, but simply -- as has happened in some places -- because he forces his way into the position. I feel it would be a good thing, and it would strengthen materially our village Party organizations if, as soon as possible following this congress, the election of the new leaders in the village organizations took place with the spirited cooperation of the peasant forces. This is demanded by those new, far-reaching problems in our work in the villages which await solution in the coming period. Also, the situation at the moment is such that the leaders of our village Party organizations are, in general, fairly weak politically.

We must take vigorous and large-scale actions in cleaning up our Party organizations in the villages. Nowhere does the principle that the Party workers are to decide everything work better than in the villages. If we have there Party members or leaders who either through past or present behaviour, show they have no respect for the villagers, or who are lazy, rowdy, or given to drink, the people will turn away from our Party. Party life will be paralysed, and the Party organization will collapse. As an instance, in one farm community in Hajdu County, a rowdy innkeeper was the Party secretary at first. Under his leadership the Party organization was disintegrating. He removed his from office, and a highly-respected peasant was elected in his place. Within a short while the Party organization began to prosper. Right now our greatest danger lies in inflexibility and aloofness at this point in our work in the villages, where in keeping with our peasant policies, we must bring about a change, in order that we may win over the small and middle peasants to the people's democracy, and enlist the best of these people in our Party. Inflexibility and aloofness have caused a situation up to now where only the destitute and the poor or poorest peasants have come into the Communist Party, restricting the influence of the Party and isolating those peasant strata that are attracted to the Party because they feel its policies are good and just. We know from experience that our village Party organizations are strongest where well-to-do farmers work together with poor peasants as leaders. For example, in Nagyloc, in Nograd County, the Party secretary is a farmer with 13 holds of land. And our Party organization

in this community is strong and respected. The Smallholders Party collapsed here, and its whole membership changed to our party.

I know from experience that our village Party organizations often do not progress because extremely young men head them instead of mature experienced men. They are intelligent and honest, but they are too young. We know that in the villages such young men command little respect, especially in politics. It also affects the prestige and influence of our Party when the secretary or leading members of the Communist Party organizations do not manage with the care of a good farmer. The example for the Communist Party should be that of a good farmer who meets his obligations precisely.

In improving the work of our village Party organizations, an important thing is and will be the so-called village propaganda program. Our comrades, with their serious, helpful work, will dispel the lack of confidence in the Communist Party, which was stirred up in peasant circles, and they will show by their deportment and attitude that Communist is concerned with the small everyday grievances of the people and that he intends to solve them. At the same time the village propaganda program is one of the most successful methods of extending and consolidation the worker-peasant alliance an alliance which must be developed further and which must become a broad movement.

An important role in the work of our village Party organizations is our peasant paper Szabad Föld / Free Earth, primarily as a collective organizer. But the main task is instructing our cadres in the villages and raising their political levels. Especially now, the newspapers must lay great emphasis on popularizing and explaining the new lines of our peasant policy, and this must aid in instructing our cadres. However, at the same time, everything must be done to get Szabad Föld, an important weapon in our battle in the villages, into the hands of as many peasants as possible.

My esteemed Comrades!

After the Liberation, when the major objectives of the agrarian transformation, the termination of the large-estate system and the giving over of land to the peasant, were realized, the whole peasantry took a stand against the estate owners. More precisely, the major groups, the poor, small, and middle peasantry spoke out actively against them, while the village bourgeoisie, the kulaks, were passive observers to the events. Virtually all classes of the peasantry were interested in the termination of the large-estate system. Thus in the initial period of the transformation the worker-peasant alliance

was a coalition of the working class and the whole peasantry against the owners of the large estates.

However, the democratic development and the struggle for it posed a new problem: how deep should the democratic transformation be? Which trend should the peasantry follow? Would they turn their backs on the reforms and their results? Would they stop half-way? Or would they proceed on the road of the people's democracies? It became apparent that while the peasantry, in alliance with the workers, could speak out against the estate owners more or less in unison, up to that time, in the question of democratic progress, in the question of the struggle against capitalist-exploitation, this unity had disintegrated. The kulaks themselves were a capitalistic class, and so their interests were intertwined with freedom of exploitation. Democracy could spread so long as it assured this freedom for them. In the question of exploitation of differences between the toiling peasants and the kulaks grew sharper. Thus it is that we cannot speak of peasant unity within the villages. But just as the kulaks exploited the lower peasant groups, so they were in turn oppressed by the capitalists, by the high-prices of industrial articles, and the usury of the banks and commercial capital. And this made it possible, within certain limits, for the whole peasantry to speak out in unison against the exploitation and usury of the banks and commercial capital. The possibility arose that, in concrete questions, the whole peasantry would work together with the industrial workers for a restriction of the economic powers of the capitalists.

The poor peasants of the villages are the prime force in a struggle against the exploitation of the capitalists; they suffer the most under it. But a war will be waged in the villages not only against the exploitation of the capitalists, but against the oppressive, exploitative acts of the kulaks as well. The attitude of the middle peasantry will have a decisive effect on the outcome of this battle. With whom will it side? With the kulaks and the reactionary feudal ruling class, or with the poor peasants and the working class? This is the question which the development has now raised in the villages. This is the background of the struggle for the peasantry which lately has been going on not only between the reaction and democracy, but also within democracy, between the right and left wings.

This struggle is reflected in the differences between the Smallholder's Party and the left wing bloc. And in the periodic political crises. The reactionary right wing of the Smallholder Party is trying to incite the masses of the small and middle peasants against the working class and the people's democracy.

Two peasant groups with conflicting interests face each other in the Smallholder's Party: the village bourgeois -- the kulaks -- and the toiling peasantry. These conflicting interests will unavoidably aggravate the struggle within the Smallholder's Party between these two groups. The kulaks, among whom there are old reactionary elements, both within and without the Smallholder's Party, oppress and exploit the toiling peasantry. They are trying to lead the Smallholder's Party down an anti-peasant path, down Nagyatagi's road.

Thus we must draw the small and middle peasant groups, gathered together in the Smallholder's Party with the kulaks, into the more democratic parties which have groups of toiling peasants. There is here present a possibility for a new and truly democratic peasant coalition which will exclude the reactionary right wing kulak elements, at the same time broadening the peasant cooperation and consolidating the worker-peasant alliance.

It is decisive task for us to aid the middle peasantry in determining that our Party stands behind the democratic forces, behind the working class and the poor peasants. It is to the interest of the middle peasants that the development should progress further, that they be freed not only from the oppression of the estate owners, but from the unchecked exploitation and usury of the banks, trusts, and cartels, as well. So the fronts are drawn up thusly: the right wing of the Smallholder's Party is trying to align the middle peasants behind the kulaks, under whose direction it wishes to draw the middle peasants into battle against the people's democracy under a slogan of peasant unity. The policy of our Party must be so directed that it will isolate the kulaks from the middle peasants, and draw the middle peasants over to the side of democracy in the struggle for the people's democracy.

The planned agrarian program of our Party reflects this policy. Its purpose is to aid in changing the power relationships in the villages, thereby drawing the important groups of the middle peasants to ourselves; we shall thus be sure that the upper strata will not turn against democracy.

We can see, my comrades, why there is need of a change in our peasant policy; why our Party should be the party of not only the village poor people, but of the whole toiling peasantry. It is clearly evident what a great danger sectarian seclusion is for the policy of our Party, this seclusion which would restrict the activity of our Party to its work among the poor peasants, and which would narrow the worker-peasant alliance to a coalition of the working class

and the poor peasantry. With such an unwise policy we should drive the decisive peasant groups into the reactionary camp, and thereby lay the groundwork for the defeat of democracy. Thus we should cut our own throats.

Naturally we are not to drop our work among the poor peasants; quite the contrary, it must be carried on with increased vigor. The poor peasant has been and remains a solid base for our village peasant policies. But we must go a step farther and exert every effort to winning over the middle peasantry in the interests of national progress and the people's democracy. This is the great, we might even say, historical, task which the peasant policies of our Party must solve in the succeeding stages of progress.

Esteemed party congress! When we as Communists speak of the new developmental periods for agricultural production and the toiling peasants, the peasant members of our Party and great masses of the toiling peasants quite properly want us to explain what we mean by this, and to explain where and in what direction lies the path of the peasant!

The so-called "Prussian road" of the Hungarian development of capitalism, encumbered by great estates and entailed property, has been terminated. Democratic capitalism has triumphed over landlord capitalism. This great problem in the social development of Hungary has finally been solved. But in its wake rises the question of what democratic capitalist development means for the peasant. It can mean a number of things, because several routes of development are possible. The first such route, and it is the classic route of capitalist development, is the so-called American way. In this method capitalism develops without restraint, and its code is exploitation, to gain profit ruthlessly. Here the toiling peasantry is ensnared by the banker; it goes in debt, and the executor does the rest. This is democracy, but it is the democracy of the capitalist, built on unchecked freedom to exploit the masses of village and city workers.

But there is a second route. It is also a democratic route, but it does not mean the unchecked freedom of the capitalist; it means instead a restriction of the capitalist, protecting the working masses from the extortion and fleecing of the capitalists. Along this route progress in agricultural production and the elevation of the toiling peasant is assured. Along this route social progress does not take place at the expense of the toiling peasant, but rather by a material and cultural elevation.

Observe, my comrades, the two routes briefly described: capitalist

democracy and the people's democracy. Along which route Hungarian democracy will develop will be determined by the continual struggle being fought. Democracy stands at the crossroads. Whether it goes to the right or to the left depends upon the toiling peasant. Every force of our Party will be directed to draw the peasantry from the right to the left, where, with the working class, it will bring about the people's democracy in our land. A few very important conditions to this have already been created. We have terminated the Prussian way, and thus the significant factors of the working class and the peasantry become a force, and the masses gained influence in the directing of the economic and political life of the nation. For them we are continuing to hold the positions of democratic strength; we are at the head of the working masses of the country; we are at the head of the worker-peasant alliance in the struggle against capitalist development; we are for a flourishing agriculture and a prosperous, educated peasantry in a free homeland.

For these aims the Hungarian Communist Party is summoning the toiling peasantry to rally under its banner.

We firmly believe that the toiling peasantry, with their million homes and their own happier future in mind, will heed our call, and, united with the working class in an invincible army under the leadership of our Party, will carry the cause of the people's democracy to victory!

THE AGRARIAN PROBLEMS OF THE DANUBE-VALLEY

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In the course of the debate on the Ministry of Agriculture budget several speakers have devoted a considerable part of their speeches to the possibility of an agrarian crisis which would surpass any seen up to now, and, as an effect of this, they have suggested the conversion of production as soon as possible. The three-year plans of the individual parties are also trying to bring about such a trend in their hopes for the rehabilitation and expansion of agriculture. Within the framework of this article we do not wish to enter into the debate on the excessive demands apparent in a conversion of production, which demands may be termed "Garden-Hungary" /Kert-Magyarorszag/. Neither do we wish to deal with the school of thought which feels the conversion is futile in view of the impending contest, and impossible under the present distribution of holdings. We can prove here, however, that a change in the agricultural production organization is absolutely necessary, even disregarding the inherent dangers in a contest on the world market which will develop sooner or later. The successful alteration of the property aspects makes absolutely necessary a conversion of production.

It should be the primary viewpoint, and it was a basic objective in bringing about the land reform, that the small peasant farms should become worth living on and that a social, cultural, and economic improvement of the small holders should be brought about. Under the present distribution of holdings this can only be attained by a conversion to branches of intensive production, the realization of which is made possible either by profitable production on small areas or by means of the cooperative movement.

A second point which would have to be put in force in a conversion of agricultural production, is regional production depending on the soil and weather conditions of the country, a point which up to now has not played its proper role in production.

There is yet another point which plays an extremely important role in a conversion of production. That is that production should be profitable and remunerative, that is, yielding a profit beyond costs, which will assure, firstly, a rise of the living and cultural levels of the peasantry, and, secondly, the continuing progress of agriculture. This goal cannot be met by maintaining crop and stock prices at the highest possible levels; it is quite evident that the effect of the foreign contest will manifest itself in agricultural crop prices

above all else. This can be guarded against by artificial governmental interference for a while, but not for long. The world price trend will make itself felt in Hungarian agricultural production and marketing. Thus our task is to reduce production costs as much as possible and narrow the gap between the prices of agricultural and industrial products, at the same time that intensive agriculture is developing. The single effective method for doing this is reducing the costs of production means and mitigating the burdens of production, that is, restricting the power of the capitalist, protecting the peasant from capitalistic exploitation.

These points must be considered in a conversion of agricultural production. But the essence of the problem is whether they will be sufficient to protect our agricultural production from world competition and the impending internal crises. After serious deliberation, the only possible answer is that they are not. When we say this we must consider not only the economic connections of the problem: the narrow framework of capital, investments, and credits indispensable to a conversion caused by the poverty of the country, not to mention the indispensable development of manufacturing, which, from the standpoint of the raising of agriculture, is not yet sufficiently appreciated in agrarian circles. We must also look at the other side.

In capitalistic production-- even the productive position of Hungary, with its democratic bases in our economy, has come about in accordance with capitalist rules which are fundamentally opposed to the democratic development of an economy -- economic crises are necessary attributes of the production system.

The possibility of these crises can be decreased by the development of economic democracy, but it cannot be done away with. We would be chasing the will-o'-the-wisp if we were to believe that either the three-year economic plan, or the conversion of agricultural production under this plan, would completely save our economic life from such a crisis. The expansion of the productive forces in the present period of economic prosperity carries within it the seeds of the crisis which will spring forth from the expanded production. Such a crisis is not now menacing us directly; a significant part of our agricultural forces is in ruins, and that which remains intact is worn out and needs replacement. At present this circumstance, the backwardness of the productive forces will manifest itself in the small amount of production and in the low levels of the present standard of living, and of agriculture. So it is that, in the present period, when we not only produce no surpluses, but cannot even assure the country's needs, world competition poses no very great danger.

The difficult economic situation of the country, as well as the raising of the population's living standards by the democratic system, and social development in general, are driving us with an elemental force to increased production, to an expansion of the production forces. A basic objective of the various agricultural plans is reaching the 1938 level of production, and, in fact, exceeding it in certain respects. If the plans set only the realization of this as their goal, it would without doubt, contribute, to increasing internal opposition in production, and also the differences between the forces of production and their exterior relations.

But if they are to smooth the way for development, the economic plans must not restrict themselves only to increasing the productive forces of agriculture, they must also connect this aim with the battle against the capitalist, and with the ever greater guiding role of the democratic state in all sections of the economy, so that in this way agricultural development will be turned in the direction of the democratic development. Thus we would advance a long way towards protecting ourselves more successfully against the effects of Western competition and the crisis. The implementation of these points, reconciled in the economic plans of the workers' parties, can reduce the causes of the eruptions of economic crises and mitigate their efforts.

An economic plan which does not give proper consideration to the development to the manufacturing industry before the other sectors of the economy, but which restricts itself to the one-sided development of agriculture, and which does not interrelate this development to both the increased battle against capitalists and insuring the economic guiding role of the democratic state, is an economic plan which not only will not protect us from the impending crisis, but will also hasten such a crisis deepening catastrophically and becoming chronic.

The excessive demands of the one-sided agrarian opinion can easily lead to this dangerous trend those who wish to work out agricultural plans only from an agrarian viewpoint.

In a defense against the crisis and competition the large economic entities have an unquestionably great advantage over the smaller entities. Hungary -- considering her area, population, and capacity for production -- is but a small economic entity in relation to the rest of the world. Under the economic and political apparatus of the people's democracy, she can hardly succeed in standing on her own and protecting herself in the competition. But we shall see that these are not Hungarian conditions. In the Danube valley countries, on the whole, the same economic and political conditions prevail, and even if there are differences among them in the level gained by development, the economic

and political development in each is towards the people's democracies. But let us view this problem from the point of agriculture. Just as in Hungary, in the other Danube valley countries the small peasant is the ruler. The feudal large-estate system has been eliminated, not all at once, but over the last 25 years, and the production emphasis, with a distribution of holdings similar to ours, has been shifted onto the small peasant farm.

There are no great differences among the Danube valley countries in the two main branches of economic life; the emphasis and significance of their agriculture and manufacturing industry vary little among them. We are more industrialized than Yugoslavia and Rumania; on the other hand, Czechoslovakia is ahead of us in their respect. There are no great differences, however, in agricultural production. The production ratios and levels of agriculture, animal husbandry, and the other branches do not show any really great variations.

On the basis of the above well-known facts, not wishing to go into a more detailed study of the agricultural aspects of the Danube valley countries, we may assert that more or less the same agrarian problems face all the Danube valley countries.

Harmonious cooperation and a joining of economic forces can increase the capacity, emphasis, and influence of the small economic units. We might add that they have worked out, just as we, plans for an expansion of agricultural production. We are to move along the same path together, and there can be no doubt that a close economic cooperation, primarily in agricultural production and marketing, not only would be practical but is absolutely necessary.

Not only we Hungarians, but the agrarian technicians of the other Danube valley countries as well, will watch anxiously the agricultural production of the West, of Argentina, and of Canada, and the barometers of the world produce market, the Chicago and London exchanges. They too realize that with their undeveloped productive forces they can hardly weather the impending competition.

The same defensive means are available to them as to us: conversion with increasing state direction of the planned, intensive production, and a more vigorous battle against the capitalist. Thus with our common perspective, our means are roughly the same. But as we noted in regard to Hungary, it is likely that these means and measures will not produce the desired effect, the restricting and reducing of the number and effects of crises, if we remain aloof from one another, conducting economic policies which conflict with one another. Here is an example

of the problem of the agricultural production plan. Each Danube valley country formulated its own plan without considering the other four or five countries. Under such circumstances, on the basis of their plans, already drawn up, and originating in the internal conditions of each and the danger of impending competition from the West, these countries risk supporting a conversion of production and an expansion of productive forces, which, as planned, will support a conflict of economic interest, and will bring them into direct opposition with their neighbors.

And so the economic front of battle within the Danube states would be broadened, their forces would be scattered, and their resistance lessened. In this struggle the unquestionable weaker Danube states would lose out to their large Western competitors. Indisputably, it is not desirable that such a thing should befall any nation.

The course we must follow to avoid this stands clearly before us. Instead of an economic contest supported only by their own forces, opposing each other, or, at best, detached from each other, the Danube valley countries must bring about a close cooperation in agricultural production and marketing, and in other areas of the national economy as well.

In this regard it would be a significant step forward if we could succeed in reconciling the guiding plans for the conversion of production and the expansion of the productive forces. How different our prospects would be! Immediately we would view world competition and the agrarian crisis accompanying it with less anxiety and fewer fears. Under coordinated production the Danube states would be unified by their diversities. A healthy exchange of goods would form the basis; the agricultural produce of each country would be supported by the markets of the four or five other countries. And in more distant markets, under a coordinated marketing policy, they would appear as a much stronger competitor.

Such close cooperation, with its planned, coordinated work, would be of inestimable value in the field of agricultural production for a Danube valley country. And especially important is the fact that the realization of this idea is not pure fancy. It is very real, because economic and political development, life itself, necessitates it. In the present stage of development, here in Southeast Europe the small people's democracies can withstand economic crises and maintain their independence only if they are able to support one another's democratic economic apparatus mutually. The recognition of this fact, and then bringing it into practice, would advance the peaceful development of

the peoples' democracies a long way.

The concept is not new. Kossuth, in his Danube Confederation plans, corresponding to the conditions of the time, has already sketched the outline for Danube valley cooperation. But the plan remained a plan; the conditions for bringing it about were lacking. Today those conditions exist. The victory of the peoples' democracies and the decisive role of the working class in directing the economic and political life of the Danube states have made possible the first steps for the concept to become reality.

The theoretical and practical planning for closer agricultural cooperation between the Danube states would be the mission of the Danube Valley Agrarian Science Institute (Danavolgyi Agrartudomanyos Intezet). This reminds me of the time when I, as minister of agriculture, set about preparing a plan for such an institute in the summer of 1945. For various reasons it did not then materialize. There is need of such an institute. But it can only do successful work, if we create the proper conditions for its independent and truly scientific work.

The agrarian problems of the Danube valley are presenting themselves with ever greater force. We shall be able to solve them only by a close cooperation with our neighbors and by coordinating our economic plans. We shall make the first step in this field, confident that our initiative will be understood and supported by our neighbors.

WE MUST GIVE GREAT ATTENTION TO THE WORK OF THE COOPERATIVES

[Vol I, pages 428-459]

Esteemed Comrades! That profound, radical transformation which has taken place of late in, firstly, the relationships of political power, and, secondly, in our economic life, has confronted us with other tasks, among them the problem of the cooperatives.

Why, my comrades? Because the nationalization program in heavy industry and banking, brought about by the forces of democracy, has vigorously driven back the power of the capitalist, and has given over to the workers' state these productive branches, and therewith, the ruling positions, in our economic life. In this way obstacles to the economic development of the peoples' democracy have been removed.

Naturally all this has a great impact on our agricultural development. But until a broadly developing cooperative movement is supported, the toiling peasant, in his struggle against capitalist exploitation, cannot make use of those opportunities for the development and re-organization of production which the power of the people and the nationalization of heavy industry and the large banks have created for agriculture. From this it follows that this question of the cooperatives is a task confronting us firstly in the villages, at least in agriculture.

Is our cooperative movement really one which will prove equal to the task? In the old Hungary there was no large-scale cooperative movement which encompassed the various branches of economic life, embracing broad strata of the people. Weight of numbers was meaningless in the economic life. Most especially, the village cooperative system which existed in the old Hungary was an organic part of the capitalist system, and was nothing more than a collective capitalist undertaking which served the interests of a limited circle of capitalist exploiters, and not the broad lower membership of the cooperatives.

The Hengya cooperative, one of the largest in prewar Hungary, is a shining example of this. Data show that in 1940 there were 1,804 Hengya cooperatives operating in the country. Serving as presidents of these were, among others, 412 village clerics, 217 teachers, and 615 kulaks and wealthy farmers. Among the managers there were 183 clergymen, 701 teachers, and 347 kulaks. Among the bookkeepers were 145 village clerics and 698 teachers. Some 931 of the treasurers were rich peasants.

The data above relate to 1940, but in the cooperatives center where the data were compiled, we note that the situation is still essentially unchanged.

What do these data show? They prove the earlier assertion that the cooperative was really an instrument of kulak and capitalist interests with which those at its head utilized the advantages of the cooperatives for the aims of their own narrow circles. Nor was the situation any better in the credit cooperatives where only 20 to 22 % of the managerial people were drawn from the peasant class -- and it is this class which is most dependant on credit cooperatives.

We do not mean to exclude the progressive groups in the villages from the cooperative movement. We shall maintain steadfastly that to those who have demonstrated their loyalty and devotion to the people should go the highest positions in the people's movement, in the cooperatives, and that there is great need of their experience, knowledge, and counsel, and of their immediate cooperation as well. But the leadership of the cooperative, the directing of its economic policies, must rest in the hands of the toiling peasantry. This is the best insurance that their interests will be guarded as far as possible, and that the cooperative does not turn along an anti-peasant, anti-democratic path.

So it is that, when we criticize the old leadership of the Hungarian cooperatives, we do not do so as if the leadership in general were against the peasant intellectuals, but rather, because there were in midst a preponderance of intellectual elements protecting not democratic, but the reactionary, interests of the anti-popular bourgeoisie. Too, we criticize them because the small toiling peasant was excluded from the leadership, and they made the cooperative an image of themselves, an agent of bank and commercial capital.

We can already establish that, after the Liberation, it would have been wrong for these cooperatives, saturated with the old capitalist remnants, to remain essentially unchanged. We still remember their economic policies followed in the years before democracy; they did not differ from the commercial policies of the capitalist enterprises.

However, there are other cooperatives in the Hungarian cooperative movement, above all, the farmers' cooperatives, which came about as a result of the land reform. These are democratic in their essence, with their objective of the social joining and leading of their members.

Thus in the cooperative movement capitalist remnants and aspirations

are struggling with the new democratic elements and aspirations. In the Hungarian National Cooperatives Center, the organization which unifies the cooperative movement, both trends are present, although the conditions are favorable to the capitalist remnants. This is because within the MOSAK /Magyar Országos Szövetkezeti Központ -- Hungarian National Cooperatives Center/ the old cooperatives, saturated with capitalist vestiges, are in the majority. Another reason is that, in formulating the cooperative statutes and the organization of the MOSAK, they did not look forward, towards democratic progress, but instead turned back towards capitalism, using the old economic and power relationships as their basis, that is, the power relationship which emerged in the 1945 elections. As a result, the capitalist has been more or less the undisputed economic ruler.

Since that time, however, and especially recently, much has happened which must be reflected in the cooperative movement.

Radical changes have been wrought in the economic and political aspects of the cooperative movement by the nationalization of heavy industry and the great banks, by the democratization of power, and by the gradual transition to a planned economy. Essentially, these radical changes have removed the capitalist bases from under the cooperative movement.

At the same time, the nationalized sector, heavy industry and the big banks, has given a solid base to the democratic cooperative movement. It now has such an economic basis that the cooperative movement need no longer be the agent of the capitalist; it is rather a democratic movement of the great masses of the people, for whom the nationalized sector has won sources of economic power.

Now conditions exist so that the cooperative need not be a link for the capitalist elements in industry and agriculture, or the agent of capitalist exploitation against the peasant. Instead, it should now be an organization for economic and political cooperation between the workers of the city and the village, an organ of worker-peasant union.

The great changes that have come about in economic and political areas, and the original mistakes in the Hungarian cooperative movement have necessitated a reorganization of the cooperative movement. It must be based on democratic principles in keeping with the trend of the economic development of the people's democracy. The cooperative movement must be so reorganized on a new basis that it will extend to the hub of the village cooperative movement and its network. This must be, firstly, because the greatest tasks for the cooperatives are

in the villages and, secondly, because the peasantry constitutes the largest mass of people in the cooperatives, giving a sure base to immense prosperity.

However, it would be wrong to believe that the cooperative is in itself a democratic institution which will develop without fail along the path of the people's democracy. We must show it that, even among the democratic power and economic aspects, there exists the danger that the capitalist remnants, through a strengthening of forces, could lead it away from the path of democratic development. There must be checks against this in the cooperatives; in this regard the major task is the democratization of the membership, beginning with the leadership. These elements must be driven out who would cooperate with capitalism, compromising and damaging the cooperative.

Of course the major task in democratizing the individual cooperative branches is winning over the whole cooperative movement to the development of the people's democracy. Two circumstances will aid in solving this task. The first: as we mentioned above, we shall emphasize the cooperative movement in the villages; and secondly, we shall take the farmers' cooperative for our basis. But greater weight and independence must be assured the farmers' cooperative within the *hozszak*.

Would it be suitable for the farmers' cooperative to undertake this task, and could it bring it off? In my opinion, it is already suitable, at least partially, and in the course of development it will shortly be quite equal to the task devolving on it. The farmers' cooperatives represent a great economic force and a wide network of cooperatives. There are 2,400 established cooperatives, and while it is true that some are not in active operation, they can be quickly activated. Their members hold 3 million holds or about 30% of the total arable area. In addition, they hold 13.5% of the country's vineyard areas, 30% of the vegetable growing areas, 9% of the pasturage, and 42% of the grass lands. Of these roughly 80,000 are under cooperative management or are under cultivation.

A significant amount of machinery is available to members of the National Center of Farmers' Cooperatives (*FOK*) /*Földművelés-szövetkezeti Országos Központja*/. In their possession are 2,300 tractors, of which 1,300 have already been put into operation; in operable condition are also 3,800 threshers, 2,800 grain selectors, 2,300 reapers, and many other small machines.

Besides these, the members of the cooperatives, through the land

reforms, came into possession of 164 alcohol plants, 44 distilleries, 84 mills, 1,200 grist mills, 32 oil presses, 18 sawmills, 114 hemp and flax processing plants, etc. These are their materials at present, but primarily because of a lack of working capital, about 90% of the capacities of the plants listed is unused. Nonetheless, the above data show clearly to what great extent they could aid in the expansion of the productive forces of agriculture (and this will be brought about by material support); thereby aiding in the welfare of the peasantry, and the prosperity of the whole economic life of the nation.

The development and reorganization of agricultural production is of equal interest to the peasantry and to democracy. It is of interest to democracy, because the permanent raising of the workers' standard of living requires it; just as does the increasing export of agricultural products in exchange for industrial raw materials. And the expansion of agriculture is important for the economic and social elevation of the peasantry.

An expansion of the agricultural productive forces also necessitates reducing by more than a third the number of farms now producing for the market which were formed in the land reform by the distribution of the large estates. A large part of the small farms came into being on the distributed land to produce their own needs. There is no question that the position of the new farmers and those who received loans was improved by this; their standards of living rose considerably; but the only way they could increase production for the market was to reduce their own consumption, and this is not the aim of the people's democratic system. The democratic way to increase agricultural market production is not to decrease the consumption of the producers, but to expand production effectively. With this aspiration the peasantry will wish to support a cooperative movement which will aid in satisfying their daily needs, one which will help them equally in their procuring, marketing, consumption, and credit needs.

The village cooperative movement must be so directed that the peasantry will gain an effective protection against the aims of capitalist exploitation, against price and credit usury. The exchange of goods between the cities and the villages, by a gradual arrangement, should exclude capitalist elements and usurious trade from the goods exchange traffic. Finally, the cooperative movement should aid the peasant farmers in converting from the old anarchic production which was not tied to market aspects or consumption, to a planned economy, thereby protecting the farmers from the devastating effects of crises.

We know, however, that capitalist attitudes are strongest in the

villages. It is primarily here that the reaction practices its machinations. It is here that it will attempt to turn the peasantry against the democratic cooperative movement. Therefore we must lay special emphasis on the peasants taking the initiative in the cooperative movement. They should participate actively in it, and they should consider it their own. This will insure that we will not lose touch with the peasant masses; that the matter of the cooperatives will not become the affair of only the most advanced peasant classes. It will insure that we will progress along the path of the people's democracy, arm in arm with the whole mass of the peasantry.

The farmers' cooperatives will be up to this task only when it develops a cooperative network promoting the interests of not only the new farmers, but of all the small toiling peasants depending on it. During the competition announced by the Ministry of Agriculture the applications received from the various farmers' cooperatives will prove that the farmers' cooperatives operate at the peak of this vocation in the land, that they are well run, and that they assure considerable material advantages to the peasant, thus exercising a great attraction to him. The major moral to be learned here is that, in reorganizing the cooperatives, the initiative of the peasants must be supported to the utmost with great caution and tact. Impulsive actions must be replaced by a resolute, well-planned organizational form based on experience. Nothing can be more dangerous than inflexibility in this sphere. It is an extremely important task for our people in the cooperatives to find the proper organizational form, and to employ it elastically.

The success of the cooperative movement demands that the democratic state participate in supporting it to the utmost. The effective support of the cooperatives must become a reality within the framework of the country's financial framework of the country's financial framework. It is of prime importance to the people's democracy that it should move along the road to progress not with masses of poverty-stricken peasants, but rather with millions of economically prosperous peasants. And only a powerful, well-constituted cooperative movement can assure this. But there is also need of support, because we know that, to win over the peasant to the cooperative concept and movement, nothing can be better than the material benefits which the cooperative assures him. Finally, by extensive support of the cooperatives, they can increase their weight in the national economy, and we can more quickly overcome their backwardness and hasten the advances of agriculture, and of the villages in general, to the economic political and cultural levels of industry and of the city.

Comrades! We can see that the cooperative problem which has now come to the fore in the economic field is a problem of great significance not only to our economy, but to the whole development of our people's democracy and its future.

Our Party's pledge for a successful solution can only be kept by a resolute, well-planned cooperative policy, and hammering such a policy out is our next duty. Every Communist, and primarily every village Party functionary, must give his greatest attention to the work of the cooperatives, and to the men who do that work. In addition to a good program which will shortly be given out to our comrades, we must have good cadres. Apathy, manifesting itself in relation to the cooperatives, must be weeded out among the broad masses, but above all, within the ranks of our own Party.

The cooperative movement is a struggle at the village level against the enemies of the democratic system. One area of this struggle is the struggle against the corrupt elements lurking in the cooperatives, the elements which compromise the whole cooperative movement in the eyes of the broadest peasant masses. If such is possible, these people are more dangerous than open opposition; therefore, protecting the cooperatives against them and liberating the cooperatives from their harmful work demands constant vigilance and ruthless action.

Comrades! The developing and bringing to flower of the cooperative movement are powerful tasks for our whole Party. In this work our slogan is "Concentrate on the Cooperatives." With this slogan we shall mobilize our Party membership, we shall mobilize the broad classes of people for the triumph of the great ideals of the cooperatives. My comrades, the cooperative is that lever by which we shall cast out the old order in the villages, and with which we shall lead the toiling peasant along the broad path of the development of the people's democracy.

REMARKS ON FERENC ERDEI'S LECTURE ENTITLED "THE NEW PATH
OF THE HUNGARIAN COOPERATIVE MOVEMENT"

[Vol I, pages 440-451]

Esteemed audience!

Weeks ago the Third Conference of the Communist Party placed the cooperative question at the head of problems awaiting solution by the people's democracy. The speech delivered by my friend Ferenc Erdei a few moments ago, and the great interest exhibited, prove that, following the lead of the Communist Party, the other democratic parties and a wide segment of public opinion are also attentive to this problem.

The cooperative problem -- as we can already see -- has become the central problem of our democracy. We do not wish to enter into an elaborate discussion of this here; there is no time for that. As proof it is enough to point out the simple fact that the cooperative problem is not being presented in the old manner, as an economic, organizational form, but rather in the new manner, as one of the greatest economic problems of the people's democracy. Thus it is not a question of our giving a new form, primarily an agricultural one, to the economic development; instead, it is a question of our altering that development radically, and giving it a new direction. This is a task related to the whole economy.

In the period of unrestrained capitalism, agriculture was the possession of financial capital and heavy industry; it was an area to be exploited. Consequently, while industry developed with great rapidity, agriculture always remained well behind it. In the period of unrestrained capitalism, antagonism grew between the two major branches of the national economy, industry and agriculture, between the city and the village. In its final stages this antagonism affected the capitalist economic structure to its very roots. There was no doubt that a people's democracy could not rest on such a basis. Nationalizing the large banks and heavy industry by democratic popular force, excluding capitalism from these economic spheres, and doing away with capitalist profit altered successfully the role of the large banks and heavy industry. These then became the supports of agriculture, or more precisely, the village, against the village exploiters. At the same time, they gave new impetus to all the requisite factors of economic development, to an expanded production, as well as to accumulation, and not only changed the character of the development, but also increased its dimensions, which in turn speeded industrial

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production.

A critical task for the people's democracy is producing the opportunity for such development in agriculture as well. The centuries-old backwardness of agriculture and the villages in relation to industry and the city must be brought to an end as soon as possible, so that the economic base of the people's democracy will be stabilized and will create unity in the economy.

The only way this can be done is to develop the productive forces of agriculture on as large a scale as possible. Just as in industry, here the requisites are an expanded production and accumulation. The cooperative movement in agriculture has been called upon to solve this powerful economic problem. That is why we must set about on a new path in the cooperative movement.

In his speech today my friend Ferenc Erdei discussed these new paths of the cooperative movement. I am in agreement with the major points of his speech. I do not wish to speak of these. Rather, I should like to touch briefly upon those more important questions -- at least important in my opinion -- with which I do not agree or which I feel need additional discussion.

In speaking of the cooperatives Erdei has said: "Under capitalist conditions the role and significance of the cooperatives were twofold. On the one hand, the cooperatives raised the production of the small farmers grouped therein to a higher level; and, on the other hand, they increased and expanded the capitalist forces of production. Especially in agriculture, the old-type cooperatives were the tools for expanding agriculture production and also the promoters of the capitalist development in agriculture." I do not agree with this, first of all, because under the capitalist conditions the old-type cooperatives ceased to be cooperatives in the true sense of the word. They either went to ruin or they became capitalist undertakings themselves, and did not fulfill their cooperative function against the exploitative ambitions of the capitalist, rather becoming tools for these ambitions.

Secondly, the twofold role and significance of which my friend spoke are essentially one and the same: the expansion of productive forces. Lastly, I do not agree that the old-type cooperatives, under capitalist conditions, raised the production of their small farmers to a higher level. Later my friend added that the old-type cooperatives served the capitalist development of only a narrow group while undermining the great masses of small peasants. But this clearly contradicts his earlier statement that the old-type cooperatives, under capitalist conditions, raised the production of the small farmers to a higher level. Here is a clear contradiction, and I do not know what

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the standpoint of my friend is. Either one or the other is possible, but not both. The Danish example of which my friend Erdei spoke does not justify them, but I trust that my esteemed audience will permit me to treat this question a little more thoroughly.

About 50 to 60 years ago in Denmark small peasant holdings of several hectares were in the preponderance. It had become the task of the cooperative movement, which had developed on a large scale, to stabilize the farm of 3, 5, or 10 hectares by an expansion of production. In contrast to this, we came that the small peasant farms deteriorated by the tens of thousands, and today the minimum holding is 8 to 9 hectares, while the average holding is 40 to 50 hectares. Thus the cooperatives not only did not expand the productive forces of the small peasant farms and did not raise them to a higher level, they could not even prevent the deterioration of the farms. Today Danish agriculture, with its well-developed broad network of cooperatives, is not the domain of small farmers; it is the home of kulak-capitalist farmers. The cooperative is a capitalist undertaking; it is the tool of the capitalist concentration of capital and of the differentiation of the peasantry. This is true elsewhere, too. Therefore I feel this question is important. In my opinion, without an understanding of the role and significance of the old-type cooperative, we cannot properly determine our new tasks.

Speaking of the old and the new cooperative movement, I do not think it would be superfluous to point out the basic difference between the two -- and what was said just a moment ago bears this out -- namely, that the old-type of capitalist cooperative leads to a dispersal of the small peasant farm, while the new-type democratic cooperative movement stabilizes and expands the small peasant farm. This is a critical difference, because it determines the fate of hundreds of thousands, even millions of peasants.

The second question with which I do not agree is the relation between the cooperative and the state. In his speech my friend Erdei touched upon this question in several places and in several aspects. Later I shall deal briefly with the danger which I see for the cooperative in an improper relationship to the state. Right now I want to bring up two questions. My friend Erdei said that the cooperative no longer has capitalist associations... instead it is an organizational method which is suitable for organizing the small farmers, either with a pooling of the cooperative capital, or without it. When he says this he is clearly thinking about closer connections with the state. I feel that in no case would it be proper to consider an expansion of the cooperatives without cooperative, that is, pooled capital. This

would mean that we shall renounce from the very beginning those great sources of material power which lie in the peasant farm, those sources which the cooperative movement is to bring to the surface and press into the service of economic development. Capitalism exploited these forces and augmented its financial capital with them; now the cooperative movement is called upon to bring them into play for agriculture. In another part of his speech my friend does not say so in so many words, but nevertheless rejects state support. I do not agree with this, and it is my opinion that the forces of the democratic state must back up the cooperative movement with very extensive material support. The emergence of a new social order always demanded many material sacrifices of the rising classes. In the period of civil revolution the material sacrifices made by the bourgeoisie yielded rich returns for them. Now that the people's democratic order is emerging, the rising working classes must make the most extensive sacrifices in the battle against capitalism. Not the least of the sacrifices must be made for the broad development of the cooperative movement, for the results of this development will be that the working class itself will reap the benefits of national economic, social, and cultural prosperity.

Esteemed audience! My friend Erdei, in speaking at some length on the cooperative movement after the liberation, touched upon this question; however, there is something I should like to add. The main complaint was not that the cooperative movement remained behind the general economic development, nor that it did not have a decisive role in the national economy. Instead, it was that we accepted the old cooperative network just as it was, that we made it the basis of the cooperative movement without reorganizing it radically and purifying it, since these cooperatives had strong bonds with the capitalist sector. When the MOSK (Magyar Orszagos Szovetkezeti Korpont -- Hungarian National Cooperative Center) was organized, these cooperatives formed the backbone. It is hardly surprising that the old cooperative policy of capitalist business should rule the operations of the MOSK. The error lay in incorporating the farmers' cooperatives, the sole new democratic cooperative organization, into the MOSK under such circumstances as permitted a paralysis of their operations. Within the MOSK two cooperative trends developed: capitalist -- or as we can also call it -- reactionary, and democratic. There were more advantageous conditions for the cooperatives of the old trend, in spite of the fact that a decisive turn occurred for the people's democracy in the political aspects and economy of the nation. Out of this situation the tasks of reorganizing the cooperative movement emerged clearly:

1. A cooperative center must be created which reflects the present real power aspects in economic and political spheres alike, that is, an

organ of the people's democracy which could lead the cooperative movement along new paths toward a solution of these tasks.

2. The center of emphasis in the cooperative movement must be transferred to the villages, where there is the broadest democratic basis, so that the farmers' cooperatives can stand in the center.
3. Based on the farmers' cooperatives, a unified and general village cooperative type must be formed which will unite both the simpler and the more advanced cooperatives.
4. The old-type cooperatives must be democratized in such a way that the leadership will pass into the hands of the peasants.
5. Finally, the connections of our cooperative network to the capitalist sector must be severed radically, and they must become closer to the nationalized sector, so that our cooperatives may better meet their calling in the liquidation of capitalism, and especially in the democratic development of capitalism.

Esteemed audience! The measures listed offer proof beyond doubt that the cooperative movement would turn towards democracy and would realize its goals. In spite of this, they by no means mean that various dangers do not threaten the cooperative movement. I should like to say a few words about these dangers. The greatest danger threatening the cooperative movement, just as it threatens political and economic relations as well, is the capitalist danger. This means that, for example, bourgeois-kulak elements might worm their way into the leadership of a cooperative, transforming the cooperative into capitalist undertakings. Or it might mean the formation of sub-cooperatives which would be nothing more than capitalist undertakings under the guise of a cooperative movement. These cooperatives would set up economic relations with the capitalists. Naturally the capitalist danger can also manifest itself in other ways.

A second danger is a policy which will narrow the cooperative movement to the economic activities of small groups, and impede or prevent introducing the broad masses of the working people. The democracy of the cooperative cannot be restricted; quite the contrary, it must be broadened to ensure its control by the toiling peasant. No such cooperative form or type must be allowed which does not understand the peasant masses, or which they do not initiate, and in which they do not actively participate. In the farmers' cooperatives it will be necessary to discourage the notions held by some of the new holders that they do not want to admit the old peasants with small holdings

into the cooperative.

In the management of the cooperatives care must be taken to assure the principles espoused by the majority will rule in the cooperative. Smaller groups of the members must not be allowed to exclude the majority from arranging cooperative matters. We must not forget for a single moment the decisive fact that not only the most progressive groups of the peasantry, but the whole toiling peasantry, too, should be grouped together under the cooperatives.

The third danger threatening the cooperative movement must not be underrated. Great care must be taken to prevent the cooperative becoming an organ of the state, due to its close relation to it brought about by state support. This would kill the essence of the cooperative, it would stifle the activity and initiative of the masses, and the cooperative would ultimately cease to exist. Naturally the prime danger is not this, but capitalism, and against this a front must be formed.

In the course of his speech my friend Erdei said much about the varying cooperative types. I do not wish to question his statements; I should only like to note that the clarification of the principles involved in this matter is our next task.

I should also like to say a few words about the future development of the cooperative movement. As I see it, based on an expansion of agricultural production, future development may emerge in two parallel forms. Firstly, the small peasants, grouped into cooperatives, will till their own or rented land. There is no question but that those small holders who wish to better themselves economically in this way must have extensive support. However, it is clear that today the great masses of the peasants are still trying to expand production on individual farms, not through the cooperatives. A prime task for democracy, which has always before it the responsibility of a constant raising of the workers' standards of living, will be to develop extensively not only cooperative production, but the production of individual farms as well. It is possible to give a great impetus toward an economic betterment of this group by their participation in the procuring, marketing, consumer, and credit cooperatives. After the reorganization of these cooperatives, they will develop strong ties with the people's democratic order and with the nationalized economic sector, and not with the capitalist large banks and heavy industry. This is insurance that the development of the peasant farms will be along the path of the people's democracy and not capitalism. Thus in the present period I see it as a critical task that a simplest

cooperative network should be set up, one including within it consumer, marketing, procuring, and credit cooperatives, for the effective development of the productive forces of the individual small farms.

Esteemed audience! Besides its economic function, the cooperative movement also fills another important role in the people's democracy. We can say confidently that the form of the worker-peasant union is the most far-reaching and most advantageous. The production relationships between the industrial working class and the peasantry which have come about directly through the cooperatives also have a great political significance for the cooperation of the two working classes.

But the cooperatives will also perform other valuable service to the democracy. Through the cooperatives the daily necessities of millions of workers will be satisfied. Participation in some cooperative activity will broaden the scope of the masses, it will develop their economic awareness, and it will make them capable of assuming more advanced tasks. The experience they gain in economic management will be of immense significance when, to take over the guidance of the economy.

Gigantic forces are slumbering in the cooperative movement which can and must be roused. The masses of the working people in the cooperative movement will supply this great force; it will link the cooperative closely with democracy. We must attain this at all costs. I am convinced that in his speech today my friend Ferenc Brdai has contributed greatly towards making it clear that we must clear up the problems before us and that we must delineate the new paths of the cooperative movement.

THE CENTENARY OF 15 MARCH 1848

Vol II, Pages 5-12

(Speech on 15 March 1948, at the festival session of Parliament.)

Honored Parliament!

Among the sad chapters in our history there are also brilliant periods which not only we Hungarians, but all progressive mankind, view with pride.

It is such splendid brilliance that one of the most glorious periods of our nation's history radiates from the distance of a hundred years -- the 1849-1949 revolution and war of independence whose never-fading, unforgettable memory we today promulgate as law.

A hundred years ago the immortal leaders of the Hungarian nation, Kossuth, Tancsics, and Petofi, unfolded the tricolor of popular freedom, overthrowing foreign tyranny, winning the freedom of our country, and liberating our people from the feudal yoke.

March 1848! Is there a Hungarian patriot whose heart does not beat faster when he recalls that great date? Kossuth, Tancsics, Petofi! Is there a real Hungarian patriot whose cheeks do not glow with the sentiment of national pride when he hears these names?

Upon their summons the nation arose as one man against the "Holy Alliance" of European tyrants, so that the Hungarians also might fight their national liberating, revolutionary war among the peoples engaged in their life-and-death struggle for freedom and independence.

Upon their word of summons the nation arose for the realization of the lofty ideals of liberty, equality, and fraternity. It laid siege to the barricades of feudalism, so that over the wretched ghost of serfdom, which, to quote the poet's lasting, true words, had led the graveyard of our national greatness; Mohacs, the spirit of Kossuth, the sacred cause of popular freedom might triumph.

In 1848 the Hungarian people, who had remained submerged during centuries of stormy European history, re-emerged with the progressive ideals of the age and in a miraculous, heroic struggle came to the fore among the freedom-loving peoples. They proved that in the struggle for the lofty ideals of progress, popular freedom, and humanism, which entails many sacrifices, even a handful of people

can be grand and glorious.

The grandeur, force, and impetus of this struggle was given by the revolutionary fight for the people's rights and liberty, the fight for the 12 Points of March, which became the written program of the great metamorphosis which had been laboring in the womb of Hungarian history.

Our nation had fought its battle with the inner and foreign enemy for a year and a half with legendary heroism. It kept on fighting even after tyranny's superior force had already crushed the nations who fought for their freedom, when, as the impassioned protagonist of popular freedom, Sándor Petöfi, wrote, chains rattled on the hand of nations and only in the Hungarians' hands clanged the sword.

The (single-handed) life-and-death struggle of the Hungarian nation against the gendarmes of Europe and the arbitrary rule of feudal lords was the last hope of the freedom-loving nations and eminent contemporaries, who regarded the revolutionary momentum of the Hungarian war of independence and the towering personality of Kossuth with appreciation and admiration.

Kossuth, Tassócs, Petöfi, the youth of March, the 13 heroic generals of the glorious army -- these were the great guards who "died but would not surrender," who upheld their ideas unremittingly and to their last drop of blood. Kossuth's glorious life ended abroad, where he had lived on the bitter bread of emigration. Tassócs was laid in his grave as a result of persecutions and dungeons; Petöfi died on the field of battle; and the Thirteen of Arad died martyrs' deaths; on the gallows of the Austrian Emperor. They were great men, equal in dignity to the ideals of great times, to one of the most glorious periods of our nation!

We, the late descendants of the generation of March, can only be worthy of them, if with unrelenting faith and solid determination we continue on the road designated by them and lighted by their brilliant minds toward the realization of a people's democracy, if we never again leave their path and lose our way, as we have so unfortunately lost it several times during the thousand-year-old history of our nation.

Honorable Parliament! A hundred years have passed since 1848, but even though the sacrificial, heroic struggle failed, the ideals of the revolution and of the war of independence, the spirit of Kossuth,

Tassócs, and Petöfi glowed as a further encouragement to fight in the heart of the Hungarian working people. It was hidden there on the land of thousands of acres, under the eaves of the thatched huts. From father to son, to grandson, the national inheritance passed: the fight for the independence of our country for throwing off the feudal yoke, for the liberation of our working people.

During the past hundred years the fight against reactionary feudalistic-capitalistic oppression and for a democratic people's Hungary flared up and was suppressed again in 1918-1919. Three years ago our working people made an attack against the oppressive system of Berthly and carried the cause of a people's democracy to victory.

Honorable Parliament! Throughout the generations we have become gradually more removed in time from 1848, from one of the most glorious eras of our history, but we have never been closer to its spirit and its goal than we are today. When we started on the road to elevation by almost superhuman efforts, from the national catastrophe following World War II, which caused by the sins of the Berthlyist reaction, the ideals of the great 1848-49 period were reincarnated in the efforts of our nation. From the almost hundred-year-old labyrinth of the Hungarian ruling class since 1848-49, which more than once drove the nation to the brink of disaster; subsequent to the liberation battles of the Soviet Army, our nation returned to the road upon which in 1848 Kossuth, Tassócs, and Petöfi traveled leading the Hungarian nation.

And today, 3 years after our liberation, we declare with proud self-assurance that on 15 March we celebrate not only the never-passing glorious memory of the revolution and war of independence, but also the victory of the struggle then commenced and the triumph of the ideals then announced.

The working Hungarian people proved to be worthy of the great tasks of the great times of a hundred years ago, and have carried to victory what failed in 1849. They fulfilled the sacred vow which in the poem "Hungarian Arise" sounded from the lips of Petöfi in the name of the people: "To the God of the Hungarians we swear that chains of slavery we shall no longer bear!" The spirit of Kossuth triumphed: the Hungarian people become free in an independent free country.

This is why our celebration today is such a great festive occasion on this first, glorious centenary of March. It is an enormous distance that our working people have traveled between the revolution, the war of independence, and our days, while the suppressed serf (who was without) any rights had grown into a full-fledged citizen of a democratic

state. The great democratic transformation raised the rudder of the government of the country, a country liberated by the blood shed by the heroic sons of the great Soviet Union, the working people who had been denied the power to replace the oppressive upper class. In legislation, which had been the jealously protected privilege of the exploiting classes and which was dominated by the destructive spirit of Kerensky through long centuries, today the interests of the working people direct the work of the lawmakers. And while the Hungarian workers before the liberation failed to penetrate the constitutional bastion of the gentleman class despite efforts entailing great sacrifices, today, on the threshold of the fourth year of the people's democracy the working classes amaze the world with their productive power and constructive ability in laying the foundation of a new national constitution based on the principles of freedom and work.

In our form of government we have also returned to the inheritance of Kossuth. By the will of the nation our governmental existence is incorporated in a democratic people's republic, the rock-solid, unshakable foundation of which is formed by the proletariat and the peasantry forged together in national unity.

Honored Parliament! In 1848-49, together with the struggle for freedom, the peasants' struggle for land also failed. Since then, for almost a hundred years, the struggle smoldered or sometimes flared up, until in 1945, when, during the first free spring the propertyless agricultural laborers and poor peasants commenced the final struggle against the feudal large estates, in order to finish the work which Tenosios began in 1848. And the descendants of the serfs, whose forefathers had protected the feudal estates and had fertilized them with their blood for long years, took possession of their rightful property. The toiling peasantry, which can be most thankful for the democratic rule of the people, today can readily observe what power of action and creative force is inherent in the democracy which shattered to bits the old gentry class that frustrated the liberation of the peasants a hundred years ago.

Honored Parliament! The Hungarian nation had to wait a hundred years for the moment of the fulfillment of its long-wished desire arrived, the immortalization of the memory of the revolution and the war of independence of 1848-49. The era of the people's democracy had to arrive, the downfall of the old system had to occur. We must show our reverence for the memory of the 1848-49 revolution and liberty at the shrine of our nation: we must pay homage to the immortal genius of our nation by dipping in salute the banner of honor and remembrance.

Honored Parliament! Remaining alone among the nations struggling for their liberty, we too fell on the field of battle a hundred years ago. The cause of liberty was also lost with us. The nations could not shake off their fetters, and the silence of prisons again reigned over Europe.

Today, as our nation, reborn in the spirit of the 1848 revolution, writes new glorious pages of its history, we are not alone in our struggle. There stand with us the liberty- and peace-loving nations of the world, with the mighty Soviet Union, to whom we express our sincere gratitude for enabling us, by liberating our country, to return to the spirit of Kossuth and 1848. The representatives of the people are present among us; they came to us to celebrate the heroic age of our nation with us. The ideals of liberty, peace, and fraternity of nations unites us, so that by cultural and mutual-aid agreements we may fight shoulder-to-shoulder against the international reaction which threatens our peace, security, and progress, against an imperialism which follows the footsteps of fascism, against the sinister forces of the "Holy Alliance" of our age, for the happier future of progressive mankind and our nation.

The Parliament of the Hungarian Republic regards itself the heir and instrumentality of the democratic ideas of the 1848-49 revolution.

Addressing myself to the liberty-loving nations and our people, in the name of the parliament I repeat the solemn announcement of the proposed act, according to which the Hungarian legislature will preserve the spirit and inheritance of the 1848 legislature, and shall further develop it under the sign of a consistent fight against all kinds of oppression and for peaceful cooperation among nations.

This is the ascending road of the Hungarian nation toward a free and happy future! In fraternal cooperation with the peace-loving nations, progressing upon this road, the time will soon come when the eternally beautiful prayer in our national anthem will be answered: "God bless the Hungarians with happiness and abundance!"

WE MAY VIEW THE FUTURE WITH CONFIDENCE

[Vol II, pages 13-24]

(Speech on 1 May 1948 at Nyiregyhaza.)

Today we celebrate the fourth May First since the Liberation. Let us wave the flag of liberty high on this day, as befits a free people, a free nation, a free country. Let us wave it, so we do not forget for a moment how dear liberty is to us. For no other cause have we Hungarians brought greater sacrifices than for our freedom.

The upper classes over the period of long decades kept May Days in chains. Police, bayonets, cavalry attacks -- this was the fate of those working masses who assembled on the sacred holiday of labor.

Yet today we may stand before the nations with an uplifted gaze. We may proudly review the results we have achieved during 4 years.

There were some cowards, there were some skeptics, who did not trust the future. They are not the ones who have won. We won, we who had confidence in the people. We won, we who trusted in the constructive, productive power of the people; the Hungarians working people won, they who had confidence in us. This mutual confidence moved enormous forces and tremendous masses of people and carried to victory the cause, the realization of which we undertook more than 3 years ago.

Today there is a slogan well known all over the country: "The Communist Party is a party of action; it fulfills its promises to satisfaction." The people put it in the form of a rhyme, and pass it on to each other. The fact that all promises made by the Communist Party cease true is an element of pride and self-assurance. In the performance of the difficult work during the 3 years the Communist Party and the Hungarian working people found each other. Hungarian democracy has never been as strong during past years as it is today. It has never been as confident as today. This review of forces today and the similar thousands and thousands of parades being held in this country, prove better than anything else that the power of democracy is mighty, indomitable, a force that shatters and crushes every resistance, that frustrates all subversive activity. It is a power that secures the solution of all problems, the uplift of the country, and the welfare of the people.

This parade of forces today throughout the country, as well as

here in Nyiregyhaza, is a profession of faith, it is the Hungarian people's demonstration of confidence in democracy. It proves that democracy and the working people are linked together by unbreakable ties. Let both friend and foe see what the determination of the people means, and what the unification of the people, of the nation, signifies. Behold, this parade of forces is the source of the power of Hungarian democracy. This parade of forces shows that this people is a power with which we may courageously and confidently advance into the future.

May Day is a holiday, and there is much to be celebrated. We may say openly and with heads lifted high that we have achieved results which elicit the admiration and respect of every honest man, not only here but also abroad.

We have completed the land reform, and now every new landowner can say that the land he received is his forever. We have closed the land reform and no one shall touch the land thus distributed. Land registration is no easy task. But it has an enormous significance and is very different from the land registration prevalent in the past. Land registration is not a democratic invention, but the old registration system could not hinder manipulations by which the ground could be pulled out from under the feet of tens and hundreds of thousands of peasants. Now that the land reform has given land, land registration means the protection of land and prevents anyone from taking the peasant's land.

We nationalized the banks. This too was an enormous step on the road to democracy. Through nationalization of the big banks we freed the peasantry from its most dangerous enemy, from the usury of bank capital. The nationalization of the banks also means that democracy has solved this problem once and for all, and it has done so against the banks and for the benefit of the peasantry.

The nationalization of large industry crowned the great work performed by the toiling Hungarian people during the past year. This meant that the working people were not only masters of the political power here, but also of the economic life, as the Hungarian working people, the proletariat, and the peasantry, took control of its chief sources of power and leading position. Through the transfer of the control of large industry to the state, the exploitation of the industrial proletariat ceased. The nationalization of large industry means that there will be higher production, cheaper industrial goods -- things of no little significance in the lives of the Hungarian peasants. The big operations within the framework of the Three-Year Plan are

sized at reducing unemployment, draining the labor surplus of the villages.

Democracy has accomplished a great deal within the framework of the Three-Year Plan's tasks for the first year.

Bringing home the prisoners-of-war was a great achievement of our Hungarian democracy and of the Hungarian Communist Party. About 103,000 prisoners-of-war returned last year. This year, just today, transportation home has recommenced. I may mention here that 1,800 prisoners of war arrived this morning at the camp at Debrecen. I greeted them in the name of the government at 8 o'clock this morning. They arrived in good health, full of zest for work. They came home with the determination to be fighters for our Hungarian democracy, to be hardened, conscientious workers in the enormous constructive effort that prevails in this country. This is the first step this year in having the prisoners-of-war returned. In its footsteps will come a flood of prisoners-of-war, and every Hungarian mother and wife will soon be able to embrace their loved ones who were driven to the field of slaughter by a wretched, guilty system against a people who had never been our enemies. The return of the prisoners-of-war puts new energy, new confidence, in the Hungarian people.

The Hungarian democracy also achieved a controlling of results in the political field. The Hungarian democracy put a stop to political crises. We freed the Hungarian people from the conspiring, reactionary gang, and thus created the most important prerequisite for a quiet, peaceful inner development. Ferenc Nagy, Sulyok, and Pfeiffer are now names of the past. The Hungarian democracy squared its account with these traitors, and they now stick out their tongues at Hungarian democracy from abroad.

During that year we also realized the slogan: "Out with the enemies of the people from the coalition!" We rid Parliament of the reactionary, Pfeifferist representatives.

We may look into the future with confidence. We are advancing toward a brighter, happier future. This faith in the future could only develop during the final liquidation of all those who did nothing but attempt, hiddenly or openly, to shake the Hungarian people's faith in democracy and in their own strength. Today we view the future with trust and confidence.

The Independent Smallholders Party, under the leadership of President Istvan Dobi, today progresses on the same democratic road upon

which we also advance. We perform great tasks, walking the same road with the National Peasant Party. The merger of the Social Democratic Party with the Hungarian Communist Party is now on its way. The unification of the two parties, the unity of the working class, lends a gigantic political and economic power to our democracy, gives an enormous impetus to democratic development, to political and economic development, that has scarcely been precedented not only here but elsewhere. The consolidation of the democratic forces is one of the greatest problems of our Hungarian democracy awaiting solution. Coalitionist cooperation has performed a tremendous task during the course of the past 3 years. Now we must advance in this field. The democratic forces must be kept closer on broader bases in a great, gigantic, new Independent Front, in which each democratic individual, each democratic organization, may find its place and function.

Democracy will end the ancient Hungarian curse which dissolved the unity of the Hungarian people, undermined its strength, especially at the time of great historical turns, like the one in which we live now, when the need for a full exertion of all our strength is the greatest. There has never been as great a need for national unity as there is right now, and as there will be in the coming historical phase. It is the recognition of this that leads us to effect the closer, more compact, more unified solidarity of all the democratic forces in the Independence Front. The time has arrived for ending all bickering dissensions, and parleying among the democratic forces, practices which wasted considerable energies of the Hungarian democracy.

Among the people, in the villages as well as in the cities, there exists a yearning for this kind of national solidarity, for such great national unity. And we who propagate it do it only to rein validity for this desire for national democratic unity which is prevalent in the widest masses of the people and asserts itself with increasing force.

The anti-democratic forces now use the cloak of the church as their haven. We are believers in a free conscience. We say that everyone may serve his own god in his own fashion. Everyone should satisfy his religious needs according to the concepts of his faith and conviction. We believe that everyone should adore his god in the church, but that the church, the pulpit, the confessional should not be platforms for anti-democratic instigation. No one should take politics to church, just as we are against anyone's bringing of religion to the market place. We want nothing from the church but that it observe this. We believe that this request of our democracy is

fairly modest.

We request the church that it acknowledge those great achievements which democracy has attained, which have rescued the Hungarian people from their hard life, among these also the land reform. It should not aid the old landlords and should take no position against the land reform. We want the church to refrain from incitement against the Republic, and that it adopt the position of the Republic which announced and proclaimed by the Hungarian people. We want it not to be inimical to democracy, but that it take sides with democracy. We do this with the knowledge that we expect the fulfillment of these requests from the church, we represent the interests of the Hungarian working people. The church should blame itself if the working people turn against the reactionary propaganda disseminated by the church and oppose those clerical individuals who take a stand against the interests of the people. The church should blame itself if it finds itself in opposition to the interests of the working people.

I do not generalize. The circles of the lower clergy within the church -- who have some very beautiful traditions, since during the course of Hungarian history the lower clergy has frequently sided with and stood by the people -- do not oppose the working people in this situation today and will side with them. Once the scri's only possibility to get ahead was to let his sons enter the clerical service. Descendants of peasants are still plentiful within the circle of the lower clergy. And I do not believe that these individuals would deny their parentage and turn against their own kind when the issue is not the taking of a stand against the church of against religion, but that no one should incite against the working people, that no one should lift a hand in this country against the working people.

I believe our standpoint is very fair with respect to church circles that forget that there is a people's democracy in Hungary. We support the church to the greatest extent. The church is still the largest landowner in Hungary. There are approximately 30,000 cadastral holds in the hands of the church. We help the churches with an annual 140 million forints, so they can perform those administrative and religious tasks which require the funds they lost in the course of the land reform. We were the ones who extended loan after loan for this purpose. We are the ones who decided just recently that every church in Hungary should receive a church bell this year, so that every believer may, according to his own faith, in his own church, peacefully and without interference adore his god.

There is no question, therefore, but that no one may charge

democracy with being against religious feelings, or with hampering the work of the church. Our party, the koalitions parties, the leading parties of the Hungarian democracy, unify hundreds and hundreds of thousands, millions, of the Hungarian working people, and the overwhelming majority of these millions come from the circle of believers. They should not forget, therefore, that Hungarian democracy depends upon these believers, these millions, and represents their interests.

We have made a significant step towards the creation of a friendly relationship with the neighboring nations. We have made a number of contracts of friendship and mutual assistance, in particular with the Soviet Union, whose gigantic army liberated us and whose peoples brought a sacrifice of blood so that we may today here in Nyiraszag, and throughout the country, freely, happily, and confidently celebrate the First of May.

Our great sin is the preservation of peace. It is with this view that we enter into the agreements of friendship and mutual aid with our neighbors. But we should not depend on those alone. The greatest pledge of our security is the enhancement of our own power. Slavery is the fate of the weak. Only a country whose people are strong and growing can be free and independent. Thus we must enrich and strengthen our fatherland. Only strong people can protect peace, liberty, and independence. It is the fate of the weak that they always get beaten. Therefore, let us not be weak. Let us be strong politically, economically, and to this end let us develop our industry, agriculture; let us raise the economic and cultural standards of our people.

In this respect the work contest which involved the entire country and includes all strata of workers, of which the area of Nyiraszag is not left out, has a very great significance. The peasantry of Nyiraszag is not left out, has a very great significance. The peasantry of Nyiraszag takes an enthusiastic part in this, as it realized the enormous significance of the great work competition. It takes part in the first ranks of the contestants, in order to contribute with a more productive work to have this country all the sooner become economically strong and prosperous. There has never before been such a contest in Hungary. This competition springs from the spirit of the Hungarian people. In its path there will be prosperity and abundance. The peasantry will be well-to-do and agriculture flowering.

Great tasks yet await us. In connection with nationalizations there is much talk about private property. One of the important tasks of our democracy is to solidify small property, which we have increased in proportions as no one has yet done in Hungarian history.

The other problem, which is more or less the basis of national elevation and welfare, is the question of cooperatives. We must raise the level of the cooperative campaign.

When we speak of the broad development of the cooperative movement, we do so because we are convinced that we must assure this development in order to master agricultural technology in the fight against commercial usury and exploitive capital, and in order to assure competitive ability as regards foreign countries, because there is no other way to ascent.

I say -- and I believe that no one can doubt that I am right -- that he who talks against cooperatives today in Hungary, wants to deprive the peasantry of its strongest weapon for the road to ascension. Anti-cooperative propaganda wants the peasantry to remain at its present level. It wants it not to be capable of competition with Western agriculture, it wants to frustrate Hungarian agricultural production by having it produce expensively, produce inferior quality, so that an agricultural crisis can undermine the position of the peasantry here.

That is what the gentlemen want, because the Hungarian peasantry, once it stands on its feet, once it becomes strong, becomes a solid support of democracy that cannot be overthrown by any sort of "Gentlemanly" connivance. Well, we shall see to it that the Hungarian peasantry is elevated, gets prosperous, becomes well-to-do. If we make this the goal of the cooperative, there is no peasant who would resist the cooperative.

We have to make provisions for the increase of the national defense forces. We must see to it that the democratic armed forces become solid and indomitable protector of the Hungarian people, of the Hungarian proletariat and peasantry. Workers and peasants, worker and peasant youths, should stand at its fore, should be the officers, leaders, and soldiers of this democratic Hungarian army. This will ensure that no one dare raise a hand against us.

We must be vigilant, because international imperialism is instigating war.

We grasp the hands of the workers of the Western imperialist countries and crush international imperialism with this handshake. The Imperialists should not forget that a third world war would mean their ruin. The people's democracies, socialism would emerge victorious from that battle.

Let this May First be a review of forces, a militant start towards great tasks, toward a brighter, happier, more beautiful Hungary.

BETTER QUALITY, MORE AND CHEAPER WORK IMPLEMENTS FOR AGRICULTURE!

[Vol II, Pages 25-35]

(Speech on 10 May 1948 at the Congress of the Representative of Heavy Industry Workers and of Tilling Peasants, given at the Initiative of "Szabad Fold".)

Free Land in the Heavy Industry Center!

Honored Congress!

In the name of the editorial board of Szabad Fold I cordially greet the peasant representatives who have arrived from the Provinces, the experts who are here from the Heavy Industry Center, our invited guests, the representatives of UFOSz and FEROSz, and my colleagues from the editorial board of Szabad Fold.

More than 3 years have passed since the Liberation. Yesterday, 9 May, was the holiday of the great victory in which the army of the Soviet Union triumphed over the bitterest enemy of all progressive mankind, German fascism, the glorious victory which the liberated world celebrated 3 years ago.

Three years is not a long period of time in the life of one man, and perhaps in the thousand-year history of a country it is only one or two seconds. And yet when we look back on these 3 years we may safely say that we have made accomplishments creating a new era.

There can be no benevolent man in this country who would deny that Hungarian democracy, upon whose road we commenced at the Liberation, has achieved great successes and results and has taken important steps in the interest of the people during that 3 years.

A decisive change was brought into the life of the peasantry by the land reform, by the end of the large estate system, which in turn has radically changed the conditions of property and of land holdings. In the place of a few hundred large estates, we have created several hundred thousand small peasant estates. While we prepared for this work, and later while we were actually performing the work, we were completely aware of the fact that if we were to create something lasting, the mere execution of the land reform would not be enough.

We must go further, we must support this new land system with new, progressive technology. We knew quite well that with the obsolete and

deficient equipment, with the old-fashioned machines, we could achieve no progress.

Let us Democratize Agricultural Technology

When we demolished the large-estate system and removed the obstacles from the way of the development of the new estate system, we thereby democratized land conditions. Our task is now to democratize also agricultural technology. This means that what was previously only the privilege of large estate owners we now must transform into the common treasure of the toiling peasantry's largest stratum.

In fact, we must go even further in this field, we must render the equipment of the peasant estates much more modern than the tools of the larger estates have ever been.

Now, after the completion of the land reform and after the great democratization process in the field of estate holdings were performed, we have reached the stage where we also must democratize technology, because at the present stage of the development of agriculture, technology has a primary role in the further development of production.

I must point out two conditions related to our agriculture's supply of machinery, small machinery, and work implements. One is that these tools are too few, and the other is that they are inadequate and inferior. Let us not fall into the error of blaming exclusively the devastation of war for these conditions. No. The old system is to be blamed primarily.

In the old system, in the capitalist system, the toiling peasants could not advance economically, they could not equip their holdings with labor-saving devices, so that they could be equal to the requirements of modern production.

The peasants were incapable of doing so; they lacked the financial means. This is the reason for the backwardness, because I do not believe that the peasantry would not have wanted to equip its estates well. The ambition to use the most modern inventions of our technology is present in our peasantry -- as far as this is possible on small estates -- because it knows that by doing so it can raise its own standard of living as well as that of the entire agriculture of the country. It was therefore not the fault of the peasants, but of the large capital system, that our peasantry, equipped with old and inferior tools, could not keep pace with the advance of modern agriculture. Therefore we must to supplement this lag. Subsequently

we must take the next step, which will carry forward our agriculture on the road of technological development.

Industrial Production Should Primarily be Controlled by the Needs of the Peasantry

One could ask why did we not ask this question immediately after the Liberation? But could we have asked the same question 1 or 2 years ago the same way as today? No, we could not have. Because we know that after the liberation the working class and the peasantry, although a part of the government, were not in possession of the key economic positions. Our factories, large enterprises, and banks were in the hands of large capitalists who were not moved by the interest of the community, but performed productive work for the achievement of an ever greater profit. In order for us to be able to discuss this question today, it was necessary that the factories be controlled primarily by the needs of the workers, that production not be controlled by the desire for profits, and that factories not be held by large capitalists. First our democracy had to achieve that, and only subsequently could the representatives of large industry and of the peasantry convene in a joint session so they could gather for today's Congress.

For this it was necessary that worker-managers be at the head of the factories instead of the old owners, and that in production the knowledge of experts, and not the profit chasing of capitalists, come to the fore.

Had we only tried 1 or 2 years ago to discuss with the lords of large industry and big banks those points which in the interest of the peasantry should be taken into consideration in the manufacture of agricultural machines and equipment! Could we have talked to them in the same language? Would they have understood the troubles and desires of the peasantry? Never. Thus the nationalization of the enterprises of great industry had to be carried out; they had to be put under the management of worker-managers, so as to make it possible to bring forward the burning and urgent requests of the peasantry, so that they can be successfully discussed with the leading personnel of heavy industry.

Let us Reduce our Production Costs by Mechanization!

Honored Congress! Here is the opportunity now to discuss these questions, the questions of the modernization of agricultural equipment and machinery and of their perfection. When we take this

opportunity let us observe what prompted us besides the great political and economic transformation to convene this Congress. Two things. One is that the people's democracy considered the reform of agricultural production as one of the most important problems awaiting solution, that is, that after the land reform we should take the second step in the field of agricultural production too.

We must produce more, of better quality, and cheaper; we must raise the living standards of the toiling peasantry and of the workers in the cities, and in order to solve this problem we must assist the peasantry. The time has arrived, therefore, for taking substantial and great steps in the field of the transformation and modernization of our agriculture.

The first task is that the peasant farms must cease to work at a loss. To this it is prerequisite that they reduce their production costs, that is, that they gradually convert to modern production, that is to the use of machines and more progressive tools.

The development of machine technology and securing their availability to the peasantry is also important, in order to facilitate farm work. This is a requirement the fulfillment of which is the primary task of our democracy. Of the various branches of the economy it is agriculture, thus the work of the peasantry, that requires the most effort, the most work, the most time. This condition we must alleviate by all means.

We must alleviate the labor of the toiling peasantry, so that they not be slaves to work, but that besides their work they may live a prosperous, cultural life worthy of people of the twentieth century.

This is the primary task of our democracy. This was also one of the reasons why we discuss the question today.

More Bread with Better Tools!

The other circumstance which prompted us to convene this Congress was that from all parts of the country more and more complaints have reached us. In these the farmers mentioned that their equipment and tools are not adequate for the fulfillment of their requirements, although the tasks awaiting them in the field of production can only be performed with good tools and more perfect technology. We must find a way, therefore, to solve this problem.

During the winter I was in the province of Canada, where I

participated in one of the conferences of our Party. Our peasant comrades from Canada mentioned in the form of complaints that the work implements were not suitable for the poor land. There were also some specific complaints, for example, that the plow blade, although it cuts the soil, produces no furrow, but sticks into the hard ground and ruins the draft animals. They also pointed out the fact that the plow blades are of an inferior quality. They complained, and justifiably so, that they had to buy three or four scythes and spades before they could find a good one, which means that they had to make a wasted expenditure. Hearing such and similar complaints, the thought came to me that we should bring together those who had complaints with those to whom they should complain, so that these defects might be eliminated in the factories. I believe we did correctly when we prepared such a conference, and that we are on the best road to the elimination of the causes of the complaints when we endeavor to solve this problem with the direct assistance and cooperation of our industry.

What is the main issue before this Congress today? I believe the answer is apparent. If we must produce better and more crops at less expenditure, then Hungarian agriculture needs better quality, more and cheaper implements. Good quality means thrift primarily to the farmer, but also to industry. Because if quality is good, then the farmer will not have to purchase three or four spades or scythes, which means that scrap iron will not be increased with expensive raw material.

Good quality means that industry conserves energy and raw materials. But equipment and tools of good quality, the more perfect implements, also mean that the peasantry can produce more and better products with them. Good work tools mean more bread, which is of no lesser interest to industry than to agriculture. Can the alliance of workers and toiling peasants set a more important, a more noble, goal than that the industrial proletariat produce good tools, and that the peasantry produce more and better bread?

Good Tools at Cheap Prices!

In the production of agricultural implements it is an important condition that our industry refrain from producing the same type of tools for the entire country. Ground quality, geographical conditions, etc., must also be considered. We must produce different kinds of tools for the sticky, hard ground than are necessary in areas of lighter soil and more favorable climate, where the performance of work is also possible with implements of lighter weight.

We also must discuss at this conference the method by which we can eliminate the defects of construction that occur in the production of agricultural machinery. We also must consider the work methods and customs of the individual areas. We know that harvesting and spading are performed by different methods in different areas, which means that, within certain limitations, the work tools must be adapted to the customs. The individual areas or sections must receive tools which are adequate for the local peasantry. At the final stage, of course, we must strive for the standardization of work methods and, through it, for the standardization of the various types, in order to lighten the work of industry.

We shall have to organize tool-tests and work demonstrations by which we must lead our farmers to the adoption of work methods which require less energy and by which the experts of industry will have an opportunity to design the most appropriate types of equipment and machinery.

It is not the meanest consideration that the peasantry should be able to buy their tools of production at a price they can pay. Industry should strive to realize this. In my opinion, if we succeed in achieving that adequate work tools of good quality are given to the peasantry, that in itself will mean a cut in prices because the farmer will not have to buy three or four scythes and spades or other implements in order to find an appropriate one. Good quality tools for our farmers therefore pay dividends. Therefore our quest for better quality should not be hampered today by the fact that under existing conditions we are yet unable to sell equipment, work tools, and machines at a cheaper price. Of course this is only the first step which will have to be followed in the reduction of prices in industry.

My dear friends! I prefer that the discussion of the important and urgent question not be the only result of this conference today, but also that we make this sort of conference a regular feature in the future, that there be a constant contact between the leaders of industry and the personnel of agriculture.

In my opinion, this is what will insure the overcoming of our backwardness in the line of agricultural equipment and will secure our development of the standards of modern agriculture.

We must organize visits by the experts of industry to the working places of the peasants, to the fields, where during the course of

progress of work they can observe the suitability or defects of the implements and machines. This way we can, before we introduce a work tool to series production, have a test run in the fields where we can establish precisely the suitability of the equipment, tools, and machines as to greater geographical units. If we hold demonstrations according to the geographical units, where the experts of industry acquaint themselves with the various methods of work, we shall greatly promote a start on the way to the solution of the problems which are still before us in the field of providing agriculture with modern technology.

With a Worker-Peasant Alliance for the Betterment of the Working People

My dear friends! Our Congress is restricted to very modest limits, as only one of two peasants per Province take part in it. But in spite of this fact I can say without exaggeration that the significance of today's Congress far exceeds its modest framework. I should like the peasant representatives who are present, after the adjournment of this Congress, upon returning to their villages, to tell about their experience gained here and to transmit the results of their conferences to the leaders of industry, so that an ever wider stratum of peasants, old and new farmers become familiar with them.

There has never been anyone in this country who asked the peasant what sort of plow, scythe, or spade he was using; whether he could perform his work; how much he toils; how much effort it takes to produce one quintal of crop, the spading of one acre of corn or potatoes, the scything of a one acre of meadow. There was no one who wanted to help the peasant; he was left alone during the course of long centuries to toil with obsolete tools.

Now the time is here for the two great productive classes of the country, the proletariat and the toiling peasantry, possessors of the power, to assure the solution of the fatal problems of the peasantry, the elevation of agricultural production to a high standard upon new foundations, the betterment of the toiling peasantry's material and cultural conditions. Now the time has come for the speediest realization of the slogan issued by our Party, that agriculture flourish and that the toiling peasantry be happy and satisfied in this country.

I trust that today's Congress has performed successful and good work. I hope that we meet more frequently in the future, so that by

a united effort we can carry forward the cause of the toiling peasantry shoulder to shoulder in order to assure the working people's prosperous and happy lives in an independent and free country.

LET US HELP THE SMALL PEASANT FARM, LET US
DEVELOP THE COOPERATIVE MOVEMENT!

[Vol II, pages 38-59]

Honored Comrades!

Our meeting today is not a routine Party convention. It has peculiar characteristics given by the fact that the leading Communist agrarian experts made an appearance here today.

I should like to take this opportunity to direct the comrades' attention to a few aspects of our agrarian policy. These are not new aspects, but they emerge in a new way in the contemporary phase of development.

Before I do so, however, I should like to refer in just a few words to what made the convocation of this meeting an indispensable necessity.

Briefly, in a few words, I could say that it was the increasing significance of the agrarian experts' work. Everyone feels, or at least everyone should feel, that the events place much heavier responsibility on him; that every individual Communist must shoulder much heavier responsibilities than at any time in the past. In the future these tasks will grow, and the burden of responsibility shall be placed more heavily precisely upon the Communist agrarian experts.

Honored comrades! Let us examine the closed phase of agrarian development, and let us compare it with the new phase from the viewpoint of the Communist agrarian experts' tasks. In my opinion, the first phase closed with the land reform, that is it begins with the democratic agrarian transformation and ends with the nationalization of the banks and the great industries. Essentially, this first phase smashed to bits the old large-estate system, brought the land reform into existence, and thus we have switched to a system of small estates. In this respect we have also solved another problem, at least as important; beyond the democratization of land conditions, we secured the continuity of agricultural production without any greater difficulty.

With the solution of these problems we saw that the land reform, the demolition of the large estate system, was performed by an enormous popular effort; thus the switch to the small estate system was realized with the assistance of popular organizations. No particular new duties

or new aspects emerged in this section which would have demanded the effective aid of agrarian experts. The transition to the small estate system was brought about by utilization of the old agricultural production methods used by the peasants, and by securing the continuity of the same. There is no essential controlling difference between the form of production of today's small estate system and that of the old small-peasant estates. Thus in this area no new tasks or no new aspects demanded attention. Our experts had to exert great efforts, because they had to overcome many obstacles and difficulties and a lot of work awaited them, but this work required no new approaches or methods.

What is characteristic of the present phase? The fact that we are past the land reform, that we have solidified the small estate system, and that now we must switch to a higher level of agricultural production. This used to be expressed in the terms that there must be a switch to the reformation of agricultural production, to the reorganization of production. In order to realize the reform of production we must solve new problems in new ways. These new problems, during whose solution there emerge new methods and new aspects, can be answered by the toiling peasantry only if it receives the most far-reaching assistance by the agrarian experts, if this reorganization work is managed and directed by our agrarian experts.

The difference between the old and the new phase, therefore, is also evidenced by the fact that there are many new tasks facing our agricultural experts and that they must perform this work with a greater sense of responsibility.

For the performance of the new tasks, we need new experts, especially Communist agrarian experts, who understand these new problems and see the goal toward which we are advancing in the field of agricultural development. The place of those agrarian experts who refuse to tackle the new problems or to adopt the new methods must be taken by the Communist agrarian experts in the management of agriculture.

The achievement of this however, my comrades, demands serious prerequisites. The professional knowledge of our Communist experts must be equal to, has to be superior to, that of the old regime's experts. This is an indispensable prerequisite. Lenin treated often the problems of experts and pointed out that a bad expert can not be a good Communist. A bad expert is not followed; a bad expert does not generate confidence; he does not attract the masses; he does not elicit the respect of the community. What kind of Communist is he who lacks these qualities? In order to have the Communist experts

line up with the old experts and in order that they take management in their hands, it is necessary that they become better experts than the old ones had been. They must enhance, therefore, their professional knowledge, and keep step with the progress of the science of modern agriculture, and its results.

Honored comrades! The convocation of today's meeting was an indispensable necessity also because the professional knowledge represented by the Communist agrarian experts must be enlisted in the service of agricultural production. The Committee for Agrarian Policy can not undertake the solution of the problems by its own efforts alone. It is necessary that the masses of Communist agrarian experts follow its lead and support its work.

The development, and the increase by the enlistment of all efforts, of our Party's agricultural policy work, also made this meeting necessary. The past era has radically changed the role of our Party not only in our country's political life, but also in its economic life. During the previous phase, if we remember the planning or three past years, our work was mainly centered around the planning of programs primarily for the Party and making demands upon governmental agencies. Today this is not sufficient at all. We are the ones today who in Parliament, as well as in the Government and in the mass organization, planned the tasks of the agrarian policy, and beyond that, we are the ones who also must carry out these tasks. Today we shoulder the solution of the agrarian tasks of not only the Party but of the entire country. Today not only must we undertake the solution of the more restricted agrarian tasks of the Party, we must also undertake to establish the agrarian policy of the country and to carry out the tasks flowing therefrom.

These new and great tasks made it necessary to reorganize the Provincial Committee. This by means indicates only that we changed its name, it also indicates its work methods must be, and will be, radically altered. The Committee for Agrarian Policy will have to perform a much more intensive, a much more thoroughgoing, a much better job in the field of agrarian questions than it has hitherto. The committee for Agrarian Policy of our Party has set as its goal the much better and much broader development of our agrarian policy. Thus we must find the means for the really successful performance of this more and better work.

In its work the Committee for Agrarian Policy must draw upon the masses of agrarian experts. A more direct and closer cooperation must be created between the Committee for Agrarian Policy and the

experts working in the various agrarian organizations, since only this way can we develop our Agrarian Policy, since only this way can we secure a regular organized everyday management and direction. These considerations made it indispensably necessary to convocate this meeting, so that in the future we may apply them and establish a close cooperation with the agrarian experts.

An act of historical significance occurs at the same time that we embark on a new phase of agrarian transformation: the unification of the two workers' parties. I do not want to elaborate upon the great political effect this unification has upon the further development of Hungarian democracy. With the unification of the two workers' parties the economic, political, and moral power of democracy has multiplied immeasurably. In connection with the unification, however, we must expect that certain erroneous views, opportunist rumors and concepts concerning the even otherwise very complex agrarian question, creep into the new party, the Hungarian Workers' Party. We know very well that the Social Democratic Party was not guided by Marxist-Leninist ideology in the field of agrarian policy. We know that the Social Democratic Party was the hotbed of opportunist theories, especially in the field of agriculture. Instead of a Marxist-Leninist agrarian theory, the theories of opportunist and small bourgeois economists dominated the Social Democratic Party, especially the right wing thereof, even during the most recent periods. We could not eliminate these erroneous views; thus during the merger, we must cope with the danger that threatens us from that corner. We must make sure that every agrarian expert in the Hungarian Workers' Party, whatever party he may originally have come from, adopt the same views in theoretical and practical problems and that he firmly stand upon the basis of Marxism-Leninism. We must make sure by all means that Marxist-Leninist theory form the foundation of the agrarian policy of the Hungarian Workers' Party. This means that we must fight against opportunism. We must preserve our ideological purity and develop our theoretical work purposefully. We can do this only by creating an ideological unity among our Communist agrarian experts. The closest cooperation of the Committee for Agrarian Policy and of the agricultural experts will create the conditions for a joint campaign against opportunism.

The establishment of close ties is also important for the clarification of our view, for the discussion of our problems, and for the security that through these discussions we develop truly correct views in ourselves and in every agricultural expert, views founded upon the appropriate basis of Marxist-Leninist theory.

A meeting like this makes it indispensably necessary for the Communist agrarian experts to realize that in the new phase, besides professional knowledge, the Marxist-Leninist agrarian theories have a controlling significance. This ties in closely with what I have said before. We may admit frankly that our weakest point in the party is with respect to agrarian principles. This is the very reason why we must make sure that new cadres grow and strengthen on Marxist-Leninist theoretical bases. Here we have a gathering of Communist agrarian experts. Each one of them performs responsible work in a certain segment of agriculture, directs the work of others. To manage, to direct, comrades, means to foresee. And it is impossible to foresee without ideological preparedness. Thus the capacity to lead is given to the agrarian experts by the deepening of their knowledge. The theoretical compass which assures that we shall not be lost, that our eyes shall not lose sight of the goal, is exclusively Marxism-Leninism. There are several means of its mastery: seminars, self-education, schools. But one successful means is also the attendance of meetings like this. My comrades, I believe that precisely for this reason not only should members of the Committee for Agrarian Policy appear here and discuss problems, but also our agrarian experts who work for the various institutions should have a place here at meetings of this kind which we should regularly hold in the future. Beyond that we shall also visit the various institutions, where we shall discuss their special problems with the Communist agrarian experts who work there. It is therefore important, and it will be even more important in the future, to hold such conferences and to vigorously continue the work in this direction.

So far I have spoken of the tasks of the agrarian experts, of their vocation, of the responsibility they must shoulder in the present phase, and of the reason why such conferences are necessary. Now I should like to direct the comrades' attention to considerations which they must keep in mind at all times during the new period of the development of agriculture, so that they can clearly see how different is the task and role of the Communist agrarian experts during this new phase, as compared with the earlier period. Let us examine more closely this first phase and the distance covered.

During the first phase, as I have mentioned before, we demolished the remnants of feudalism, which meant that we liquidated the so-called "Prussian" way. This occurred not the way it did during the period of classical bourgeois transformations, but under the conditions of the workers', laborers', peasants', power. This made it possible to end large-estate production in agriculture together with the liquidation of the feudalistic remnants. It is evident that under these conditions

we have cut off the possibility -- even though we have not completely eliminated it -- that after the "Prussian" way agriculture would turn to the so-called "American" way of development.

It could not turn that way, because the heavy losses inflicted on the feudal agrarian system, which was closely linked with finance capital, meant grave losses to finance capital itself, too. The nationalization of great industry and of big banks had since finally eliminated the possibility of a conversion to the American way of development. This and the far-reaching changes that occurred in the political arena eliminated both ways of the capitalist development of agriculture. The "Prussian" way had ended, and the possibility of the "American" way ceased. The development of Hungarian agriculture is standing at the crossroads. The development must make a choice of direction.

During the first phase democratic agrarian transformation was the prerequisite of the democratic development of the country. On this phase, therefore, it was the agrarian transformation that gave impetus to the democratic transformation. Democratization was more advanced in the field of agriculture than in any other economic area of the country. Industry and banks were left behind, key economic positions were then in the hands of big capitalists, which fact raised great and serious obstacles in the path of agriculture. If that situation had continued to prevail, we might have talked about an agrarian transformation but we could not have realized it. In fact, it should also be mentioned that we could not have maintained for any protracted period of time even those results which we secured during the course of the land reform.

The nationalization of big industry and big banks opened the way for the further development of agriculture, which now, after the land reform and the conversion to the small-estate system, means that agriculture is now embarking on a new road. With nationalization big industry made great strides in development and, contrary to the first phase, when the prerequisite of development was the democratization of agriculture, now the nationalization of big industry and banks became the prerequisite of the further development of our economy. Through nationalization in the field of big industry and banks, essentially socialist production conditions became dominant, contrary to agriculture, where the democratic small-producer conditions were established.

With respect to advancement, where do we stand now in these two most important branches of our economy that is, in agriculture and

industry? What about industry? In industry a fairly high level and proportionately great concentration of capital and labor can be observed. This is not new phenomenon in large industry, but it has gained new meaning through nationalization. The character of accumulation has changed. Today there is socialist accumulation, and it has changed not only in its characteristics but also in its quantity, since capitalist profit has been eliminated. Accumulation manifests a much more rapid tempo than during the era of the capitalists, when the capitalists retained a significant portion of the profit from production. It follows therefore that production widens in industry, and that the development of industry will accelerate.

In contrast to this, what is the situation in agriculture?

Concentration of capital and labor, similarly as in industry, will be possible only on state farms and cooperative farms. Previously this existed in the large estates. Accumulation on the splintered small estates, even though existent to a small degree, is much less than it was on the large estate, and a bad season now and then is sufficient to render the accumulation of several years nil. On the small peasant farm, which forms the basis of our current production, there can scarcely be talk of enlarged production. It cannot be said that there is no enlarged production at all, because then we would be blind to the fact that certain individual sectors of agriculture show a fair development. But this enlarged production is of a very low level, and beyond a certain degree of development of the productive forces it is largely explained by more labor, especially in the case of the now land owners.

Can our economy survive like this? No!

We have on hand a mass-producing, progressive industry producing essentially in a socialist way, and on the other hand we have backward, underdeveloped, underproductive farmers' agriculture. Thus if this situation were to remain, the economic unity of the Hungarian people's democracy would disintegrate. Big industry, with its progressive production forces, would forge ahead, while agriculture, the production forces of which are underdeveloped, would lag behind. In consequence, the vacuum between industry and agriculture would be further enlarged. The controversy between the city and the village would rise to a certain extent, it would still lag behind industry, which develops more rapidly, and the difference would be increasingly greater. From this condition it follows that this difference must be eliminated. The agrarian experts must understand clearly that it can no longer remain like this. We must direct our agriculture to the road which

insures the concentration of capital and labor, accumulation, and enlarged production. Without this we cannot speak to the peasantry of the new way of living, of culture, of prosperity. If we do not create this, all these remain empty phrases. Enlarged production secures the material base for the development of production, culture, and prosperity. Therefore the road we must take is the road of cooperative development. We are now at the very beginning of this road, and therefore it is an entirely new road for us. Let us examine it closely.

My comrades, we hear and have heard much about the reform of production, the readjustment of production, as the second phase of development that follows the land reform. But in most instances even economists -- in fact, not uncommonly, even Communist agrarian experts -- mean and have meant by it only the adjustment of the proportion of crop rotation, the development of garden culture, the increase of intensive farming, deep plowing, the utilization of artificial fertilizer, or perhaps irrigation farming. All these of course are indispensable necessities of adjustment, but they are not the substance of it. The essence of it is agriculture's start on the new road, that is, the securing of every advantage of large-scale production for the farmers through cooperative development. It is not by chance, therefore, that the problem of cooperatives has come to the fore lately, and that it demands a solution. It is obvious that the idea did not come to mind as a random thought, but that the development of the Hungarian People's Democracy, the changes that occurred in our economy, made it indispensably necessary to treat the question of cooperatives. The question is now before us and we must face it. I call the new development of agriculture that commenced with the end of the "Prussian" and "American" ways the cooperative road.

What is the meaning of the cooperative way of development in agriculture? Does it mean that Hungarian agriculture will develop solely by this means? This is not the way to look at things. The cooperative way must be viewed through the history of its own development and perspective. The question is too complex to permit a simple answer. It is enough if we examine the structure of agriculture, which shows a quite variegated picture. There are Rulak estates which work by capitalist methods and want to follow that way by all means. Then there are small-peasant, small-scale, non-capitalist estates based chiefly on the work of the family. There are large-scale agricultural enterprises, state-owned estates, which under current conditions undoubtedly have socialist characteristics. Finally, there are, if only sporadically, cooperative estates which are the germs of our present land system of socialist development. Thus Hungarian

agriculture manifests a quite varied picture. But it is obvious that currently, and during the long phase of development yet to come, the dominating form of production in Hungarian agriculture will remain the individual small-peasant farm.

What are its consequences? The consequence is that in our agrarian policy we must take account of these circumstances. We are political realists, and we always act taking into consideration the given circumstances and conditions. If such is the structure of our agriculture, this means that the development of agriculture is extraordinarily uneven. It is the cooperative farm that enables the development of the productive forces to reach the greatest proportion. That is what makes it possible for our agriculture to come abreast of our industry, that secures the unity of our economy. As the standard of living rises, so will culture develop, as we approach socialism.

What is our task, in order to achieve all this? We must remove the obstacles standing in our way; we must create the material basis for the development of the cooperative movement. In this regard I should like to discuss briefly the creation of the material base of the cooperative movement.

What is the decisive element? The determinative problem is the development of agricultural technology. In the current phase, as our agriculture switches to the new road, everything is decided by technology. Without the development of modern technology no large-scale cooperative movement can come into existence in Hungary. A highly developed technology is the indispensable material base of the cooperative association. Agriculture, with its obsolete, primitive, and ineffective equipment, today does not permit the achievement of results in the cooperative which would make cooperative production attractive to the peasantry. With the primitive tools of today there can be no wide development of the cooperative movement in agriculture. The decisive task is to support the cooperative movement with the most advanced results of agricultural technology. We must secure for agriculture a highly advanced technology as regards both quantity and quality. In this respect the Three-Year Plan has a determinative significance. I remember that when we discussed the investments of the Three-Year Plan we had serious controversies with the agronomes of the other side. They were of the opinion that too much was allocated for industry and too little for agriculture. If we consider what technology means, we may say that we wish that we had allocated more for industry, for the development of technology. Technology is a decisive issue for the agricultural movement, and we agrarian experts must give this question great weight. This is not only the task of the experts of industry, of the engineers.

but also our task for we can see that without securing technology we can develop no large-scale agrarian-cooperative campaign.

Comrades! I should also like to say a few words as to whether only the most developed forms of cooperatives, that is, the higher types of associations, the production cooperatives, have a role in the development of the productive forces. Undoubtedly this is the form that enables the fastest development. But let us not forget that the lower forms of associations closely contribute to the development of the productive forces of the peasant farms. The purchasing, marketing, and credit associations' network, by eliminating commercial and credit usury, render significant material advantages to the peasantry and thereby makes the increase of investment possible.

Thus the simple cooperative form contributes to the development of the production forces, not to mention another of its important roles, which is that it has become the school of transition to the higher type of cooperative form. Through it the peasantry will slowly come to like the cooperative movement, because for the peasantry this is the simplest cooperative form, the most available, and the most acceptable one. Thus with the gradual transition from individual farming to cooperative farming the simplest cooperative sector is the first stage, and should not be, and can not be, avoided or jumped over under any circumstances.

In agricultural production the cooperative sector is a negligible factor. That form of production is being tried only at a few places. The beginning in this direction is very insecure as yet. But in spite of the fact that it is so small and insignificant, its meaning from the point of view of development is enormous, because the cooperative way secures the emergence of the productive forces on a large scale and will therefore sooner or later lead to victory of the cooperative movement. But today, my comrades, and during the long phase of development yet to come, the decisive sector, both as to actual extent and proportion, is the great mass of individual small-peasant farms.

How do we stand with respect to the development of the small-peasant forces of production? The primary task of our people's democracy, which must be clearly realized by the Communist experts, is the development of the small-peasant farms' productive forces to the greatest possible extent. We must realize this in spite of the fact that our agriculture has taken the road of cooperative development at a time when the cooperatives are still embryonic and rudimentary. What prompts us to develop, with all means at the disposal of the Hungarian people's democracy, the production forces of the individual

small-peasant estates? The fact that our production will depend upon this sector for a relatively long period of time. As the small-peasant farm remains the basis of our agricultural production for a fairly significant period, it is in our interest that its production be of the highest level. The second reason is that we must raise the standard of living and the production of the peasantry, which has been oppressed by the living and the production of the peasantry, which has been oppressed by the dual oppression of feudalism and of capitalism. It is a matter of concern to us whether we approach socialism with a peasantry which is just becoming a proletariat or with one which has already taken the road of development and is becoming prosperous. The sacrifice that we make in this field now will be amply rewarded later. I shall not quote them, but all our teaching masters who have dealt with this problem have brought this problem to our attention emphatically.

The people's democracy set as its goal the constant elevation of the workers' living standard. This, as well as the increased production of raw material for our industry, prompts us to develop the production forces of small estates. The domestic market prompts us to do the same. We have set as a goal the industrialization of the country, and that cannot be accomplished without an increasing domestic market. When the cooperative factors advance they will have a decisive role in all this. But at the present, the performance of these tasks rests upon the individual peasant farms.

There exists the erroneous belief according to which the development of the productive forces of the peasant farms hampers or bars advancement on the cooperative road. Its followers believe that we should develop either individual farming or the cooperatives, but we cannot do both. Development, however, does not put this question as simply, in such an alternative form.

Of course it is not the most ideal situation to be obliged to tolerate the various sectors. It would be most ideal if the peasantry, recognizing the advantages of cooperation, would decide to pursue its happiness on the basis of cooperative production. The remnants of capitalism, however, are deeply rooted in the farming methods and the way of thinking of the peasants and they have difficulty in getting rid of them. Besides technology, which is decisive in the development of cooperatives, it takes time and patience to eject them. We shall furnish the technology and allow time for the dispersal for the obsolete thinking patterns of peasantry. In no case should we press or urge them. Let them become convinced of the advantages of associations through their own experiences. Patience, however, is our duty. We

must prepare the peasantry through patience, economic aid, a correct agrarian policy, good organization, and educational work.

There are some who say that if the small and medium peasants become strong and develop, they will never join associations. In fact, after they have bettered themselves, they would leave the associations and would continue to do farming their own way. Naturally there will be such cases. But this attitude does not characterize the views and conduct of the peasantry, and in no case will it be characteristic at the more advanced stages of development. The attitude of the small peasantry will be determined by the extent of economic betterment following the development of the productive forces.

What possibilities does the development of the productive forces have on the small farms and in the associations?

The progress of technology is limited on the peasant farm. Whatever amount of capital he wants to invest, whatever machinery he desires to utilize, the small producer can increase production only to a certain limit. The large-scale utilization of technology is impossible, it is uneconomical, and no proportional increase of production would follow it.

This is not true in cooperatives. There are here almost unlimited possibilities for the utilization of technology and science. The productivity of labor, which is small in individual farms, is incomparably greater in the associations. The agricultural return per acre of land in the cooperatives, which have advanced machine techniques available, will be 2 to 3 times as great as on the small peasant farm, and this is decisive, my comrades, this will ultimately determine the attitude of the peasantry. This material advantage will induce the peasantry to join associations. He will join where with less effort he will be able to reach a double or tripled income. That will convince them, that is what the peasantry will not shun. This is the rule of economic development that will validate itself in the case of the small-peasantry, too. We do not have to be afraid, therefore, to develop the productive forces on the small peasant farms.

We believe the increase of the productive forces of the small peasantry to be important, and we actually do attempt to increase them. In my opinion, it would be incorrect to leave the peasants to their own fate. What could we achieve by adopting such a viewpoint? We would deprive society of a considerable amount of material goods. The correct policy, my comrades, is what we follow, by which we lead the masses of small peasants to the road of cooperatives not

by retarding the agricultural production forces, not by restricting them but by developing them and raising the economic living standard. To exemplify how correct and how necessary this policy is, I should like to highlight two measures, both instituted by our Party. One example is the recent "scythe-spade" conference, the basic significance of which is in regard to the increase of the productive forces. It shows that we think the technological development of the small peasant farms to be indispensably necessary. Another one is agricultural work competition. What is its goal and significance? It is the increase of the productive forces in the small-peasant farms to an ever increasing extent and the bolstering of the productivity of labor. Of course it would be erroneous, it would cause serious danger and trouble, if we were to develop the productive forces of the small-peasant farms at the expense of all our energy and if at the same time we were to neglect the cooperative movement. My comrades, we are not threatened by such dangers. We clearly see that the development of the cooperative movement is our decisive task.

We have already made great and decisive strides in securing the material basis for the cooperative movement. The organization of machine-tractor stations is increasing in great proportions. Machine-tractor stations, which supply the technology, have a controlling significance in the field of the development of the cooperative movement. Through them we have made better progress than through the propaganda that has continued for years. And the fact that we are increasing the number of such stations guarantees that we do not have to be afraid of the development of the productive forces of the small peasantry, nor that we need be afraid of falling into the error of neglecting the development of the cooperatives.

The machine-tractor stations represent mainly large machine technology for the advancement of cooperative farming. Besides this, however, they also must fulfill the need of the individual small farms for smaller machinery, by which the stations establish direct contact with hundreds of thousands of peasants. At present, during this temporary phase, the machine-tractor stations thus have a dual characteristic: on the one hand they significantly increase production in the cooperatives, on the other hand they attract the masses of small peasants to the idea of the cooperative movement.

The other factor which secures progress on the cooperative road for the general productive forces of agriculture, besides the development of the small peasant production, is planned economy. Planned economy is one of the guarantees for the progression instead of retrogression of the cooperative movement. In this regard the question of

investments, through which the even development of the agricultural sectors can be regulated, is important and decisive.

Honored comrades! Besides the knowledge of correct guiding principles, also of importance is the tempo and the sequence with which we validate these guiding principles. If we lose pace and advance at too rapid a tempo we may spoil things just as well. Patience means a lot to the peasantry. If we were to be impatient and force the peasantry onto the cooperative road, we would commit a grave error which would be very difficult to correct. We must be very careful about the tempo. We cannot jump over the preliminary phases, as it were. If we have not made the first step, let us not attempt to make the second one, because that would mean a very serious danger. It is very dangerous also, because if we dictate an incorrect tempo we shall lose the masses. For we should keep in step with them. Especially in the field of agriculture we should be extraordinarily careful not to lose the masses and to advance only by drawing the masses after us.

Honored comrades! Theory is only valuable if we can make it work in practice. In order to show how interdependent theory and practice, are, I should like to advance a few cogent examples. The Ministry of Agriculture in its present form undoubtedly is inadequate for the tasks which lie ahead of it in this new phase. The Ministry of Agriculture should be the direct organizer of agricultural production, and its main tasks should be the reorganization of production and management. With its present apparatus, however, it cannot perform this task. The solution of the new problems and the realization of the theoretical goals set therefore make it unconditionally necessary to reorganize the Ministry of Agriculture.

The other problem is the reorganization of the UPOSS. With the completion of the first phase UPOSS fulfilled its task. In this new phase, when we must convert to the new road of development, in its present form the UPOSS is inadequate for the solution of the problems which emerge as a consequence of development. Thus if we want to make UPOSS a mass organization of peasants, we must entrust to it entirely new tasks. There is, for instance, the FOK. The narrow and restricted scope of duties of the agricultural associations changed with the completion of the first phase. Now that development has commenced on the cooperative road, the FOK has become its backbone, and it faces the solution of grave new problems.

Comrades! I come to the end of my topic. There are many fairly complicated problems and tasks. The solution of these is ours,

Communist agrarian experts. We must understand that no one will solve them for us. But we can only solve them if we form a closer organizational and ideological contact between the agrarian experts and the Committee for Agrarian Policy. Then there shall be no difficulty that we can not master; then we shall come up to the expectations of the Party.

THE SEEDS OF DEMOCRACY BLOSSOMED IN THE SOULS

[Vol II, pages 80-74]

(Speech on 29 June 1948 at Kaposvar on the Holiday of New Bread.)

I cordially greet the farming people of Somogy and the workers of Kaposvar. It has been a long time since I have been among those to whom I feel closest, since I was born here in this area, in Kaposvar. I can travel much in this country, and still it is a rare occasion that I can come to Kaposvar. The peasant people of the province of Somogy are an industrious and busy people, and I may safely say that they have reasons to be proud. The people of Somogy have indeed found themselves in the people's democracy. If one comes home to Somogy and crosses the river of Sio his bosom swells with pride, his face breaks into a smile, and he views with happiness the industrious work that the peasantry of this province performs. Once Somogy was the home of large estates. Today there is no trace of this old large-estate system. Fifty thousand new landowners received approximately 300,000 holds of arable land. Almost half the province, which had previously been in the hands of princes, counts, and aristocrats, came into the hands of the peasantry, and by its industrious labor the peasantry disproved all of the stories by means of which the former owners, attempted to alienate the peasants from democracy after the land reform.

In Somogy the new landowners have demonstrated the fact that they are better masters of the land than the previous owners had been. The labor of their hands was rewarded by the generous yield of the land, and a greater portion of bread came to the table of every family. The people of Somogy are leading in the work competition in the country. They show what they can do when they work for themselves on their own lands.

This day has a symbolic significance. The city celebrates together with the neighboring villages. Even the intellectual class begins to understand the message of historical times. At whatever post it may stand duty, it must realize that it treads upon the only correct Hungarian road, on the road of national elevation, if it stays loyal to the people, if it serves the cause of the people. The intellectuals must realize that they must not deviate from the people, from whom they descend, and whose cause they are ordained to serve. Democracy will be complete when the intellectual class aligns itself with the toiling proletariat of the city and the toiling tillers of the soil. In our great national fights a hundred years ago the elite of the Hungarian intellectuals always espoused the cause of the people.

Today's celebration of Peter and Paul Day has a great significance, because by now it has become evident to everyone that the seeds of democracy took root in the Hungarian souls. During the past years reactionary circles have tried by all efforts to generate mistrust toward democracy. The pusillanious, the mistrusting ones, were not right; events proved them wrong, and this is realized by now by the wide masses of the Hungarian people.

But also from another aspect the celebration today is different from what it has ever been before. This year is the centenary, the hundredth anniversary of the war of independence. In 1848 the desire in the Hungarian serfs to work their own land as free peasants, instead of toiling as serfs on the lordly estates, was ardent. Unfortunately, in 1848 the cause of land failed, together with the cause of liberty. Only a few were able to take the new land into their possession. Today this old dream of the Hungarian peasantry has also come true. The only difference now between the old landowner and the new landowner is that while the old landowners became possessors of the land a hundred years ago during the course of the Hungarian bourgeois revolution, the new landowners came into their rights a hundred years later during the course of the fight for liberation. The time has finally arrived, therefore, when both the old landowner and the new landowner, as free peasants, can continue their joint struggle hand in hand in our Hungarian democracy, for their further emulation and for the blossoming of our democracy.

The past 3 arid years were as if the 7 lean years of the old testament had struck us. Bread was scarce and the result of the effortful labor of our peasantry was almost completely wasted. We looked to the holiday of Peter and Paul with a worried look again this year. But thank God, we now know that we may harvest a good medium crop this year. At least the land repays the many fruits of arduous and toilsome work; the good sowing seeds have sprung up and give broad in abundance. Our farmers shall harvest this year 20 million quintals of grains, as far as we can tell, that is, 5 million more quintals than last year. The effects of the good crop will undoubtedly show in every area of the economic life. Public supply will be better, more and better bread will get to the table of every Hungarian family. The increased revenue will enable the Hungarian peasant to intensify his farming by making larger investments; for this we have a great need with respect to our future tasks.

By this year's harvest a significant phase of agricultural work has ended. But at the same time there begins a new phase, the phase of work for better production and for more bread. Our farmers must

produce more, of better quality, and cheaper, in order to render the produce of the Hungarian agriculture competitive.

This has its prerequisites. One of these prerequisites is the increased revenue as a consequence of good crops. Another prerequisite is enlarged, ever-increasing investments by the state. Within the framework of the Three-Year Plan our governmental agencies will invest larger amounts in the development of agricultural production than in the past. A further prerequisite is the greater productivity of nationalized industry. The amount of goods produced by nationalized industry for the country's consumption increases from day to day.

But there is also another important prerequisite of the fulfillment of the greater tasks, and this is the security of private property. In this country the new farmer as well as the old farmer can be equally certain that no one will touch his property. We have liquidated the large estates, but at the same time we have created 650,000 small peasant estates. We are the enemies of the feudal capitalist large estates, but we protect the properties of the average man. The security of private ownership is guaranteed by the government, economic, political and moral principles of our democracy. No one need be afraid that anyone in this country would touch the private property of the common man.

The development of the cooperative network and its reinforcements, in order to insure advantageous purchasing and marketing, is a further prerequisite for the fulfillment of the tasks that lie ahead of us. The issue is that unless the Hungarian peasantry takes advantage of the benefits afforded by the cooperative movement, it relinquishes its chance to stand its ground in the agricultural competition that commences all over Europe. If we do not want our agricultural production to lag behind, then there is no other way than to reach for the effective weapon of associations.

Another important prerequisite of the development of our agriculture is the commencement of the agricultural work competition. Competition and rivalry between one another is an old tradition of our peasantry. What we want now is that our peasantry show their skill not in the taverns, but that they exert it in work competitions. That is where they should show who can really take it, as this competition is a contest in which everyone is a winner.

The government does everything for the mechanization of agriculture. Deep plowing is one of the best defenses against drought and necessitates strong soil-cultivating machinery. This is what the

organization of machine stations is called upon to supply, with the help of these it will be possible to perform this sort of work. Mechanization will lighten the work of the peasantry. Democracy wants to achieve that our peasantry, which performs perhaps the most difficult labor of all workers, be able to perform its tasks with less effort and sweat so that it may lead a more humane life.

All these prerequisites were created by the change that occurred in our economic life. We have nationalized big banks and large industry. Big banks were the most dangerous enemies of the peasantry. When the country was liberated, a debt of two billion pengos burdened the peasant estates. The peasantry can thank our democracy that by the nationalization of banks it has for once and for all ended the attempts to collect from the peasantry this enormous 2 billion pengos debt.

Our farmers recognized the great significance of planned economy only to a small degree. Planned economy means that the farmer produces goods, the marketing of which is secured and which can be sold to his best advantage. Planned economy also has the attribute that by through it the prevention of economic crisis becomes possible. The older farm generation still remembers the great agricultural crisis following the 1920s which shook to the foundations the production of our agriculture. If we do not want a repetition we must convert to planned economy immediately. Our peasantry would do well to observe the guiding principles prescribed by our planned economy and to apply them to its own activities.

Besides the great turns that our economic life has taken, far-reaching changes have also occurred in our political life. This is shown primarily by the fact that legislature can carry on its work in a peaceful atmosphere, that legislation is truly directed by the interests of the people, and that effective laws are promulgated one after the other to place the welfare of our nation upon solid foundations. In Parliament the so-called opposition, which is really the agent of the Hungarian people's enemy, is still able to create a smaller or larger storm, but it can no longer hamper the law-making process. This is proven by the parliamentary debate in connection with the secularization of schools. The debate was carried on in a peaceful, objective tone of voice by the coalition, whereas the "opposition" went to such extremes, pushed by its inimicable and hateful intentions, as to adopt the platform of traitors. Margit Slauchta sold our country to Anglo-Saxon imperialism so openly that she crowned her dishonorable conduct by remaining seated in Parliament when our national anthem was being sung. This is how far the opposition has sunk. Is this an opposition? ~~Not~~ it is an enemy. Parliament excluded Margit Slauchta

from Parliamentary work for one year. But I think that such "opposition" representatives have absolutely no place in Hungarian legislation.

Another characteristic feature of our democracy is stable popular government. After the political crisis that occurred in the past, the country now needs a strong government which manages the affairs of the country with a steady hand, a government whose every activity promotes the interests of the people. Yet not so long ago the country stumbled from one crisis to another. These crises used up immeasurable forces, whereas these forces could have been used for reconstruction. It was obvious that there could be no talk of quiet, productive work while the causes of the crises were not liquidated, while we had not crushed the nest of reaction.

We have completed most of this work during last year. After the treason of Ferenc Nagy, we also liquidated the Peiffer party. We created security, a life without fear in this country, where every honest man can now carry on with his own work. We have liquidated the coalition and materialized the slogan "but with the enemies of the people from the coalition." We achieved the closer cooperation of the democratic parties, and this tremendous work was crowned by the quite recent merger of the two workers' parties.

The merger of the two parties means an enormous political and moral strength to Hungarian democracy. This party, the workers' party, which is already at the head of the democracy, directs the spiritual order of the democracy and at the same time realized these goals which carry forward the cause of our fatherland. No well-meaning individual could deny the force and creative ability of our democracy today.

Once the saying was that politics is the trickery of the gentry. At that time this was perfectly true, but did this gentlemanly trickery fool our working people? Our people smashed and crushed the gentlemanly trickery, so well as never before in Hungarian history. Today the gentlemanly trickery is of no avail; the people will be masters unrevocably and forever; the people will be the ones who make politics. Democracy makes politics in a new way. We do not engage in politics behind closed doors, we engage in it together with the people, we stand before the people, we take to them our problems to be discussed by them and solve the problems while giving attention to their opinions. If anyone in the camp of reaction wonders where the great force of our democracy originates, our answer is that we derive our strength from the fact that we do not make politics against the people, but make them

with the people. This is why our policy is strong and unshakable, it is the working Hungarian people who stand on this land solid as rocks. Democracy commands an enormous force in life's every aspect; it is superior to the old system. But let us not believe that the old system has given up the struggle now, that it will depart from the political field of its own volition. No, it is still trying to attack our democracy from the back by artificial pretexts. This is what happened the last time in connection with the secularization of the schools, although this attempt resulted in failure. This failure was foreseen: the clerical reaction miscalculated, it overestimated its own force, influence, and underestimated the force of the Hungarian democracy, it scorned the love and confidence extended by the working masses to the Hungarian democracy.

The clerical reaction used the secularization of schools for making an attack against democracy. The main issue in this fight was not the secularization of schools but the fight against democracy by any means. Thus the reaction placed the thing in such a light that religion would supposedly have been harmed. However, democracy and religion got along very well; in fact, no one could exercise his religion as freely as in this country.

The great masses of the working people can view with the greatest of calm every aspect of the relationship of democracy and religion. This, however, is not true in the relationship of democracy and the church. The leaders of the clerical reaction want to bring back here the old oppressive system of Horthy. This is why the Church turned against democracy in the question of schools, although schools are a national question and not a question of religious denominations. We must educate the youth, so that they become good Hungarian patriots, real democrats, and one with the people. School education of a unified spirit is furthermore the fundament of our national culture. Without national self-consciousness, national culture, there is no national existence, and if the Hungarians want to exist on this earth and live a more beautiful and happier life than before, they must turn more attention to the development of our national culture and national self-consciousness. We can make no compromise in this respect, either with clerical or with temporal forces who want to place in opposition the feeling of religion and of nationalism.

To us Hungarian democrats our Hungarian nationality stands above all. If we would make religious denomination the yardstick of our Hungarian patriotism, our country would fall apart as an unbound sheaf. The great men of our nation, the Catholic Rakoczi and Szecsenyi, the Protestant Kossuth and Petofi, were raised the pedestal of immortality

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by the nation, not for their religion but for their Hungarian patriotism and progressive spirit.

The leaders of the clerical reaction, with Mindszenty in the lead, do not understand this. Mindszenty, previously Josef Pehm, stood against our national ambitions, feelings, and national traditions with a foreign spirit and even inimically. This led him to disgrace the memory of the 1848 war of independence. It is about time that a Hungarian clergyman heads the Hungarian Catholic Church at last.

The secularization of schools is now law, and with this we disarmed the reaction and took away the weapon by which it intended to keep our people in darkness and ignorance. We ended the monopoly of the old ruling classes which still remained in the field of science and made the sciences the public property of the Hungarian people.

All this however, would only be half a result if we made no further progress on this road. I can not be satisfied with our results up to date. We must establish, at any price, the peace of the souls which were stirred up by Mindszenty in his immeasurable hatred.

After the fight, which now, after the secularization of schools, has ended, we again offer our peace with the church. We offer it, so we can work together in a joint effort for a brighter, happier Hungarian future. We hope the Catholic Church comes to its senses as the Protestant churches already have, and we shall be able to progress together on the road to the Hungarian future.

In the field of foreign policy the work of the Hungarian government was also successful and the work that we have performed in one year is also characterized by successes and results. Hungarian foreign policy is characterized by a desire for peace. Our people know what war means. There are few people in Europe who have suffered as much from war as we. We want peace, and our foreign policy we depend upon those who are the inviolable guards of peace, primarily upon the Soviet Union, upon its gigantic economic and political force.

It was 7 years before the day before yesterday, on 27 June, that the reactionary Hungarian government declared war on the Soviet Union. We had never had any trouble with this neighbor of ours. The Hungarian ruling class conspired with our deadly enemy, the German imperialists, and declared war on our friend, on the Soviet Union. In doing so the Hungarian ruling class betrayed our most elementary interests and, led by their class interests, delivered the nation to its fate and pushed it into a catastrophe the like of which had not been seen since the

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OUR ARMED FORCES NEED BRAVE AND SELF-SACRIFICING OFFICERS

[Vol II, pages 75-85]

(Speech on 19 August 1948 at the first festival of the commissioning of lieutenants of Kossuth Academy.)

Comrades-in-arms!

I cordially greet you at this solemn moment when, having been commissioned as officers in the name of the Hungarian Republic you have strengthened your faith in our fatherland and our people with your oaths, when before leaving the walls of this Academy you have again professed your faith in the eternal, true ideals of the great Hungarian Revolution and War of Independence of a hundred years ago and in the great national genius Lajos Kossuth.

Your graduation as officers is a holiday not only to the Hungarian armed forces, but also to the whole country which cherishes with tender affection the glorious traditions of our army of a hundred years ago.

The souls of all of us are filled with joy when we see, although only after the passing of two generations, that the national demands of the 1848 revolutionary people become materialized after all. Of the historical Twelve Points of March, the fifth one was a demand for the establishment of a national guard. It was hundred years ago today, on 19 August 1848, that Lajos Kossuth accepted, on his name day, the bill of the revolutionary Parliament that dealt with the establishment of the military forces necessary for the defense of the country. When I commission you officers of the armed forces on this great day, which is doubly the heartfelt holiday of every working Hungarian, you must feel the great love, and respect our people have for you, now officers of the army.

Our militia was born in the blood bath of the War of Independence against foreign oppressors, in the tempest of the 1848-49 popular revolution. The ideal of popular freedom and national independence impelled it to perform those heroic deeds which elicited the undivided amazement and recognition of all progressive peoples.

One of the virtues of our young national guard of a hundred years ago that shines like a torchlight from the distant past is that it was a revolutionary army, in unity with the people, with the slogans of freedom, independence, and fraternity of oppressed people on its banner.

This had once kindled in the hearts of our ancestors their unsurpassable bravery and heroism.

As Lajos Kossuth wrote in his memoirs, "The glory of the past is a great national treasure. Great memories found a people's great future, because they are the fountains of great patriotic deeds. Such an unestimable treasure is the glory of the 1848-49 army, and it is your great and noble task, comrades-in-arms, to exploit and to utilize it in the development of the reborn Hungarian national guard."

Our past is rich in glorious traditions. But in the creation of our new defense force a decisive role is being played by the alliance of workers and peasants, by the people's rule resting on a solid national unity, which uprooted the old regime of the country and carried the people's democracy to victory. It ended the rule of the privileged classes and gave into the possession of the toiling peasants the divided large manorial estates; it turned big enterprises, mines, and banks over to the people's government, and is now gradually ending the exploitation of man by man, in the cities and in the villages.

It is also the people's democracy, the might of the workers, which enables you, the simple sons of the people, to gain familiarity with the science of war and to become officers from non-commissioned officers by the successful completion of the one-year officers' school. You came in the army from the people's recruits. Not that the people's democracy raises you to the rank of officer, do not for a moment forget on this your centennial to promote and strengthen the unity of our people and army with a devotion worthy of a sacred cause.

It was the people's democracy which in the form of the Kossuth Military Academy fulfilled the hundred-year-old plan of Kossuth, who wanted our army to be led by an officers' corps educated from the sons of the working people, of the workers, peasants, and intellectuals, by the establishment of a Hungarian Military Academy. You can be proud, comrades-in-arms, that you are the first ones who, after having left the walls of the academy, can implement the development of our defense forces by your everyday labor.

The great social transformation that has taken place in our country, the increase in our country's defense forces, the establishment of a strong national guard, has placed before our peoples' democracy the solution of essentially two great tasks. One task is to secure the army's material basis, its supply and its technical equipment. We can already boast of significant successes in industry, in one of the two main productive branches of our economy. The prominent results of reconstruction, which are viewed with astonishment by the world, even

by our enemies, the nationalization of large industry, big mines, and banks, the successes of the three-year economic plan and its completion 8 months in advance of target, above all the organized development of our heavy industry within the framework of our planned economy -- these are all factors of the increase of the country's economic power. Capitalist production which is based on the exploitation of laborers and on the profits of capitalists, is being displaced in an ever increasing tempo by a socialist industrial production of great productive capacity which is free of anarchy and crisis and which serves the people's and the country's interests.

Neither can agriculture lag behind in the development of our economy. It is now its turn to turn from extensive, low-level, small-scale farming to intensive mechanized farming that produces prosperity. Mechanization and the developing cooperative movement are those enormous levers with the help of which, through the far-reaching assistance of the people's democracy, the masses of millions of people can increase their agricultural production and can raise themselves from their peasant backwardness onto the road to abundance and prosperity, to the road of elevation, economic strength and socialist production.

The planned development of the economy of our people's democracy and its achievements today form a solid foundation for the country's economic strength, for the material well-being of our working people, as well as for an increase in the defense forces of our fatherland through the elevation of its economic, social, and cultural standards.

The other great task to be performed by our people's democracy, if we want a strong national guard -- and that is what we want -- is the education of cadres.

Without cadres the material basis, technology, is inanimate matter. However, in the hands of people who have mastered it, it performs miracles. We developed our industry and technology with vigor and success day after day. The main task now is to educate men who can master this technology in productive work as well as in the army.

The great social transformation which through the people's democracy leads to socialism, and to which we are all witness -- even participants -- is called upon to educate a new type of citizen under the new economic conditions, the cadres of a new order.

In industry the new thousands of shock workers and champions of labor competition swell the great legion of the developing new cadres.

In the production competition of agriculture, in the noble contest of hundreds of thousands of our toiling peasants, through the utilization of the most successful methods of production and of a high-level technology, thousands and thousands of "model farmers," the new cadres of methods of production, are educated.

The development of our army into a strong, combat-worthy, technologically well-equipped defense force also demands new and well-trained cadres. The significance of this becomes increasingly important, because in the organization of our army everything now depends on whether at the appropriate time and in appropriate numbers there will be cadres who are masters in war technology and experts in military science.

Technology, as I said before, is inanimate material, while the cadres are living people. And it is the noble duty of every leader of our defense forces to educate them with great care, to train them, and to respect them. The growing young cadres should feel at every step the protective care of the fatherland, the love of the people, and the fact that the whole country stands behind them with its enormous economic, political, and moral forces.

Comrades-in-arms! Having completed the one-year course at the Academy you have only received the foundation upon which you must base your further training. This was just the preparation, just the beginning. Now that you step out into life, get to your area of work, there follows the toughening and the struggle with emerging difficulties. The best cadres are those who do not avoid difficulties but face them and triumph over them. Our army needs such brave and self-sacrificing officers who weather every danger and difficulty. I am convinced that with you the officers corps of our army shall increase in such new officers, with such new cadres.

Comrades-in-arms! Years of relatively peaceful development have passed since the glorious army of the great Soviet Union liberated our country from the rule of the fascists and from the yoke of the German occupation. In the place of the old feudal class it was the people who took into their hands the direction of the country. The cause of peace, which in this world is one and indivisible, has not yet been won. The war preparations of the imperialist powers threaten the peace of mankind with bloody new adventures. Every new success of the countries of socialism and the peoples' democracies in the field of economic construction, inner strength, or in the development of the peace front, incites the savage fury and hatred of the imperialists. We must be vigilant, we must be prepared, so that we shall be able to

contribute with a greater force to the preservation of world peace.

Our strength is multiplied by the fact that we are soldiers of a just cause, the cause of the people's freedom and independence, the army of the peace of mankind, and by the knowledge that this just cause will triumph over all the world and will survive every ordeal.

Our power is multiplied by the fact that we stand on the side of the mighty Soviet Union, the leading country of socialism and human progress, in the global struggle between the imperialist front and the democratic peace front. We have an ally, the glorious Soviet army, whose patriotism and bravery, self-sacrifice and solidarity with the peace-loving peoples, stands as an example to be followed at all times, Comrades-at-arms.

And, finally, our power is multiplied by our friendly relations established with the people's democracies, by the treaties of mutual aid, which increases the unified force of those small peoples and enables them to repel every attack directed against them with a multiplied force.

Comrades-at-Arms! Cherish the most intimate friendship with the freedom loving peoples in the spirit of the great political traditions of our 1948-49 revolutionary experience and of Kossuth, above all with the countries of socialism, with the Soviet Union, whose people sacrificed the blood of thousands of their best sons for the liberation of our country.

With the lofty ideals of the freedom-loving peoples, let you be known as the banner-carriers of the great ideal of our national elevation, of national unity, and let you be the skirmishers of the National Independence Front, which is based on the worker-peasant alliance and which unifies the creative energy of all the working people.

Comrades-at-arms! To whatever post the command of your superiors may place you, you shall be everywhere and at all times, in peace as well as in war, faithful patriots, brave and self-sacrificing soldiers. Train your men to be the same. Let you be vigilant in the face of danger and be prepared and well trained for work and battle. Cultivate and cherish the sciences and war defense. In your organizational, educational, and training work a great responsibility is placed on your organizational, educational, and training work a great responsibility is placed on your shoulders: the people have entrusted you with their greatest treasure, with their best sons. This responsible work is a great honor, let you be worthy of the name that decorates the crest of

the Academy and broadcasts the glory of our 1948-49 Revolution and War of Independence.

Comrades-at-arms! Having completed your studies, you shall occupy your sentry posts among the ranks of our army officers. You shall commence the work for the creation of a strong and glorious army of the Hungarian Republic, of peace and security, of freedom and independence. I wish that the greatest success crown your future work. And if the imperialists force us to fight for our true cause, in the protection of our peaceful life and freedom, let your flags be wreathed with the laurels of victory.

Comrades-at-arms! Now to work, to live in honor, in peace, and war, and if necessary, to die for the fatherland!

The first day of the year 1950 is a day of great significance for the Hungarian people. It is the day when the Hungarian people, after a long and arduous struggle, have achieved the goal of their dreams: the establishment of a socialist society.

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ALLIANCE WITH THE MIDDLE PEASANTRY IS THE KEY
QUESTION OF OUR AGRICULTURAL POLICY

[Vol II, pages 84-95]

(November 1948)

Honored Party Committee

Among the Party's tasks the questions of our agrarian policy hold a prominent place. The key question is the question of our relationship to the middle peasantry. The errors committed by the Party in its agrarian policy stem essentially from the incorrect evaluation of the middle peasantry. These errors are responsible for the fact that we could not yet come to agreement as to the main questions of the transition from capitalism to socialism with the masses of the middle peasantry and that we could not make an alliance with them. These errors explain why the middle peasantry, in spite of the fact that we have inflicted heavy losses on large capital and have even liquidated it in the decisive economic sectors, has not yet taken a decisive turn toward the workers' class and its policy.

Honored Party Committee, in my speech I should like to deal with this one question, the question of the middle peasantry, and I should like to point out the causes and sources of the errors we have committed.

The first question that emerges is why is the question of the middle peasantry the first among our great tasks? Why did it become a key question?

During the first few years after the Liberation the poor peasant was the central factor of the village. It was so not only in the sense that he was the firmest support of the workers' class in the village -- the poor peasantry still is that today and shall remain so tomorrow and during the entire phase of the transition to socialism -- but also in the sense that on the front of the provincial class struggle the middle peasantry played no decisive role. The first was carried on between the poor peasantry and the kulaks.

This situation has changed substantially now that the tasks of economic reconstruction, and especially now that the tasks of socialist construction have come into the fore in the village. By now, the middle peasant has become the central factor of agriculture. But the circumstances of the provincial class struggle and of the worker-peasant alliance in the village have also changed. Simultaneously with the

building of socialism in the city, the fight had also commenced in the village for the restriction of the kulaks, the capitalist exploitative elements of the village, and for the laying of the foundations for the transition to socialism. The working class can not perform this enormous task by relying merely upon the poor peasantry without an alliance with, and without the active and effective support of, the middle peasantry. Thus while during the period subsequent to the Liberation the poor peasant opposed the kulak in the front of the provincial class struggle, during the stage of socialist construction, as Lenin said, the middle peasantry must also be aligned with the proletariat and the poor peasant masses.

In the front of the class struggle, victory depends on whose ally the middle peasant is. Is he the ally of the proletariat and the poor peasant masses who struggle for socialism, or of the kulak capitalist elements who fight for the restoration of capitalism? Without the middle peasantry it is impossible to advance upon the road to the liquidation of capitalism and the building of socialism. This is why the middle peasant question holds such a prominent place among our Party's tasks; this is why the middle peasant question became the key question of our agrarian policy; this is why the middle peasant became the central figure in the village.

The basic fault, in approaching the question of the middle peasantry, in my opinion, is the underestimation of the middle peasantry's role and significance during the transition stage in the fight between the force of capitalism and socialism.

Of course it is no easy task, Honored Party Committee, to form the party's viewpoint in relation to the middle peasant question during the transition stage under the complex conditions of class struggle and socio-economic development. The following is a quotation from Lenin: "We must determine our relation to the class which has no certain, concrete viewpoints. The proletariat in its totality is on the side of socialism, and the bourgeois class in its totality is against socialism. It is easy to determine the relationship between these two classes. When, however, we turn to a stratum such as the middle peasantry, we find that this is a class which vacillates. This class is partly property-owning, partly working. It has had to defend its position throughout the decades with the greatest effort. It has felt the exploitation of the landowners and capitalists, it has had to tolerate a lot, but at the same time it is still property-owning. Therefore it is tremendously difficult to determine our attitude toward this vacillating class." (Lenin's Works, Vol. 29, Siskra, 1955, page 204). But despite all the difficulties, we do have to

perform this work.

Now let us examine, comrades, the reason why the membership of our Party, even today, underestimates this question of determinative significance, the question of the middle peasantry, why it still does not realize the enormous importance of it from the viewpoint of the socialist formation of the village.

One reason is that the teachings of Lenin and Stalin concerning the stratification of classes in the villages have still not become commonly known to our entire Party membership. They are ignorant of the criteria, of those economic and social principles, which determine decisively the situation of each particular stratum, and they know nothing of the characteristics and peculiar conditions which determine decisively the situation of each stratum. They know just as little about the characteristic and peculiar conditions which differentiate the individual strata from one another. All this can lead to serious mistakes.

"If we mistake the middle peasants for kulaks," said Lenin, "that means that we violate in the most flagrant way not only the degree of Soviet power and its policy, but also the fundamental principles of Communism according to which the alliance of the proletariat with the middle peasantry is the prerequisite of the painless conversion to every sort of exploitation" (Lenin's Works, Vol 29, Szikra: 1953, page 215).

In order to alleviate these errors of ours we must make these teachings the common knowledge of our entire Party membership, the sooner the better.

The second reason for our errors, in my opinion, is that we have not been able to make our Party membership, especially our provincial Party functionaries, understand the dual characteristic of the middle peasantry. We know that the middle peasant is on the one hand a toiling working man, on the other, a small property owner, a small-scale producer. As a worker he is drawn toward the proletariat, as a property owner and producer of goods he is drawn toward capitalism. He vacillates between the two until the proletariat, partly by its far-reaching assistance to the middle peasantry, by an attentive attitude toward its needs, and partly by an unrelenting and merciless fight against capitalist elements, ends the vacillation of the middle peasantry and aligns it with the working class. The main task is to exert influence on the vacillation, on those vacillating, while not for a moment relinquishing the fight against the kulaks, but relying solidly on the poor

peasantry. Naturally we do not want to effect an alliance with the middle peasantry under just any conditions. We by no means support the capitalist ambitions of the middle peasant. But in every such case where the issue is of vital interest to the middle peasantry, the Party endeavors to reach a practical agreement with it, and respect to the termination of the method of the realization of the socialist transformation it makes allowances, as Lenin taught. We can have nothing against the middle peasantry. Perhaps they are not socialists, and never will turn socialist, but experience will convince them of the advantages of the collective farming of the land and the majority of them will not resist it," Lenin wrote (Lenin's Works, Vol-28, Szikra: 1952, p 175).

I have quoted Lenin several times, because it has become exceedingly important that we see clearly how Lenin determines the Party's viewpoint with respect to judging the dual characteristic of the middle peasant.

From the misunderstanding of the dual characteristics of the middle peasantry and from ignorance of the teachings of Leninism comes the grave error that our comrades in the provinces see only one characteristic of the middle peasant, frequently only the characteristic of a property owner and producer of goods. Thus they place him in the same class as the kulak and cause immeasurable damage to the Party and the cause of socialism.

The third reason for our errors is the incorrect evaluation of the differentiation of the peasantry in the era of the transition from capitalism to socialism. What is the essence of this error?

Under capitalist conditions the differentiation of the peasantry occurs through polarization, which means that one part of the peasantry becomes kulak-capitalist, a greater portion merges with the proletariat, and the middle peasantry dwindles away. Under these conditions, under the conditions of capitalism, the middle peasantry dwindles away and its significance constantly decreases. The two main forces in the village are the poor peasant and the kulak.

The error stems from the fact that even today the general view dominates within wide circles of our Party membership that the differentiation of the peasantry in the village still occurs in the old way, through the process of polarization. If this were true, it would mean that only capitalist tendencies have an effect on our agriculture, that

no changes occurred in the village, and that agriculture develops by the old process. We know, however, this is not true. In the class stratification of the villages it is not that large capital, large industry, and big banks that have an effect as factors of the peasantry's capitalist differentiation, but that socialist industry and credit organizations have taken their place.

The socialist factor, in contrast to the capitalist factor, now no longer works toward polarization and toward the disintegration of the middle peasantry, but toward equalization. The land reform has also had a similar effect, just as the measures in the field of taxation, credit and cooperative policy, for the aid of the small and middle peasantry, and the measures aimed at the limitation of the kulaks' power.

Of course, besides this, capitalist effects also operate in the stratification of the village as a result of small-scale production, which generates capitalist conditions -- but these are limited to a narrow compass and their significance constantly decreases to an ever greater extent.

What do we see? We see that under our circumstances during the transitional phase it is not only capitalist factors that have an effect on the stratification of the peasantry (and this to an always lesser extent), but also socialist factors (and these to an ever greater extent). In our country, where the power is in the hands of the working class, where large industry and credit organizations are in the hands of the proletariat, one can not, even in the village, speak simply of capitalism. There occurs a twofold process: the fight between socialism and capitalism, with the always increasing ejection of the capitalist elements. Under such circumstances the differentiation of the peasantry is not only unable to assume the previous proportions but changes in its fundament, in its essence. With the constantly decreasing polarization, the equalizational effects of socialism gain increased validity. The middle peasantry does not dwindle away, but becomes prosperous and forms the main bulk of the peasantry. Because of the economic and other measures of socialism, because of forcing the retreat of capitalism, the strength of the kulaks becomes limited and their chances for regaining power are always smaller. In contrast to the capitalist past, during the present phase of transition the strata of the two extremes, the poor peasantry and the kulaks, are no longer the main force in the village. Besides the poor peasantry, it is the middle peasantry that is becoming the main force.

It is one of our very important theoretical tasks that we liquidate this old but still widely prevalent view concerning the differentiation of the peasantry, and that we work out this problem in relation to the phase of the transition from capitalism to socialism. Until we have completed this task our Party members will hardly be able to adopt a correct viewpoint in regard to the middle peasant question. They do not understand, and they can not understand, how the middle peasant has become the main force of the village, and this leads to the unpermissible underestimation of the middle peasant's significance.

The question of the so-called "kulakization," which is widespread within the Party and also outside the Party, is connected with the differentiation of the peasantry. The view has become adopted according to which there occurs a large-scale process in our agriculture which brings about the large-scale transformation of the new and old farmers of the small peasants and middle peasants, into kulaks. We know that the restriction of the kulaks is no simple and easy task, we know that certain kulak strata prosper despite the restrictions. But it is extremely dangerous to exaggerate as the view concerning "kulakization" does.

What does this sort of exaggeration lead to? First of all, to the overestimation of the kulaks' power (simultaneously with the underestimation of the middle peasantry), which drives the small and middle peasantry under the influence of the kulaks. Secondly, it leads to the fact that the peasants, in general and the middle peasants in particular, are regarded more and more as kulaks and are treated accordingly.

What lies behind the overexaggeration of "kulakization"? If there is such a mass-scale production of kulaks, then that would mean that the rules of capitalism operate in the differentiation of the peasantry, and that this would occur, in contrast to the past, to an increased extent. The false perspective of such a sudden development and reconstruction of capitalism is likely to drive a wide strata of the peasantry -- particularly the middle peasantry -- toward the capitalist strata, and thereby render the execution of our basic policy, the separation of the middle peasantry from the kulaks, extraordinarily difficult. This exaggeration can also furnish the basis for such erroneous views as that the main question of the transitional phase is not the middle peasant question but the question of the kulaks. The view concerning "kulakization," besides being dangerous, is also fundamentally erroneous. What is at issue? The issue is that with us, as I have already mentioned in my discussion of the question of

differentiation, no process of "kulakization" of such proportions could occur. What does occur is -- and this is decisive -- a substantial economic betterment in the circle of the small and middle peasants, equally among the old and new farm owners. Under our circumstances this economic strengthening is a very understandable and natural process which is the direct result of the decrease of extremes and of economic leveling. For instance, in the Soviet Union during the 10 years following the Great October Socialist Revolution substantial changes occurred in the class structure of the village. The proportional number of small peasants shrank from 65 to 35 %, that of the Kulaks dropped from 15 to 5 %, and at the same time the proportional number of middle peasants rose from 20 to 60 %.

Nowadays the same rules operate with us, even if under different conditions. Therefore there could be some distortions in the proportion of development, but the trend of development can not be different. It could not be the opposite, and "kulakization" would essentially mean just that. With us there also occurs the numerical and economic enrichment of the middle peasantry. But to exaggerate this process and to label it "kulakization" is dangerous and completely erroneous. If we want to correctly solve this decisive question, the middle peasant problem, we must get rid of this erroneous view as soon as possible.

Honored Party Committee!

Before I conclude my speech I would like to discuss one more question. Lenin set three unified tasks for us regarding the question of the Peasantry, after the consolidation of the power of the proletariat: (a) to depend on the support of the poor peasantry, (b) to effect alliance with the middle peasantry, and (c) to not for a moment relinquish the first against the kulak.

It is a serious error of our work in the village that we have not applied in their unity and entirely the three interdependent and indivisible slogans. We follow a more correct and good policy with respect to winning over the poor peasantry, the firm support of the working class in the village, but regarding an alliance with the middle peasantry we have been unable to adequately apply the Leninist-Stalinist teachings. Therefore we have not achieved the results on the other front that the development of the provincial class struggle and social transformation demand. The ultimate reason, the ideological reason, lies in the fact that we lagged behind, and that in the operation of the Party the work in the village is the weakest activity.

Our policy was clear with respect to the poor peasantry, but not with respect to the middle peasantry. However, the most difficult and the greatest tasks stand before us in this field. We have carried on a one-side policy, we have only fought on one front, once for winning the poor peasantry, once for the rejection of the kulaks, but we could not unify these efforts with the fight for winning over the middle peasantry.

Honored Party Committee!

In my speech I have attempted to outline briefly the reasons for the errors committed in the middle peasant problem. We have not developed the important ideological questions of the transitional phase; we have not made the Leninist-Stalinist teachings concerning agrarian problems the common treasure of our Party membership, especially of our Party functionaries of the village; we have made no timely correction of errors; we have not liquidated by adequate criticism and self-criticism the mushrooming erroneous views.

I have covered only a few questions, and not even the most important ones, in my speech. Numerous highly important agrarian problems of the transition from capitalism to socialism await clarification.

The errors committed in our agrarian policy and in its decisive question, the question of the middle peasantry, warn us to adopt a new method, because otherwise life will speed by us as an express train passes a horse-drawn carriage. We must perform a better and more thorough work in the factor tempo that life dictates, in order that the construction of socialism may successfully continue in the village.

THE SIGNIFICANCE OF THE COOPERATIVE IN THE DEVELOPMENT OF AGRICULTURE

[Vol. II, Pages 96-118]

In the economic field there are numerous problems yet to be solved by our people's democracy. Of these, current development now places the question of cooperatives in the foreground. This represents the next task that we must perform, besides the nationalization of large industry and of big banks, so that progress can be made on the road of the people's democracy in every branch of our country's economy. Thus, besides big industry and credit institutions, there is also the agricultural problem.

In the fall of 1946 the Third Congress of the Hungarian Communist Party first signaled the importance of the cooperative question. The third national conference of Party functionaries held on 10 January 1948 had already issued the slogan "eyes to the cooperative," and thereby made the cooperative problem the focal point of our Party's tasks. The work of clarifying this problem for the Party in the field of theory and practice has been carried on since then. It is the aim of the following comments to contribute a few viewpoints and to discuss a few problems. The task is difficult, because the question is complex and many-sided. Its solution is undoubtedly a great challenge to the Marxist economists, as well as to the practical man of the cooperatives.

Even if it has come to the foreground of our economic problems only now, the cooperative question is not a new problem: it has now than once emerged since the Liberation. But the way it has now emerged differs radically from the way it has emerged previously.

Immediately after the Liberation, when our economic life was in complete chaos, the small bourgeois managers who were at the lead in the cooperative movement incorporated, without any reorganization, the cooperatives we had inherited from the past into the new system because of the erroneous view that the cooperative was in itself a democratic or even socialist institution. With the "salvaging" of the old cooperatives, however, the representatives of capitalism wanted to secure the exploitation ambitions of large capital in the villages. This originated the great error by which these old cooperatives with capitalist characteristics became the fundamentals of the democratic cooperative movement. In retrospect, we can also see that it was an illusion to believe the cooperative is a democratic institution in itself, and that it was also an illusion to believe that, purified and reorganized, these cooperatives could have played their proper role in the democratization of our economic life. It is obvious that while our economic life was dominated by capitalism there was no chance for that.

During the period of unrestricted capitalism the cooperative is also a capitalist institution, and, as Lenin said, it is a collective capitalist institution. It logically follows from this Leninist principle that the real cooperative, which is not capitalist but a democratic institution, can only come into existence after the end, or at least after the serious restriction, of capitalism. This is well proven by our agricultural associations, which, as is well known, were created in the footsteps of the demolition of the large-estate system and so far have been the sole representatives of the democratic tendencies in our cooperative movement. We must also be aware, however, of the fact that if the loss inflicted upon our agrarian capitalism in only one sector, and not even the most decisive sector, were not followed by far-reaching measures for the termination of capitalism in the two main capitalistic sectors, that is, large industry and big banks, then the agricultural associations could not have been permanent democratic institutions.

The cooperatives that remain from the past as our inheritance were collective capitalist institutions, not only because they were dependent on large capital, large industry, and big banks, but also because their management was directly in the hands of capitalists and their supporters. Although the cooperatives are usually collective capitalist institutions in the capitalist production system, there can also be some cooperatives of a democratic character, if the workers are organized and their management is revolutionarily democratic. However, it is evident that these old cooperatives, as well as those which were democratic even under capitalist conditions, both as to the make-up of their membership and as to their management, will remain permanently and solidly democratic institutions only if a radically democratic transformation occurs in the socio-economic conditions. If we approach the problem in this way, and this is the only correct approach, we must come to the conclusion that the condition of a truly democratic cooperative movement has scarcely been in existence in Hungary. The people's democracy could only achieve this now, with the possession of the political power, with the nationalization of industry and big banks. It is not accidental, therefore, that the cooperative question comes into prominence now in the new way as a truly democratic popular movement. The Leninist principle that the cooperative movement is dependent on the prevalent socio-economic formation is thereby proven. This shatters the small bourgeois illusions that surround the cooperatives, according to which the cooperatives could and the exploitation of the workers and achieve their liberation even under capitalist conditions of production. Such and similar illusions are only likely to turn away the workers and peasants from the road of the fight against capitalism and against the sort of illusions that serve the interest of capitalism.

The increase of the production forces is the prerequisite of every social advancement and economic development. In contrast to unrestricted capitalism, a people's democracy represents advancement if by the increase of the production forces it multiplies society's material and spiritual values, and thereby constantly raises the living standard of the masses of the people.

working people. The question emerges as to whether the cooperatives also increase the production forces of society under capitalist conditions. Undoubtedly yes. But since the capitalist way of production is the basis of society, it is obvious that the cooperative, which is a collective capitalist institution, increases the production forces of capitalism. Here the decisive difference that exists between the capitalist and socialist development of the production forces must be pointed out. This must be pointed out especially since from the correct explanation or misunderstanding of the question there arises the already-mentioned dangerous illusions which we see in the cooperatives, which digress from the realistic socio-economic conditions as the means for the achievement of democracy and, beyond that, even of socialism.

Under the conditions of capitalism the cooperatives do not change the capitalist method of production and its principles; on the contrary, they support and promote it. They accelerate the concentration of capital and labor which accomplishes the increase of the production forces through the eradication of the masses of small producers and through the concentration of capital in the hands of a few; that is, the cooperative performs completely the functions of capitalism, from which it logically follows that without the cooperatives development occurs in exactly the same way. Still there are some who attribute the development of the production forces in capitalism, especially in the field of agriculture, to the cooperatives, and they cite as examples the Western capitalist countries which have an advanced agrarian production. They are wrong and are mistaken. The Western countries' higher type of agrarian production, which rests on more advanced production forces, is not the result of cooperatives, but rather the result of the fact that in the agriculture of these countries capitalism was able to develop free of the restrictions and vestiges of feudalism in the so called "American" way.

During the period of unrestricted capitalism the main task of the cooperatives is not the development of the production forces, but the organization of the widest masses of consumers and small-scale producers for capitalist exploitation. The fact that during unrestrictive capitalism the cooperative serves the capitalist development of the production forces, and that at the same time it is the means for the exploitation of the consumers and small-scale producers, appears as a contradiction only to the superficial observer. There is no contradiction, but there is the closest connection between the two, because the capitalist development of the production forces of the social economy can only occur through the exploitation and ruination of the masses of consumers and small-scale producers.

The overestimation of the role of cooperatives in capitalism is the source of the gravest errors in the cooperative question, which is manifested primarily by the fact that the functions of capitalism are attributed to the cooperatives. This is a grave error, because the cooperative is no essential ingredient, no necessary result of the capitalist production system. Capitalism performs all its social and economic functions without the cooperatives, as well. This is how we arrive at the basic and

decisive difference between the role, calling, and task of the cooperatives under capitalism and in the people's democracy. There are two basic ideological differences. One is in the field of the development of the production forces. In contrast with the past, this question emerges in the people's democracy in a new way. While during unrestricted capitalism the development of the production forces in agriculture was not based on the cooperatives and they had no important role therein, in the people's democracy the cooperatives have a decisive role in this field, which is played not through the method of capitalist monopolies, that is, by the economic ruination of a wide strata of consumers and small-scale producers, but by a democratic method, that is, by the increase of the economic power and productivity of the strata of small-scale producers.

The other basic ideological difference concerning the role of cooperatives, in contrast to capitalism, is that in a people's democracy the cooperative is not only an inseparable part of the economic system, it is the main means of development in the decisive branch of production of the country's economy -- agriculture. People's democracy and the cooperative movement are therefore inseparable. A people's democracy can not develop and can not become strong without a wide development of the cooperative movement, but at the same time no large-scale cooperative movement can be formed without the development of the people's democracy. We can see, therefore, that there is a decisive ideological difference in the way the cooperative question emerged before and is emerging now. The foundation of these great ideological differences was formed by those far-reaching changes which occurred in the political and economic conditions of the country. Let us review these fundamental changes which in their essence are nothing but the effects of the political and economic measures taken by the people's democracy for the restriction of capitalism, its destruction and termination.

The first big step was the land reform. Although this was essentially aimed against the feudalistic vestiges in the large-estate system, undoubtedly it also inflicted serious losses on capitalism in general. First, because in an era of finance capital, when agrarian capital is bound to large industry and big banks by thousands of ties, every loss inflicted upon agrarian capital also has wide repercussions in other branches of large capital. Secondly, because with the termination of the large-estate system he liquidated large capital in a very significant branch of the country's economy. And, thirdly and finally, because with the demolition of the economic basis of the feudalistic large capital method of production in agriculture, we also terminated the political influence and power of the former ruling classes.

It may be well to stop for a while while on the subject of the economic significance of the land reform and its effect upon democratic development, in order to clarify certain erroneous and cloudy views. Not to speak of non-Marxist agrarians, we can find in our ranks some who believe that, although by the liquidation of the semi-feudalistic large-estate system, the land reform had terminated the so called "Prussian" way of capitalistic development in our agriculture, it thereby formed the foundation for the freer "American" way of capitalist development, which is free of feudalistic remnants. We have already established above that the land reform demolished not only the feudalistic vestiges in agriculture, but also the foundations of large capitalist production, and that this had restricted the "American" type of unrestricted capitalist development to narrow limits. It is true that it had not completely terminated the possibility for such development, as we know that the kulak farms are of a capitalist character and that the small peasant farms, by their small-scale production, beget capitalism day after day. But the possibility for the "American" type of development has been significantly decreased with the loss inflicted on large capital by the land reform.

The second big step in the field of the restriction and gradual elimination of capitalism, and, therewith, of the so-called "American" type of development of agriculture, was the nationalization of large industry and big banks. This meant nothing less than the gradual eradication of finance capital and, therewith, of large capitalist production. Although this decisive change that occurred in our economy did not completely terminate the conditions for the capitalist development of agriculture, it restricted them to such narrow areas that the prospects of the so-called "American way" as the development method of agriculture were curtailed. Let us not misunderstand that the "American way" of capitalist development had ceased to exist as the main way of development of agriculture. The fact is that the possibility for turning to such a way of development has not been terminated. It will undoubtedly decrease in proportion to the extent our economic system and political power become democratized. We have reached the stage where we have liquidated the "Prussian" way and have also to a significant extent terminated the conditions for the "American" type of development in agriculture; therefore, for the most part we have done away with the main methods of capitalist development, but we have not yet laid the foundations for the non-capitalist people's democratic development. It is this enormous, difficult, and complex task that we must solve. It is in connection with the liquidation of the "Prussian" and "American" type of capitalist development that the problem of the cooperative, the only reasonable way of agricultural development, came to the fore.

The cooperative question therefore did not emerge by chance, but through economic necessity. It emerged as the main road of agriculture's noncapitalist development. Thus the cooperative becomes the fundamental factor of the economy of the people's democracy its organic part, without which the economic development of the people's democracy is impossible.

Decisive tasks await the cooperatives in the field of developing the production forces of our agriculture. The most important and, in its dimensions, the biggest task is to create the conditions for the parallel development of our agriculture along with that of nationalized large industry, that is, to secure the unity of our economy, which during unrestricted capitalism did not wholly exist and had even disintegrated to a great extent. When we speak of the unity of the economy of the people's democracy we must clarify a few points. We do not suggest that this economy, which during unrestricted capitalism consisted of uniformly capitalist sectors, should now become uniformly socialist. This is a more distant task. The task now is that the two main branches of economy, industry and agriculture, develop uniformly in the same direction from capitalism to socialism, and that the tempo and level of this development become equalized. This is the main task during the transitory phase which is represented by the people's democracy, the task which in the field of agriculture must be performed by the cooperatives.

Under capitalism the basis of the machine industry's development was formed by enlarged production and its consequent increased accumulation of labor, of course in a capitalist way through the increased exploitation of labor. The condition of development is the same in agriculture as in the machine industry: enlarged production and accumulation. In industry it is the concentration of capital and labor -- the most prevalent form of which is the corporation -- that secures the aforementioned conditions of development, enlarged production, and accumulation. Under capitalist conditions of production, however, the concentration of capital and labor is disproportionately smaller in agriculture than in industry, and is possible only in certain estates, mainly in large estates. This means that because of the conditions of production and ownership hundreds of thousands and even millions of peasant farms have no opportunity for enlarged production and accumulation and therefore lag behind in their development. Production and accumulation are also at a lower level in the capitalist large agricultural enterprises than in industry; and since the more significant part of production on the small peasant farms is carried on by means of simple reproduction, the general development of agriculture remains far behind the development of industry. By means of large-scale accumulation the development

of industry accelerates. Thus agriculture always remains farther and farther behind. Agriculture becomes a colony, an area for the exploitation of industrial large capital, which sharpens the conflicts between the two branches of production and, beyond these, the conflicts between the city and the village. In spite of the identical conditions of production, capitalist conditions dominate in industry as well as in agriculture, so that industry must surpass agriculture, and the city automatically must surpass the village.

With the nationalization of large industry and big banks the democratic people's rule terminated capitalist profit in these sectors. It thereby placed the reproduction of the production forces and, therewith, accumulation, on firmer foundations. Not only the character, but also the amount, of accumulation has changed, since it is no longer brought about by capitalist exploitation and profit. If we add to this the fact that all this occurred parallel to the transition to a planned economy, we can establish beyond all doubt that the development of nationalized large industry has significantly accelerated. At the same time we can also observe that during the past 3 years there has been no sign of such a development in agriculture. As we have said before, besides the feudalistic vestiges, in agriculture the land reform had also demolished large capitalism, and thereby it had helped to create the conditions for agriculture's deviation from the road of capitalistic development to a significant extent. But while large industry, through its nationalization, had already taken the road leading to socialism, this did not happen in the case of agriculture. The departure from the road of capitalism occurs in large industry with the simultaneous increase of the production forces, and increasingly more advantageous conditions of development come into existence. Thus the people's democracy already rests upon solid economic bases in this sector.

The liquidation of capitalism in these economic areas and the radical changes that occurred in the industrial and financial sectors have substantially facilitated and promoted our agriculture's deviation from the road of capitalism and its turning to the road that leads to socialism. In spite of this, however, the gradual liquidation of the capitalist method occurred in agriculture through the transition to the system of small estates and to the resulting small-scale farming, which means that the transition was followed not by an increase of the production forces but by a decrease. Under these conditions, in spite of the fact that the form of government is that of a people's democracy, in spite of the fact that capitalism has generally regressed in our economy, and, in fact, in certain areas has ceased to exist altogether, we can not speak of a unity or even development of our economy. In nationalized large industry the development toward socialism has increased, but its enlarged production and large-scale accumulation. At the same time, the dwindling of the production forces in agriculture has greatly hampered progress. Thus at a constantly increasing pace agriculture lags behind big industry. Naturally the democratic economic

policy, as well as the investments of the Three-Year Plan, increase the production forces of agriculture to a certain level. But compared with the larger and more accelerating development of nationalized large industry, agriculture falls ever farther behind. We can not count upon spontaneous development, that is, that the nationalized industry would automatically draw agriculture along with it. There is a basic difference between the characteristics of the two: one is essentially a socialist economic type, or at least approaches it on a secure road; the other one, however, is a small-scale producing economy which nurtures capitalism day after day. To resolve the controversy extant in the present phase of the development of the economy of the people's democracy, to create the conditions for an increase in agriculture's production forces, to place production on the basis of enlarged production and accumulation, and to lead agriculture to the road toward socialism — these are the tasks of the cooperative movement.

The question arises as to whether the cooperative movement is able to carry out these enormous tasks. Undoubtedly, in an economy that rests upon a small-estate system and a system of small-scale production, the cooperative is the more adequate, and, it can be said, represents the only way in which the conditions of development toward socialism, the concentration of the material means and of labor, enlarged production and accumulation, can come into existence. This is generally true and correct. The question, however, is much more complex than to permit the disposal of it by a simple answer. Let us examine the various production categories and also examine, in their interaction, the simpler and more advanced types of cooperatives.

Economic development is uneven even under the conditions of a people's democracy, especially in the initial period; not only between the main branches of production, between industry and agriculture, but also within agriculture, in contrast with the nationalized industry, where on the basis of a planned economy the development is even. Development in agriculture is and shall remain uneven for a long period yet to come, even after the transition to the cooperative way. What is the cause of this uneven development? Hungarian agriculture unifies various methods of production, each of which attempts to develop our economy by different methods. There is a numerically small but economically strong kulak class which wants to continue its progress on the capitalist road and wants to develop its progress by the maintenance and even extension of its capitalist profit and exploitation. The medium peasantry is a large class which possesses most of the land and has a decisive influence in agricultural production. During a long phase of the development of our people's democracy production depends on this class, especially since the division of large estates has reduced the farms that produce for the market by one-third. The greatest class numerically, but not

with respect to the amount of means of production it possesses, is the small peasantry. This is the class that was primarily aided by the land reform. Their farming methods, and therefore their production of goods, is underdeveloped. When they take a part of their produce to market, they do so at the expense of their own needs.

These three main productive categories are related to agricultural development, to its prospects, to its means and methods, thus primarily to the cooperative movement and to the simpler and more advanced types of farms, each in a different way. The kulaks as a class undoubtedly want to continue their advance on the capitalist road. If in some cases they are not opposed to the simpler type of cooperative movement, this can be explained by the fact that they have tried to use the cooperatives, the same as in the past, for their capitalist interests and in the service of their exploitation ambitions. The toiling peasant's attitude toward the cooperatives is basically determined by its dual character, stemming from the conditions of production. As a common working man he wants to take the road of the people's democracy that leads toward socialism, as opposed to that of capitalism, and this road is represented by the cooperatives. As a small property owner, however, he does not want to break the ties that bind his farm to capitalism.

It is obvious that the peasants' relation to the cooperatives is determined not only by his position in production in the fashion of large social categories. The main road of the development of agriculture without doubt shall be the cooperative road, but until this is the only road, development will progress on other roads as well. Essentially, there will be two roads of development side by side: the cooperative and the noncooperative roads. In fact, for a long period to come cooperative development itself will also progress upon two roads. The road of simpler and of more advanced associations. It would be a mistake to think that there are only organizational, formal differences between the two. The more advanced type of cooperatives will create the conditions for the large-scale development of the productive forces, the concentration of material means and labor, without which there can be no development that significantly increases production and without which it would be impossible to approach the standards of industry. The simpler cooperative type does not effect any great concentration of material means and of labor, and through a certain broadening of production and accumulation it presses it into a narrow framework and thereby makes the transition to socialism slow in contrast to the higher type of association, which accelerates this transition and the elevation of the standard of production. We must foresee, therefore, that the development of agriculture under the conditions of the people's democracy will also be very uneven. Besides the cooperative sector, within which, as demonstrated above, there will be differences of ideological significance, we must also reckon upon the noncooperative sector which is not limited to the kulaks but also includes other sectors of the peasantry.

It would be an error to view the noncooperative agricultural sector as a capitalist sector in contrast to the democratic cooperative sector, which opens the road to socialism. It is true that this sector contains kulak farms of capitalist characteristics, but most of them are farms of small and medium peasants which base their small-scale production upon their own labor and which, by their dual character, are not capitalist farms. But the noncooperative sector can not be included in the capitalist sector in its entirety, because the radical transformation that occurred in our economy through the nationalization of large industry and big banks has decisively changed the conditions of development, in that the nationalized sector that develops toward socialism took the place of large capital and the economic effect of this also had its results in the non-cooperative sector. Consequently the capitalist tendencies which also exist in the small-producing farms will become more and more limited during the course of development. The uneven development, which clearly exists also on the basis of the above, and which remains during a significant phase of development, even if only to a decreasing extent, does not mean that the cooperative sector will develop toward socialism and that the non-cooperative sector will retrogress to capitalism. It means that, with the exception of the capitalist farms, the noncooperative sector will develop on the road of democracy toward socialism and will thus reach the determinative step of the transition from individual farming to associative production.

These circumstances have already answered the question as to whether, beyond political considerations, we should take the course of the greatest possible development of the productive forces of the noncooperative sector out of economic considerations, and if so, whether we strengthen the capitalist tendencies thereby in our agriculture. On the basis of the above we can give a negative answer. Certain capitalist dangers undoubtedly will continue to exist, especially in case the political and economic development of the people's democracy should halt or something should force it back.

The uneven development within agriculture is without doubt only a transitory phase. There will finally be equalization, and in this the cooperative movement will have a decisive role. Equalization will first occur in the cooperative sector. The development of the production forces is of the greatest proportion in the highest type (production) cooperatives, which are based on the concentration of material means and of labor, and which permit the utilization of the advantages of large-scale production, of modern technology, and of all the inventions of science. It is true that this sort of association is restricted to a small area, but it is enormous in its significance and

in its effect because it increases considerably the production forces and creates conditions for an upswing, enlarged production and accumulation, of precisely those estates that by means of individual farming have so far been incapable of even simple reproduction. Without doubt such an association significantly and rapidly raises the standards of farming.

The simple association which is not based on the concentration of material means and of labor (purchasing, marketing, credit, etc., cooperatives) undoubtedly also has a stimulating effect upon the development of the production forces, and at the most advanced stages will form the basis for the transition from the simple cooperative to the higher type of cooperative for sizeable masses of the peasantry.

Under the conditions of the people's democracy the production forces of agriculture develop the least in the noncooperative sector. This happens not because the democratic government does not want this sector to develop, since the steady elevation of the workers' living standard demands the development of the production forces of agriculture to the greatest extent, even in the noncooperative sectors. Rather, this happens because the noncooperative sector cannot help lagging behind in its development without the advantages of the association and with the simple production characteristic of the small-scale producing farms. Therefore, while leveling comes into existence within the cooperative sector and through a gradual transition to the more advanced type of cooperative permits a development toward socialism, because of the backwardness of the noncooperative sector an ever-growing cleavage would occur between the two sectors, and equality would increase in this area. We must keep in mind, however, that although the noncooperative sector in agriculture will exist for a fairly long period, it is a temporary phenomenon. It goes without saying that, as regards the roads of development, the one that is more advanced and means a more developed production, and thereby raises to a higher standard both agriculture and the peasantry in farming as well as in the everyday life, will survive and become the only major road of development. And this is undoubtedly the cooperative. The incorporation of the noncooperative sector into the cooperative sector and, therewith, through the determination of the noncooperative sector, the establishment of a unified cooperative agriculture, will be promoted, first, by those material advantages which only the cooperative can give to the peasantry; second, by a planned economy and its effects, which in the interest of production development impels the small-scale producers to turn to the cooperative road; and third, by the ousting of capitalism and its eradication in other sectors of our economy, which breaks the last ties that have bound agriculture to capitalism. The

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development is undoubtedly progressing in this direction, and its acceleration is the victory of the cooperative way. In the present stage, however, we are far from the goal, and we must cover a long road before we reach it.

At the moment, when we are at the first phase of the economic transformation of our people's democracy and our cooperative movement lags far behind even the general economic development, we must proceed from this present primitive condition to reorganize and place upon new foundations the cooperative movement. Neither can we ignore the fact that there has been no widespread or significant cooperative movement in the economic life of the country, and that therefore our peasantry scarcely possesses the cooperative spirit, the campaign experience, and the organizing skill. A stable cooperative movement, however, can only develop if it starts from below, from the peasantry's initiative, and enjoys the trust of the peasantry. Considering all this we must conclude that we must keep in step with the development of the thought process of the peasantry; we must not skip over the initial phase of the cooperative movement, so that the cooperatives may become not only the cause of the most advanced strata of the peasantry, but also that of the entire toiling peasantry. For this very reason, during the current phase the main task is the development and the establishment of those simpler types of cooperatives which are able to encompass the widest masses of the toiling peasantry, in whom the working people of the village are trustful and with whom they are willing to actively cooperate.

At the same time, while we concentrate on the establishment of simpler associations, we must not lose sight of the more distant perspective. We must be aware of the fact that both the tasks and the forms of our cooperative movement at this present primitive stage are only transitory, and we must not under any circumstances view them as permanent. Our main concern should be to continue to be active in the working out of new tasks and forms with the appropriate elasticity and flexibility. A people's democracy is a phase of development from capitalism to socialism which unifies both capitalist and socialist elements. The cooperative movement is also marked with this transitory character, and both ambitions, the capitalist as well as the socialist, express themselves in it. These circumstances clearly show that at the current phase of transition the cooperatives cannot simply be viewed as socialist institutions, even under the conditions of the people's democracy, not even if during the course of development the socialist elements were to gradually gain greater weight, or have already gained the majority strength. At the present stage spontaneity within the cooperative movement impels the cooperatives toward capitalism,

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against the capitalist elements and their ambitions. Therefore only a constant fight against capitalist elements and their manifestations and, as a result, the appropriate organizational measures, can insure the democratic character and a socialist development of the cooperatives. This fight is the sustaining element of the cooperative movement, which on the basis of the democratic conditions created in the political and economic field, guarantees that, from the former collective capitalist institution, the cooperatives will gradually become socialist democratic development.

We have analyzed the cooperative movement in connection with theoretical and practical questions only in its relation to agriculture. This is not because the cooperative movement does not touch upon other areas of our economy, but because in the development of agriculture, in contrast to its role in other economic areas, it has a decisive role, and also because the broadest bases of our democratic form of development is the village. In both respects, therefore, we must endeavor that the weight of the cooperative movements shift to the village, and that the only democratic branch of the present cooperative movement, the network of farmers' associations, become its backbone.

The cooperative movement of the province is of controlling significance in the democratic development of the entire country's economy. Therefore the most far-reaching promotion of the cooperative movement should be placed in the center of the tasks of the people's democratic state, especially since the peasantry stubbornly adheres to everything that is old, to which it has become accustomed, and will join the cooperative movement only if it is convinced that the cooperative offers it material advantages and promotes its economic, social, and cultural elevation. But the peasantry's cooperative movement must also be supported because it is the only way to end the Hungarian villages' centuries-old backwardness, to substantially better the living conditions of the toiling peasantry, above all, to liberate the toiling peasantry. It is the task of the people's democracy to insure, by the wide development of the cooperative movement, that it progress on the road of democratic development not with an impoverished peasantry subdued by large capital, but with a prosperous, free peasantry -- not with a decaying but with a flourishing agricultural production.

DEBATE CONCERNING THE QUESTION OF THE MIDDLE PEASANT'S STATUS AND PROVINCIAL CLASS RELATIONS

[Vol. II, pages 119-162]

The main fault in this question is the underestimation of the role and significance of the medium peasantry in the fight between the forces of capitalism and socialism. In the beginning of September, 1948, when differences of opinion occurred and they came to debate, I assigned this as the main error.

And what did the underestimation of the medium peasantry show in the fall of 1948? Before I develop the answer to this fundamental question, in order to avoid misunderstanding I should first like to clarify a few questions of ideological significance.

Lenin gave definite guidance of general validity as to what our relation should be to the various strata of the peasantry, among them to the medium peasantry, at any given time. "In connection with the peasantry, in connection with the workers' alliance with the peasantry or with certain strata of the peasantry, Leninism has three fundamental slogans which correspond to the three periods of revolution. The essence is to choose correctly the moment of conversion from the first slogan to the second, and from the second to the third." (My emphasis. I. N.)

"In the older days when we progressed toward the bourgeois revolution, when we Bolsheviks had first drafted the plans of our policy toward the peasantry, Lenin suggested an alliance with the entire peasantry against the tsar and landlords during the neutralization of the Cadet Party bourgeoisie. This was the first phase of our revolution.

"Then, when we approached October, the second phase, Lenin gave a new slogan appropriate to the new situation: the alliance of the proletariat with the poor of the village against all the bourgeoisie, with the neutralization of the medium peasantry. This slogan is needed by the Communist parties which progress to power.

"...Later, after we had repelled the attacks of the imperialists and had more or less stabilized our power, when we entered the phase of widespread socialist construction, Lenin announced a third slogan: the permanent alliance of the proletariat and the poor peasantry with the medium peasantry...

"This transition from the old slogan alliance of the proletariat

and the poor peasantry, from the old slogan of the neutralization of the medium peasantry to the slogan of permanent alliance with the medium peasantry had already occurred at the VIII Congress of our Party" (Stalin's Works, Vol 7, 1951, pages 346-347, 348).

The teachings of Lenin and Stalin on the subject of our relation to the various strata of the peasantry are of general validity. The social progress of every country which has a significant peasantry occurs during the three main phases designated by Lenin, and at the given phase of development the relation to the individual classes of the peasantry can only be in accordance with the Leninist definition.

I felt it was important to establish this, since there are views according to which "Russian peculiarities" play at least an important, if not decisive, role in the teachings of Lenin and Stalin, and that would mean that these teachings can only be applied partially and with certain reservations anywhere else. The excessive emphasis of the "Russian peculiarities" undoubtedly contains this danger.

Without doubt it would be an error to perceive and apply Marxism and Leninism literally, as a rigid pattern or as dogma. It is also without doubt that every country possesses characteristics different from those of other countries which come into existence during a social development in the fields of class struggle, economy, culture, etc. It is further without doubt that Marxism and Leninism can and must be correctly applied only by taking into account the historical and degree of social development of these peculiarities and not by their application independently of time and space. But at the same time it is also evident that Marxism-Leninism, as a study of the rules of social development, as a study of the strategy and tactics of the proletariat's struggle, is unchangeably valid in the subsequent stages of development in the Soviet Union, as well as in the other countries, in every problem of society, thus also in the agrarian-peasant problem. The way in which the individual questions arise, the form in which they occur, may be peculiar and different from the other countries, but the substance, the rules, remains the same. And this means that these rules become effective in the determination of our relations with the medium peasantry.

To apply the three slogans of the peasant problem determined by Leninism, as comrade Stalin pointed out, means to correctly conceive the transition from the first phase to the second, and later from the second to the third. In my opinion, it was the error of the leadership of our party that it did not correctly conceive the transition from the second phase to the third, to the alliance with the medium peasantry.

Even if we were to admit that this transition could only have occurred during the winter of 1947-48 (as is known, this occurred in March 1919 in the Soviet Union), we must conclude that the Party leadership did not bring about this turning toward the medium peasantry, did not announce the new slogan in place of the old one. Therefore it did not lead the Party to the policy of alliance with the medium peasantry. The Party leadership only took this turn now, with a delay of one year.

What was the consequence of the fact that the Party leadership did not take a timely turn toward a permanent alliance with the medium peasantry? One of the consequences was that although we raised the issue of transition from individual farming to associated farming, thus of the transition to cooperative production, in other words, the building of socialism in the village, in fact we began its realization without having come to agreement with the medium peasantry, without having endeavored to realize this agreement or alliance.

The other consequence was that we commenced the policy of restricting the kulaks, that is, we began the first phase of our policy aimed at the liquidation of the last capitalist class and went over to the attack in the field of restricting the kulaks without having provided an incentive for the medium peasantry by a concrete policy of agreement and compromise.

It is an elementary truism that the medium peasantry will not of itself, spontaneously, make an alliance with the working class. It is also true that the losses inflicted on the kulaks, even the increased struggle against the kulaks, is insufficient to separate the medium peasantry from the kulaks and to place it on the side of the proletariat. In order to accomplish this it is also necessary to satisfy the material needs of the peasantry as well as possible through our policy on taxes, credit, prices, etc., to aid it through the improvement of our administration, to help it solve its vital problems, and, as Lenin said on the VIII Congress of the Bolshevik Party, to make concessions to it with respect to the modes of socialist transformation.

Although these Leninist guiding principles are common knowledge, we have never come to their practical application. The terms of the permanent alliance to be made with the medium peasantry have not yet been worked out. The task, however, has already been determined. As far as the methods of the socialist transformation of the medium peasantry are concerned, the question of possible concessions have not only failed to come up for clarification, but have failed to come up at all. This is the reason why the alliance with the medium peasantry

floats in the air as the coffin of Mohammed, so to speak, and can not take root. In my opinion, the reason for this lies in the fact that, after we had sufficiently consolidated our power, the Party's policy did not direct and does not now direct its attention sufficiently to the alliance with the medium peasantry, to an agreement with it, although it will have to cooperate with it for a long time. In other words, this means that the Party could not in its entirety realize the triple but indivisibly unified slogan: (a) consider the poor peasant; (b) make an alliance with the medium peasant; and (c) never, not even for a moment, cease the fight against the kulaks.

Our policy as to the poor peasantry was clear, and is still clear today: while there still remains a poor peasantry, that is, during the phase of the transition to socialism, it represents the firmest support of the working class in the village. Our policy is also clear as to the kulaks, capitalists of the village: we must restrict them and we must cut off the sources of their power and influence equally in the economic, political, social, cultural, and sociological fields. But it can not be said that we also had such a clearly phrased policy as regards the medium peasantry.

It is not easy to determine our relation to the medium peasantry. Regarding this Lenin said the following: "We must determine our relation to a class which has no strong and concrete viewpoints. The proletariat is in its totality on the side of socialism, and the bourgeois class is in its totality against socialism; it is easy to determine the relationship between these two classes. When, however, we mine the relationship between these two classes, we find that this is turn to a stratum such as the medium peasantry, we find that this is a class which vacillates. This class is partly property-owning, partly working...it has had to defend its position throughout the decades with the greatest effort, it has had to tolerate much, but at the same time it is still property-owning. Therefore it is tremendously difficult to determine our attitude toward this vacillating class" [Lenin's Works, Vol 29, 1953, page 204].

The teachings of Lenin and Stalin give the key to the correct solution to this difficult and important question. In his opening speech at the VIII Congress of the Bolshevik Party Lenin furnished the theoretical basis for the principle of a permanent alliance with the medium peasantry with the following words: "...the best representatives of socialism of the olden days -- when they still believed in the Revolution and served it theoretically and ideologically -- talked of the neutralization of the peasantry, that is, the making of the medium peasantry into a social class which, even if it did not give

active aid to the Revolution of the proletariat, at least did not hinder it; is at least neutral, does not side with our enemies. The setting of this abstract, theoretical aim is quite clear to us. But it is insufficient. We have reached a stage of socialist construction where the directions and guiding principles based on the experiences of village work must be worked out concretely and in detail and must serve us as the guiding line, so that in our relations with the medium peasantry we stand upon the ground of a permanent alliance..." (Lenin's Works, Vol 29, pages 136-137).

The controlling slogan in which this policy gained expression in its entirety was the above quoted triple but homogeneous Leninist slogan for the peasant question after the stabilization of power.

Can this Leninist slogan be applied under our conditions, at the present stage of the transition from capitalism to socialism? In my opinion it can most assuredly be applied. Can we say that we have applied this Leninist slogan in its entirety? In my opinion we cannot say that. Yet if we do not apply the Leninist principles, we deviate from the correct Marxist path.

Stalin deals with this question: "Under the conditions of the present phase of the building of socialism can there be a true and permanent alliance with the medium peasantry if we do not draw upon the poor peasantry and do not continue the fight against the kulaks? No, there can be none. Under the present conditions of development, can a successful war be waged against the kulaks if we do not lean upon the poor peasantry and do not come to an agreement with the medium peasantry? No, it can not" (Stalin, Questions of Leninism, 1953, page 236).

The judgment of our work is contained in the answer. We experience day after day that the medium peasantry shows no change toward the working class and its cooperative policy, despite the fact that we have inflicted serious losses upon large capital, and have even eradicated it in the main economic areas, curtailed its power, and also have taken steps toward the restriction of the kulaks. Yet without this change we can not progress in the field of the building of socialism. Neither can we further build socialism in the city if we do not take steps in the building of socialism in the village. This in turn is only possible on the basis of a permanent alliance with the medium peasantry. The medium peasant question is therefore the link with the help of which we can carry on the cause of socialism in Hungary. This is how and why the question of the medium peasantry has become at the present phase the central question of our Party work.

The fact that after we had sufficiently stabilized the power, the tasks of the economic construction of socialism came to the fore, also moved the establishment of an alliance with the medium peasantry to the top of our list of tasks. "When we build socialism we must move not millions, but tens of millions, of village people...socialism is an organization of economy which through the socialization of the tools of production and labor unifies industry and agriculture. Without the unification of these two branches of economy socialism is impossible" (Stalin's Works, Vol 7, pages 347-348). "Since, however, as a result of the agrarian revolution we have given the main power to the medium peasant in the village; since, despite the differentiation, the medium peasantry is in the majority in the village, our constructive work and the Leninist cooperative plan nevertheless demands the inclusion of the bulk of the peasantry, the policy of alliance with the medium peasants...is the only correct way" (Stalin's Works, Vol 7, pages 351-352).

In other words, this means that, as Lenin said, in agriculture we must bet everything on the medium peasantry. According to Stalin, agriculture should focus on the medium peasant, because "the medium peasant is the central figure of agriculture" (Stalin, Questions of Leninism, page 186).

We can see, therefore, that during the phase of socialist construction the medium peasant is the central factor in the village from the point of view of both politics and economics, and that the establishment of a permanent alliance with the medium peasant is the main task.

Does this mean that we must neglect our work among the poor peasantry and our fight for the restriction of the kulaks? No, it need not mean that, if we apply in its entirety the known Leninist tripartite yet homogeneous slogan. In such interpretation the focusing upon the question of an alliance with the medium peasantry is the prerequisite of successful work on these two fronts.

It is the fundamental error of our work in the village that because of the incorrect evaluation of the role of the medium peasantry and its significance, because of the underestimation of the weight of the medium peasantry, we could not make the central question of our Party work the question of a permanent alliance with the medium peasantry without slighting the poor peasantry and without relegating to the background the work to be performed among the poor peasantry. This is an error that must be corrected, but not by further substituting the new and main task of the current phase, that is,

the establishment of a permanent alliance with the medium peasantry by concentrating our work upon the main task of the preceding phase.

The problem of the poor peasantry is not a new problem for us. As I said before, while there remains a poor peasantry, thus throughout the entire phase of the socialist transformation, we must draw upon the poor peasantry for support. "We are Marxists, we are Communists, we must draw upon the poor peasantry in the village. From what other class could we gain support?" said Stalin (Stalin's Works, Vol 7, page 353). This principle is equally valid during all three phases of revolutionary transformation, but, besides that, each phase has its own central, main issue. In the current phase this is the establishment of an alliance with the medium peasantry, and this, not by ignoring the poor peasantry, the firmest support of the working class in the village.

The Party leadership made the issue of the fight against the kulaks the main question of the current transitional period. We know that the second and third phases of the revolutionary transformation are basically distinguished not by the fight against capitalist elements, as this has continued during both phases and differed only in degree, but by the important change that occurs in our relationship to the medium peasantry -- by the transition from the policy of neutralization to the policy of alliance.

Does this mean that the fight against the kulaks is to be relegated to the background, that it will abate or cease? Does this mean that we drive the fish into the kulaks' nets? No, not at all. In the spirit of the Leninist slogan the fight against the kulaks must be unchangeably, even increasingly, continued. The more conspicuous our policy aimed at a permanent alliance with the medium peasantry, the more it comes into the foreground, the more successful will this fight be. It would be incorrect if we were to continue the fight against the kulaks, ignoring the medium peasantry and not drawing upon the medium peasantry in this fight. It must be recognized that if during this current phase of the transition from capitalism to socialism we still remain at the level of the slogan of the previous phase, at the neutralization of the medium peasantry, and do not designate the permanent alliance with it as the main task of the Party, but the fight against the kulaks; if we make this the central issue, that would mean that we deviate from Leninist strategy. The danger thereof existed and was manifested by the fact that the Party did not announce, or at least did not announce in time and with appropriate firmness, the slogan of alliance with the medium peasantry, and at the same time the question of the fight against the kulaks as the central issue.

In my opinion the reasons for this were the overexaggeration of the power of capitalism and of the danger emanating therefrom. The emphasis is on overexaggeration, which does not and can not mean that there is no capitalist danger, that this danger can not be overestimated. There is indeed a capitalist danger, and we should not be Marxist-Leninists if we could not see it or did underestimate it. We know that, as Lenin said, "while we live in a country of small peasants there is in Russia a firmer economic basis for capitalism than for Communism;...small enterprise nurtures capitalism every hour of the day..." (Lenin's Works, Vol. 31, 1961, page 533).

The underestimation of the danger of the kulaks, thus essentially of the capitalist danger, is no smaller error than the exaggeration of this danger. Whence originates the exaggeration of the kulak danger? From the fact that in the village we see only a one-sided process, and that is the process of the reinforcement of capitalist elements and of capitalist tendencies. This is incorrect, because not only a capitalist development occurs in the village, there is also a two-sided process, the battle of socialism and capitalism, with a slow but constant and increasing restriction of capitalism.

What sort of errors do a one-sided view of the capitalist danger and its exaggeration bring about? First of all, the fact that in the current phase we made the fight against the kulaks the central and decisive task to which we must subordinate every other question. The exaggeration of the capitalist danger, the placing in the foreground of the fight against the kulaks, caused the Party to divert from the correct policy of restricting the kulaks to the policy of the liquidation of the kulaks, which in the current phase is a dangerous political error.

The exaggeration of the kulak-capitalist danger also brought about the error that only the small property holder, the goods-producing character of the medium peasantry, thus only one of the characteristics, was observed. So they conveniently judged him a kulak and also applied the anti-kulak measures against the medium peasantry, because in every fairly well-to-do old or new land owning peasant they began to see a kulak. Although, according to Lenin: "If we mistake the medium peasants for kulaks and in smaller or greater measure make applicable to them the measures directed against the kulaks, we violate in the most flagrant way not only the decrees of the Soviet power and its entire policy, but also the fundamental principles of Communism, according to which... the proletariat's alliance with the medium peasantry is one prerequisite of the painless transition to the elimination of every sort of

exploitation. The medium peasantry, whose economic roots are fairly strong, will maintain itself for a fairly long period of time after the commencement of the proletariat's revolution. Therefore...we must reckon with a long period of collaboration with the medium peasantry" (Lenin's Works, Vol. 29, pages 215-216). I believe there is no doubt but that the Party leadership underestimated the weight and significance of the medium peasantry because of the exaggeration of the kulak-capitalist danger, and has thereby, as Lenin said, violated the fundamental principles of Communism.

The exaggeration of the capitalist danger is also the explanation for the fact that wide circles of the Party, and even our leading organizations, are adverse to and even fearful of the development of the production forces of the small and medium peasant farms and of the strengthening of these economic strata. This is partly because of the view that they might become kulaks and increase the capitalist danger because current, and partly because the strengthening of their individual farms and production forces can not be reconciled with the policy of transition to cooperative agricultural production. In my opinion, such views are incorrect and erroneous.

Economic strengthening is insufficient for one's turning into a kulak capitalist. The kulak's main characteristic is not that he is well-to-do or prosperous, but that he is exploitative. To turn into a kulak therefore means to become exploitative. Now then, if we observe from this only correct viewpoint the "danger" which emanates from the economic strengthening of the small and medium peasantry, its significance is negligible. Through the land reform, and later through other economic measures of the people's democracy, our villages, in the same way as earlier in the Soviet Union, became the villages of the medium peasantry, which means that the very broad lower strata of the peasantry became economically strong, came into prosperity with their property, without becoming capitalist exploiters or kulaks. With this I do not contend that capitalist differentiation, the capitalist struggle for power, has completely ended, or that no narrow kulak-capitalist exploitive strata could emerge from the ranks of the small and medium peasantry. But in my opinion this is not the main tendency and is not what is characteristic of the development that has occurred in the village during the past one or two years in the economic field and in the field of class relations. Generally, small-scale production is a danger to socialism, because its nature is capitalism day by day. In spite of this fact we fight, together with the masses of small producers, in alliance with the small

and medium peasantry, for the eradication of capitalism, for the liquidation of the kulak-capitalist elements, for socialism in agriculture.

He who believes that the economic strengthening of the small-producing peasantry turns them into kulaks does not understand the basic changes in the village or the dominance of the medium peasantry -- and such a person commits an error, in my opinion, and deviates from Marxism-Leninism. Such erroneous views are likely to make the medium peasant join the ranks of the kulaks and to make him hostile to the working class and the cause of socialism.

Let us now see how we stand with the question of the development of the forces of production of the small and medium peasantry. Can the small-scale production of goods be developed during the transitional phase to the cooperatives? Is this reconcilable with our advance in agriculture toward socialism? In my opinion, we must answer these questions with a categorical yes. Why? Because the small and medium peasants turned from individual farming to cooperative farming primarily not because of their distrust and economic dependency, but because of the greater achievement of the cooperative farms. In discussing the transition of the Western small peasantry to cooperatives, when Engels speaks about the theory that the small peasants who have not yet decided to go into associations should be given some time to think it over, among other things, he writes the following. "The greater the number of peasants we can already win over to our side while they are still peasants, the faster will the socialist transformation take place. It would not be to our advantage to delay the socialist transformation until capitalist production has developed to the extreme, until the last small tradesman and also the very last small peasant has become the victim of the capitalist large enterprise" (Marx-Engels, Selected Works, Vol 2, 1949, page 434).

As we can see, Engels definitely sided with the small peasant and believed in far-reaching material sacrifices and support to be necessary as regards the small peasantry, because he believed that this way the small peasant would side with us.

We know that in the small individual farms the development of the productive forces is slower than in the large cooperative farms. Cooperative production can be the sole basis of socialist agriculture, because it develops the productive forces on a much larger scale compared not only with the individual peasant farms but also with large capitalist enterprises. If the amount of production is not larger in the cooperatives than in the individual small farms, the mere increase of his economic difficulties will not lead the small and medium

peasant to cooperative production. The small and medium peasant is led to the road of cooperative production by the difference that manifests itself in the advantages of the cooperative, where the development of the production forces is of greater proportions in contrast with the individual small and peasant farms.

Stalin said the following regarding the development of small and medium peasant farms: "We can not and must not support the individual large kulak estate. But we can and must support the individual small and medium peasants; we must increase their production, and we must draw them into the orbit of cooperative organization" (Stalin, Questions of Leninism, page 228).

Stalin said this in 1928, in the year preceding the great transition to mass collectivization, in the advance phase of the restriction of the kulaks, in the period preceding the liquidation of the kulak as a class.

Why is this important? So that we can clearly see that the development of the production forces of the small and medium peasantry, the increase of their production, is ideologically reconcilable to the fight against capitalism, or, more precisely, against capitalist elements in agriculture, against an increase of the capitalist danger and the small and medium peasantry turning kulak.

At the same time, the increase of the production forces of the individual small and medium peasant farms, as we can see, can ideologically also be reconciled to the transition to cooperative production. The above-quoted statement of Stalin refers to the fact that the small and medium peasant farms must be drawn into the orbit of cooperative organization while increasing their production.

Therefore the view that the transition from individual farming to cooperative farming can only be accomplished through the deterioration of the small and medium peasantry is utterly erroneous.

On the basis of Lenin's teachings I have already shown that as a result of the agrarian reform and the measures following it, the medium peasants became the central factor of agriculture. The production is lost partly because of the division of the large estates and partly because of the restriction of the kulaks is to be compensated by the production of the medium peasantry. The medium peasantry, however, can only do so if the democratic state renders far-reaching assistance and support if the medium peasantry develops its production forces, if it increases its agricultural output.

The fact that agricultural production still depends upon this sector also speaks for the production increase of the individual small and medium peasant farms. The cooperative sector still plays a very negligible role in the agricultural production of the country.

Of course it would be a serious error to one-sidedly concentrate only on the increase of the production forces of the small and medium peasant farms. Such one-sidedness would indeed mean an increase of the capitalist danger. For this very reason the development of the production of the small and medium peasant farms must be completed along with the proper development of cooperative production. Thus, in order for us to take a truly Marxist-Leninist ideological stand, we must proceed in two directions, and we must cast off one-sidedness in either one or the other direction, regardless of whether the question is the development of the production of either the small and medium peasant or of the cooperative.

And last but not least, we must keep in view the main aspect, to which everything else must be subordinated. "The main principle of the dictatorship of the proletariat is the maintenance of the alliance of the proletariat and the peasantry, so that the proletariat may retain its leading role and the state power" (Stalin, Questions of Leninism, page 231).

Looking at the matter from the viewpoint of this most important principle, the question arises as to what strengthens the worker-peasant alliance, what promotes an alliance with the medium peasantry. In my opinion there is no doubt but that far-reaching aid and assistance to the small and medium peasantry on the part of the working class and the government agencies would solidify the worker-peasant alliance and would carry forward the cause of socialism in the village. The exaggeration of the kulak danger, the false "theory" regarding "kulakization" is likely to raise a barrier as regards reaching an agreement with the medium peasantry, and by rendering difficult the separation of the medium peasantry from the kulaks it would drive the fish right into the kulaks' net, so to speak, by driving the medium peasantry into it.

The source of the errors committed as regards the medium peasant question is the incorrect evaluation of the peasantry's differentiation during the phase of the transition from capitalism to socialism. Under capitalist conditions the differentiation of the peasantry occurs by polarization, which means that one part of the peasantry becomes kulak-capitalist while the greater part becomes a part of the proletariat and the entire medium peasantry "fritters away." Under capitalist

conditions, where the rules of capitalism gain unrestricted validity in agriculture, this is undoubtedly so. But is this so in the Hungarian villages? In my opinion it is not. In deciding the question one must proceed solely from the conditions prevalent in agriculture. Agriculture is an organic part of the country's economy, which means that the changes that have occurred in other areas of the economy also have an effect on agriculture. Besides this, of course, there have been some significant changes in agriculture itself. Taking all this in account, can we say that only the rules of capitalism find validity in the class stratification of the village? No, we can not.

Fundamental changes have occurred in the country's economy during the past years: we have overthrown the power of the bourgeoisie and we have strengthened the rule of the proletariat. We terminated the rule of large capital in large industry and in the field of credit organizations, and the key positions of economic life are now in the hands of the working class. (The tax policy, the credit policy, the price policy, the cooperative policy, etc.) of the state of the working class serves to support the toiling peasantry and not, as in the case of a capitalist state, to ruin it. Thus all those factors that under capitalism were the main tools of the differentiation of the peasantry, which brought about the polarization, cease to be so and become the tools for the protection of the toiling peasant and his economic elevation. It is impossible that these changed factors would not affect differentiation and would not modify not only its proportion but also its direction. It is a basic error that would seriously injure the cause of socialism to say that the rules of capitalism and their effect do not manifest in the differentiation of the village? No, not at all. Capitalism still has some substantial elements, especially in agriculture itself, where there still exist a kulak-capitalist sector and a small-producing peasant sector which, as we know, constantly nurtures capitalism. But even taking all this into consideration, it can be established without a doubt that, in contrast to the past, there have been some far-reaching changes, the essence of which is that capitalism is retreating and is being restricted to an ever smaller scale, while socialism is expanding and is becoming stronger and stronger. This fact, I believe, can not be disputed. But if this is true, neither can it be disputed that not only capitalism but also socialism has an effect upon the stratification of the village, and that the effect of capitalism is becoming always weaker and that of socialism always stronger.

As we have seen above, the effects of capitalism upon the stratification of the village take shape in the form of polarization, that is, by development toward two extreme ends. Now if the effect of capitalism has decreased, and we have established that above, then this logically means that the polarization tendency has also decreased; thus the differentiation has become slower.

The effect the socialist factor has upon the stratification of the village is of a direction opposed to that of capitalism. Whereas capitalism speeds development toward the two extremes, socialism promotes equalization, which Lenin called the "medium peasantization of the village."

What conclusions can be drawn from the above? First of all, that in the stratification of the village not only the capitalist effect but also the socialist effect can be felt. Thus opposing dual effects assert themselves. Secondly, under the present power relationships, as well as under the economic conditions of the people's democracy (the dictatorship of the proletariat), capitalism and its polarization effects are constantly decreasing, while socialism and its equalizational effects become always stronger, and because of the interaction the differentiation of the village becomes slower and slower. Thirdly, precisely because this differentiation can not reach its previous proportions and gradually also changes in its substance, that is, as the economic equalization effects of socialism, commence as Lenin said, the medium peasantry becomes the central factor of agriculture.

I think it is a basic error that within certain circles of the Party there still prevails the view that the differentiation of the peasantry still goes on in the old way. This is clearly manifested partly in the views regarding "kulakization" discussed above and partly in the conviction that if the toiling peasantry does not make in a few years the transition to cooperative production, it will unavoidably become bankrupt. Putting together the two, connecting the two, really indicates that such views mean the overexaggeration of the capitalist danger carried over to the differentiation of the peasantry. Or, in other words, it means that polarization, i.e., the effects of capitalism, finds unrestricted validity to a greater degree than at any time before. Because surely such a large-scale "kulakization" on the one hand and such a rapid mass-scale ruination on the other, as is expressed in the above viewpoint, was not possible under capitalism, when every tool available to the bourgeois state served the formation of the kulaks and the impoverishment of the small peasantry.

This is what comrade Stalin said in his report to the XIV Congress

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of the Communist Party on 18 December 1925 regarding the differentiation of the peasantry and its incorrect evaluation -- the same error which can also be observed by us. "Differentiation naturally continues. In the current phase, under the conditions of the New Economic Policy, it cannot be otherwise. But this differentiation progresses slowly. I cannot be otherwise. But this differentiation progresses slowly. I recently read a manual which was probably published by the education and propaganda section of the Central Committee, and another manual which, if I am correct, was published by the education and propaganda section of the Leningrad organization. If these manuals are reliable, it appears that under the tsar we had about 80 % poor peasants. Today, however, we have 75 %. There was 5 % kulaks under the tsar, but today they represent 8 to 12 %. There were many medium peasants under the tsar; today, however, there are less. I do not wish to use strong words, but I must say that these figures are worse than the counter-revolution. How can a man who thinks in a Marxist way concoct such things and even print them, especially in a manual? Of course as a member of the Central Committee I am also responsible for this unprecedented blunder. If under the tsar, when there was a policy of promoting the kulaks, when land was private property, when land was the subject of buying and selling (which especially intensifies differentiation), when there was a government in power which promoted differentiation by any means, and the poor peasantry was still not more than 60 % strong, then how is it possible that under our government, under the Soviet government, where there is no private ownership of land, where the land has been taken out of circulation, so to speak, there exists this obstacle to differentiation? When we carried on the "kulakization" for at least 2 years, when to this day we have not yet completely abandoned the methods of "de-kulakization", when we carry on a separate policy of credit and cooperatives which does not favor differentiation, then how is it possible that, despite such obstacles, differentiation is allegedly much greater than under the tsar, that there are more kulaks and poor peasants than in the past? How can people who call themselves Marxists talk such unheard-of nonsense? If it had not been said, we would only laugh at it" (Stalin's Works, Vol 7, pages 349-351).

In the above Stalin does not analyze the "peculiar circumstances" that affect the differentiation of the peasantry in the Russian village, but analyzes those rules that have general validity in every country that is in the development phase of the transition from capitalism into socialism. There are certain peculiarities stemming from the difference of the circumstances which may mean differences in the direction of development or tempo of development. They do not affect the direction of development; therefore, despite the peculiarity of our agrarian conditions, these rules find validity during our transitional phase. Now differentiation not only progresses in the old capitalist way, there is a dual

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effect upon the stratification of the peasantry, and for this very reason the process of differentiation becomes slower all the time, the kulak danger becomes limited, and the medium peasantry becomes the central factor.

The question of the medium peasantry had already arisen before our Party in the fall of 1946. In our report to the III Congress of the Hungarian Communist Party I had placed on the agenda the necessity of the alliance with the medium peasantry. I quote the following from my speech, which was approved by the Congress:

"The poor peasantry is the main force of the fight against large capital exploitation in the village, because it is the one that has suffered most from it. But in the village the fight goes on not only against the exploitation of large capital, but also against the oppressive and exploitative ambitions of the kulaks. The attitude of the medium peasantry will have a decisive effect upon the outcome of this fight. The question of whom it will fight against will determine the outcome -- the kulaks and the reactionary feudalistic gentlemen's class which follows in their footsteps, or the poor peasantry and the working class. This is the question that has now arisen because of the development in the village" (Imre Nagy, "For a Flourishing Agriculture and a Prosperous Peasantry," see "The Road of the People's Democracy," 1948, page 199).

In connection with the very same question I said the following: "It is the decisive task of our Party to facilitate the position of the medium peasantry as to whether it should join the forces of democracy and side with the working class and the poor peasantry. It is also in the interest of the medium peasantry that its development progress, and that it rid itself of not only the oppression of the large estates but also of the unrestricted exploitation and usury of large capital, banks, trusts, and cartels... The policy of our party should be concentrated on the isolation of the kulaks from the medium peasantry, on enlisting the medium peasantry to the side of democracy, that it carry on the fight for the people's democracy in this fashion.

"Our planned agrarian program reflects this policy of our party... We can clearly see how big a danger to the policy of our party is represented by sectarian isolation, which would restrict the activities of our party to the work among the poor peasantry and which would narrow the worker-peasant alliance to the solidarity of the working class and the poor peasantry... Our Party work among the poor peasantry of course must not be ignored thereby; to the contrary, it must be performed with increased strength. The poor peasantry has been and remains

the solid basis of our village policy. But we must take a further step and exert every effort to win over the medium peasantry in the interests of our national elevation and that of the People's democracy. This great, I might say, historical, task must be performed by the peasant policy of our Party in the coming phase of development" (ibid., pages 199-200). This is what I said at the III Congress of the Party in relation to the question of our relationship to the medium peasantry. This meant the transition from our previous policy pursued in connection with the medium peasant, which policy was aimed toward his neutralization, to the new policy appropriate to the new phase: the establishment of a lasting and firm alliance with the medium peasantry.

The Cooperative Question

In connection with the cooperative question, in September of 1948 the view that we should collectivize Hungarian agriculture within a few years was formed. I do not agree with this view, I think that under our present conditions it is unrealistic, incorrect, and an exaggeration which will unavoidably lead to our neglect of the entire transitional phase of the development in between, to our isolation from the decisive masses of the peasantry, which will shake to its foundations the worker-peasant alliance, the solid basis of socialism in the city, as well as in the village.

Taking such a course in the field of the transition from individual peasant farming to collective large-scale agriculture unavoidably means that:

- (a) we violate the fundamental Leninist-Stalinist doctrine of transition: voluntariness;
- (b) we ignore the transitional cooperative forms which lead toward the socialist collective large-scale enterprise and which are the most accessible to and simplest for the toiling peasantry, which thus are the most acceptable; and we neglect them, in order to concentrate directly upon the organization of collective farms;
- (c) we violate a fundamental doctrine of the cooperative plan of Lenin, according to which the production association develops from the general cooperative movement of the village; from associations in the fields of purchasing, marketing, credit, etc. By ignoring the general cooperative movement of the village, we render difficult the establishment of the economic and political prerequisites for a permanent alliance with the middle peasantry and the association for production;
- (d) Instead of the restriction of the kulaks, which in the present phase is the only correct policy in regard to this stratum, we proceed to the policy of the liquidation of the kulaks without first having

created the economic and political conditions for this policy.

From the point of view of significance, the transition from the individual small enterprise to the collective large-scale enterprise is one of the most important and, therewith, most complex questions of all the questions that have arisen before the Party. Its correct clarification unconditionally demands the most fundamental theoretical clarification of the question, as well as the clearest and firmest decision as to the strategy and tactics to be followed.

One source of error as regards the cooperative problem is the fact that it has been inadequately presented. This is the reason, in my opinion, why the party began to solve this important problem without the clarification of the indispensably necessary prerequisites and tasks of the phases that follow each other in development, with only the working out of a few more important conditions, inadequately treated.

Of the revolutionary transformation then occurring in the agriculture of the Soviet Union, that is, of the transition from the individual small enterprise to the collective large enterprise, Stalin said that "it is a step from the old quality status of society to a new quality status, which, regarding its consequences, is of the same significance as the revolutionary transformation of October 1917" (The History of the Communist Party, 1954, page 352). From the words of Stalin quoted above it can be clearly seen what enormous significance he attributed to the socialist transformation that occurred in agriculture. With us the interaction of numerous factors -- the existence of private landed property, the individual production of goods, and, in general, the deeper roots of capitalism, etc. -- makes the socialist transformation of agriculture more difficult and complex, which only increases its significance.

In the footsteps of Lenin, Stalin determined the way in which this transformation is to take place. "The way is the organizational grouping of the millions of peasant masses into all branches of the cooperatives, the unification of the parcelled peasant farms around socialist industry, the introduction of the basic elements of collectivism into peasant circles -- first in the marketing of agricultural produce and the supply of the peasant farms with goods produced in the city, and later in agricultural production" (Stalin, Questions of Leninism, page 183).

This is the program that we also must follow. But is this program, which not only sets the goal but also provides for the sequence and

tempo of its realization, also applicable and workable here under our conditions? Yes, unconditionally.

Do not our conditions, in certain respects peculiar, and differing from the situation of the Soviet Union, demand a different way and method? In my opinion, no. We undoubtedly do have conditions different from those of the Soviet Union, which I have already indicated, but these do not affect the above basic theories. In our case these basic theories, if they can be so expressed, are even more correct and truer than they once were in the Soviet Union.

Lenin and Stalin refer in innumerable instances to the differences and peculiarities which exist between the agrarian conditions of the peasantry of Russia and that of the Western countries. Because of these peculiarities the development and transition will be slower in the West, and so also here. Under such circumstances concentration upon the establishment of collectivization within a few years is contrary to the teachings of Marxism-Leninism. Engels wrote the following in reference to the problem of the transition of the small peasant farms to the large cooperative enterprises: "We definitely side with the small peasant; we shall do everything within our means to make his life tolerable, to facilitate his transition to the cooperative if he so desires. In fact, in case he cannot yet decide, we shall grant him a prolonged time to think it over" (Marx-Engels, Selected Works, Vol. 2, pages 453-454).

It is evident that Hungarian agriculture's concentration upon collectivization in a few years ignores the peasants' voluntary decision. It ignores whether or not the peasant has already decided to join the cooperative. And in case he has not yet so decided, it neglects to grant him further time to think it over.

The course taken in the fall of 1948 toward collectivization within a few years means deviation from or at least the violation of the Marxist-Leninist principle of voluntariness. The extraordinarily difficult and complex task of enormous importance which is represented by the transition from the individual peasant farm to the collective socialist large estate can not be accomplished within the passage of a few years through the voluntary decision of the decisive masses of the peasantry in our country. In the Soviet Union, where numerous advantageous circumstances made the transition to collective farming easier and more rapid, exaggerating and pseudo-radical elements committed grave errors; as comrade Stalin said, partly because of their impatience and partly because the successes went to their heads. They committed these errors mainly by violation of the principle of

voluntariness. To an increased degree, this danger exists with us where the development is slower, more difficult, and more complex.

The teachings of Marxism-Leninism specifically warn us against the application of force in any form. "The peasant," said Lenin, "who, not only here but throughout the world, is a practical human being and a realist, must be offered concrete examples to prove that the commune is superior in every respect..., but those must be so organized that they elicit the peasants' trust" (Lenin's Works, Vol 29, page 209).

Lenin repeatedly wrote of voluntariness as regards the grouping and organization of the kolkhoz. The principle of voluntariness manifests itself most strikingly in these guiding principles: "...now it is our task to turn to the cooperative farming of the land, to turn to large scale communal farming. But the power of the soviet can not force this, no law can enforce it. The agricultural commune shall be formed voluntarily; the transition to the cooperative cultivation of the land can only be voluntary. In this respect there can be no talk of even the slightest application of force by the worker-peasant government, the law will not tolerate it" (ibid., pages 29-30).

In another place Lenin says the following: "We have millions and millions of parceled farms spread asunder in obscure villages... When we have proven in a manner conceivable to the peasant that the transition to cooperative agriculture organized in artels is possible and necessary only then can we say, with full justification that in such an enormous country of peasants as Russia we have made a significant step forward toward the socialist cultivation of the land" (Lenin's Works, Vol 30, 1955, page 185).

In connection with the unconditional compliance with the principle of voluntariness, the following words of Lenin serve as a strict order: "During their formation... the representatives of the Soviet power... must not apply even the slightest force. Only those unions are valuable which the peasants bring into existence by their own volition, the advantages of which they have been convinced of in practice. Too great a hurry in this field is damaging, because it can only strengthen the middle peasantry's bias against innovation. Those representatives of the Soviet power who allow themselves to be moved to the application of direct, or even indirect, force, in order to make the peasants join the communes, must in the strictest way be held accountable and must be removed from village work" (Lenin's Works, Vol 29, page 216).

Lenin assigned a decisive significance to easy-to-grasp practical

experience. Are just a few years sufficient for the peasantry to become convinced of the advantages of collective production, so that, having gained these experiences, they would give up their property and individual farming? In my opinion they are not. And if this is true -- it can scarcely be doubted -- then we either must give up the principle of voluntariness or the target date of a few years. In my opinion the Party must choose the latter, since according to the teachings of Marxism-Leninism the realization of the transition to free and collective large-scale production can only be accomplished by the full and complete validation of the principle of voluntariness.

In his cooperative plan Lenin showed clearly the way of development of the cooperative from the primitive, simple type of cooperative to the higher type of association. Stalin also emphasized that to fulfill the Leninist cooperative plan means to raise the peasant from the level of purchasing and marketing cooperatives to the level of the production cooperatives to the level of the kolkhoz cooperatives. Among other things, the fact that the kolkhoz was formed as a result of the development and strengthening of the marketing and purchasing cooperatives can also be explained by this" (Stalin, Questions of Leninism, page 227).

In his article "Of the Cooperatives" Lenin said the following of the enormous significance of the cooperative movement in the field of the realization of the socialist social order: "...the cooperative... is of extraordinary importance... from the point of view that it is... the simplest, easiest, and, for the peasants, most accessible way of transition to the new order." (Lenin's Works, Vol 33, 1963, page 468). Lenin poses the question as to what is fundamental and what is primary. Proceeding from his theory, he answers that it is a cooperative movement in which the masses of the inhabitants actually participate. In this connection he points out that for "persuading everyone without exception to participate in the cooperative activities... the passage of an entire age of the cultural development of the great masses is necessary... if everything goes all right, we might live in this age in one or two decades" (ibid, page 470).

Therefore Lenin, when he speaks of the development of the cooperative movement, has in mind primarily the widest, simplest, and most accessible cooperative forms. He establishes a certain sequence: first, consumption, marketing, purchasing, credit, and other cooperatives, which encompasses the widest masses of the inhabitants must be established; then, proceeding from these and drawing upon them, the next step, the transition to cooperatives also in the field of production, can be taken.

The development in the Soviet Union went through these stages; it did not neglect the initial phase -- the simpler, more primitive, but more encompassing cooperative forms. It followed the Leninist principle "that the undeveloped form of the movement must not be neglected" (Stalin, *Questions of Leninism*, page 389). This is what Stalin refers to when he says "the kolkhoz... was only developed as a result of the development and strengthening of the marketing and purchasing cooperatives" (Ibid; page 227).

This Leninist-Stalinist cooperative theory was not fully applied in our Party's cooperative policy. Last year, during the establishment of the cooperative thesis in the political committee, there arose the question of a start from the simpler, more encompassing cooperative forms, and the sequence of development from the more primitive cooperative forms to the more advanced forms. In my remarks I pointed out then that with the neglect of the general provincial cooperative movement the danger arises that in the cooperative movement we may neglect the first, for the masses most easily accessible, phase, by which we would make difficult the progress toward production cooperatives. As a result, we have modified the cooperative thesis so as to read, "Under our conditions the simple cooperative movement's wide network should promote the socialist development of agriculture, the establishment of production cooperatives." This theory, however, was not realized in practice. So the situation arose whereby the production cooperatives do not develop through the wide network of simple cooperative movements, that they can not draw upon it. And this in turn makes the transition to associations in the field of production undoubtedly more difficult and slower. Experience teaches that the first phase can not be neglected, that this task must be performed sooner or later, that the building of a socialist society in the village can not be commenced with the production cooperative. Our error was that we attempted to do just that. We began with the development of the production-cooperative movement and only subsequently, thus too late, did we begin the establishment of the wide network of the simple cooperative movement and the activation of the masses. This error undoubtedly caused retrogression in the production-cooperative movement.

It is an error to believe that the omission of certain phases produces a more rapid development. On the contrary, the more carefully, and thus with the alliance of a wider mass of the peasantry, we advance, the more secure is the growth, and the proportionately larger and wider development will relieve the initial slower tempo. Thus the fact that the production cooperative movement is not based, or at least so far has not been based, upon a wide network of the simple cooperative movement, on the purchasing, marketing, and similar

cooperatives, is one of the many reasons why the concentration upon the short-range collectivization of agriculture is unrealistic.

From the teachings of Lenin and Stalin we may reach the conclusion that the decisive masses of the peasantry, above all the middle peasantry, can be gained for the building of socialism in the village by drawing them into the orbit of the simple, more primitive type of movement. This task and this phase of development can not be avoided. Until we accomplish this while we have still not effected this, our efforts aimed at the massing of the bulk of the peasantry into the production associations will not achieve the expected result, and the modest results thus reached will not be lasting. The great difficulties manifested in winning over the middle peasantry can be very well explained by our lagging in the simple cooperative movement.

According to the teachings of Lenin, in the socialist transformation of the village, sequence means also increased intensity. Therefore this principle is applicable not only to the general cooperative movement, to the transition to the production-cooperative movement, but also within the production cooperatives in stepping from the lower to the higher stage, as well as in the transition to the kolkhoz-cooperatives.

As opposed to the development of the Soviet Union, where the tailing peasantry, because of the coincidence of numerous favorable conditions found the kolkhoz-cooperative the economic form and cooperative degree best answering its needs, because of our peculiar conditions, our peasantry will attain this level only after a longer transitional phase. Such dilatory peculiarities of our agriculture are, first, the private ownership of land, that is, the fact that our peasantry have their own farms from which they will not part easily; secondly, the deep roots of capitalism in the village -- the complete dissolution of the old communal farms and the development of individual cultivation; thirdly, the late development and primitiveness of the cooperative movement, as well as the fact that the preponderant masses of the peasantry remained outside the cooperatives. In my opinion, these are the three peculiarities of the Hungarian village which make the development toward socialist, collective large estates slow, lengthy, and complex. From this it logically follows that transitional forms and stages are necessary also within the production-cooperative movement. But if, as a consequence of the above peculiarities it is slower and more complex, and if precisely for this reason there is a need for transitional forms and stages, are a few years sufficient for decisive masses of the peasantry to make this development based upon their own experiences, their own volition, and for them to

gather voluntarily into collective farms? Evidently, no. And progress can not be forced, as has been said so many times and with such great emphasis by both Lenin and Stalin.

According to the teachings of Lenin and Stalin, "the not yet developed forms of the movement must not be neglected...let us not force ahead the development of the masses...let us not separate from the masses, but let us progress together with the masses and carry them forward, so that we may lead them via our slogans and make it easier for them to become convinced by their own experiences of the correctness of our slogans" (Stalin, Questions of Leninism, page 389).

We received similar guidance from Lenin also, who said the following: "...when the proletariat of Petrograd and the soldiers of the Petrograd garrison seized the power, they knew well that the building of socialism in the village would meet great obstacles, that their progress must be made step by step, that it would be the greatest folly to attempt to introduce the communal cultivation of the land by decrees and ordinances, that only negligibly few conscientious peasants would undertake it, and that the overwhelming majority of the peasants would not set this task as their goal. Therefore we acquiesced in what was unconditionally necessary in the interests of the revolutionary development: under no circumstances must the development of the masses be forced. Rather, one must wait until the further advancement develops from the experiences of the masses themselves and from their own fight" (Lenin's Works, Vol 28, 1952, page 135).

Of the gigantic revolutionary transformation which was represented by collectivization, Stalin said the following: "...it happened from above, at the initiative of the state power, which was supported from below...by the millions of peasants" (The History of Communist Party, page 352).

From the teachings of Lenin and Stalin it is evident that in the cooperative movement the tempo of development, the transition from the lower stage to the higher stage, is decisively controlled by the advancement, aptitude, and experience of the masses. Of course the development of the masses does not occur by itself automatically. It must be guided, directed, helped, but in no case must it be forced. However desirable or even necessary it may be, however much we may like to, we can not take two steps when the masses can only take one. We must consider Lenin's words of warning. When criticizing the German "left wing," he pointed out that "they regarded their own desire...as objective realism. This is the most dangerous fault of a revolutionist" (Lenin's Works, Vol 31, page 45).

I should like to point out one more serious danger. A too short transition unavoidably results in rush and impatience. This, as I have already said before, results in the omission of a certain phase of development, of the intermediary stages, which is accompanied by the fact that we prematurely turn to the liquidation of the kulaks as a class as the only correct policy of the transitional period -- which is actually the restriction of the kulaks -- without first having established the proper political and economic conditions. And this is a grave error, because it confuses the forces in the vanguard of the provincial class struggle and makes the separation of the middle peasantry from the kulaks difficult and thereby also makes the establishment of a permanent alliance with the middle peasantry difficult. This is aggravated by another error, of which I have already spoken, the exaggeration of the kulak capitalist danger. These two erroneous views, which are closely connected to each other, cause the danger that in the struggle against the kulaks our Party organizations may actually turn to the liquidation of the kulaks. In the anti-kulak campaign, which degenerated into panicky proportions, the Party press, propaganda, the Party apparatus, all neglected equally the policy with respect to the restriction of the kulaks and the peasantry's sense of justice in neglecting the more difficult but the only correct solution. The Party outlawed the kulaks and made the fight against them an administrative and police question. These grave errors increased the danger of our isolation from the peasantry.

The ideological roots of these errors, as I have already mentioned before, can be clearly recognized in the exaggeration of the capitalist danger and in concentration upon short-range collectivization:

In the argument about the cooperative question I proceeded from the viewpoint that a few years is too little time for the transition to collectivization and that such a perspective is unrealistic. What supports my conviction? First of all, the fact that the peasantry supports private ownership of the land, and that individual farming has deep roots in the peasantry. It can not relinquish from one day to the next this method of cultivation and condition of private ownership that have persevered for centuries. For this it needs, as Lenin said, an entire era, which, if things go well, we can live to see in one or two decades. For a turning away from such deeply rooted conditions of farming and of private property, a fairly long period of time and, secondly, a sufficient store of experience is necessary. In my opinion a few years are not enough for this, especially since the gaining of experience is made difficult by the circumstance that in the course of just a few years there can be no development of large cooperative enterprises, on the pattern of which our peasantry would give

up its small property, its individual production, and would gather into collective farms.

In 1949 there is a shift in the guiding principles of the Party, in contrast to the past: instead of the forcible establishment of production cooperatives at the fastest possible tempo and in the greatest possible numbers, the Party has set as its goal the development of the already existing production cooperatives into model cooperatives. The Party has begun the development of the general cooperative movement in the villages and the recruitment of the toiling peasantry for the associations.

Due to the errors committed in the cooperative question, the ultimate conclusion can be drawn that the problems must be analyzed more thoroughly, and for the elimination of hesitancy a theoretically clear and well reasoned perspective must be rendered to the Party, as well as to the masses. But even before all this, the development of a positive criticism and self-criticism within the Party as a whole, and thus also in the leading organs of the Party, is important. We must give up the view that eliminates all self-criticism, which implies that only bad execution produces errors, as if bad guiding principles and the selection of faulty methods were nonexistent. If we seriously analyze the errors committed, we realize that in most instances the roots lie in bad guiding principles.

We must clarify and correct the errors in the few decisive questions of our agrarian policy which I have analyzed, if we do not want the masses of the toiling peasantry to separate from the working class and become the supporters of the reaction.

In the above I have endeavored to develop and give the ideological reasons for my views regarding all the questions that came up for debate in the fall of last year (1948): the question of our relation to the middle peasantry, the provincial class stratification, that is, the questions of differentiation and of the cooperatives.

OUR PARTY'S UNITY WITH THE MASSES OF TOILING PEASANTS IS THE GUARANTEE OF THE EFFECTUATION OF OUR PEASANT POLICY

[Vol. II, pages 163-175]

Honored Central Committee!

"It is not enough to be a revolutionist, a follower of socialism, or generally to be a Communist," says Lenin. "We must be skilled in finding at any particular moment the certain link which we must grasp with all our forces in order to be able to keep the entire chain in our hands, so that we are able to prepare well the transition to the next link" (Lenin's Works, Vol 27, 1952, page 270).

This Leninist guiding principle must characterize the leadership of our Party. At every new phase on the road of our progress we must grasp the link with the aid of which our Party advances resolutely and purposefully towards socialism. Marxist-Leninist scientific foresight affords to our Party leadership the firmness with which it selects the next link from the chain of tasks. With this in its possession our Party can always point out the next link on every phase of the road of our progress. Some of these tasks were the controlling links of the individual phases of progress for the multifarious work of our Party, and they originated from the new situation that developed in contrast to the previous phase. What is the new phenomenon in the current phase which made it an urgent necessity for the Party to place the question of intra-Party democracy into the focus of its attention? Why is this question the link in the chain with which we can solve all our other problems? These are the decisive questions that the Central Committee must analyze. In my remarks I wish to limit myself to certain detailed problems that refer to our relationship to the peasantry. The Honored comrades! (Lenin's Works, Vol 27, 1952, page 163).

In the constructive phase of socialism we have reached the stage where our advance unravels on an ever wider front, where ever increasing masses come into motion in the village which can not and must not be restricted to the previous restricted area or be guided according to the old methods, without the danger of losing them.

The experiences gained at the recent conference of the workers of production cooperatives and machine-tractor stations indicate that a yet unprecedented fermentation is occurring in the village and an ever increasing activation can be observed. In this situation, when the economic activity of the village is in a state of such rapid growth,

our Party organizations must be rendered suitable for directing the economic activity in the village, and this can only be achieved by the widest development and guarantee of inter-Party democracy. This enables the exertion of the Party's full force, the full development of each Party member's activity, and through this the establishment and solidification of his contact with the masses.

During the course of our advance towards socialism only a relatively small segment of the peasantry working in the village has gathered round the Party so far. Under this condition our every further step invites the danger that only this small segment will follow the Party and that we may lose the enormous masses of toiling peasants.

We have reached the stage where the building of socialism in agriculture depends on, as Lenin wrote, "our advance with an incomparably greater and mightier mass, and by all means, together with the peasantry..." (Lenin's Works, Vol 33, 1953, page 321). "We must band together with the masses of the peasantry, with the simple toiling peasantry...so that the entire mass may truly advance together with us" (ibid., page 266).

The basic principles of building socialism in the village are designated by Stalin: "It is most important now that we mass the middle peasants around the proletariat; that we conquer them anew. It is most important now that we closely collaborate with the bulk of the peasantry, that we raise their material and cultural standards, and that we advance with them on the road that leads to socialism. It is most important that we build socialism together with the peasantry -- by all means, together with the peasantry and with the guidance of the working class, because the leadership of the working class is the main guarantee that the construction will advance on the road that leads towards socialism" (Stalin's Works, Vol 7, 1951, page 130).

The greatest task of our Party in the village, therefore, is to win over for the cause of socialism not only certain strata of the toiling peasantry, but its wide masses. For this mass work we must render our Party fit for the complete enforcement of democratic principles in inter-Party matters.

The strength of our Party, according to the teachings of Lenin, "rests in the maintenance of a live contact between the party and the millions of masses outside the Party...the more effective the contact, the more lasting the results" (Stalin's Works, Vol 6, 1951, pages 344-346). "In the ocean of the masses," writes Lenin, "we are but a drop,

and we can rule only if we correctly express the people's convictions. Without doing so the Communist Party will not lead the proletariat, and the proletariat will not carry with it the masses..." (Lenin's Works, Vol 33, page 300).

While the tasks in the village become greater and more complex, and while they involve a growing mass of people, only weak ties bind our village Party organizations to the masses of the toiling peasantry, which unless we change our present work, will unavoidably become even weaker. Stalin instructs us that "the Party is the proletariat's war staff." However, the Party can not be only the advance guard. At the same time, it also must be the army of the class, a part of the class, every root of which closely links it to the class... "The Party," writes Stalin, "can not lead the class if it does not join the masses outside the Party; if there is no cooperation between the Party and the masses outside the Party..." (Stalin, Questions of Leninism, 1953, pages 85 and 86).

For this very reason the establishment and reinforcement of the leading role of our Party, which can only be achieved by the close and lasting contact between the Party and the widest masses outside the Party, stand above all other tasks.

The weakening of the contact between the Party and the masses, the separation of our village Party organizations from the wide masses of the toiling peasantry, are the greatest dangers that can possibly threaten our Party at the moment. The danger of separation from the masses of the toiling peasantry is manifest in numerous areas of work in the village. It is manifest in the fact that our provincial Party organizations, or individual Communists, go ahead, despite the correct guiding principles of the Party, and effectuate hasty measures, as, for instance, in the fight against the kulaks -- measures that violate the sense of law and justice of the fundamental masses of the peasantry.

According to the most recent experiences, the existence of such premature measures are indicated in the field of the formation of production cooperatives. This may lead to the formation of groups not adequately founded, which in turn unfavorably reflects upon the movement and alienates from it the wide masses of peasants. But there are also other phenomena which must be uprooted so that the Party can fulfill its leading role in the village, and so that it can establish a closer relationship with the masses based on mutual trust. One such phenomenon is that with the increase of our success the Communists in the village become haughty and arrogant. Lenin, who

held modesty the greatest virtue of the Communist, always spoke with acidulous sarcasm of such supercilious people. "Communist boastfulness," writes Lenin, "means that someone who is a member of the Communist Party and has not yet been driven out is under the illusion that he can perform all his tasks by lording his being a Communist over others, so to speak" (Lenin's Works, Vol 33, pages 61-62). Boastfulness and the consequent ordering of people about is more dangerous to the Party than anything else, because it alienates the masses from it.

It is an indispensable prerequisite for insuring our Party's influence over the masses that our Communists in the villages, above all the functionaries of our Party, radically change their attitude and conduct toward the peasants. Comrade Stalin suggested that this change be such that "every Communist learn to treat those outside the Party as one treats one's equal. That he not order them around, but listen to those outside the Party with careful attention. That he not only teach those outside the Party, but also learn from them. And there is enough to learn from those outside the Party. The question of the mutual relation of Party members and of non-Party members is a decisively important question of our Party's practice. Lenin defines this mutual relationship with two words: mutual trust. But he can not expect trust from the non-Party member peasant when they do not treat him as an equal treats his equal. In such instances mistrust instead of trust is generated, and the situation frequently ends with...the Party's separation from the masses" (Stalin's Works, Vol 6, pages 339-340).

In order to terminate this danger in its fundaments, the Communists in the villages must cease ordering people about. They must learn to explain patiently to the peasants the questions they do not quite understand. They must learn to persuade the peasantry, sparing neither time nor effort. Of course it is easier and simpler to give orders, says Stalin, but not everything that is easy and simple is good.

The neglect of purposeful and consistent Party work and its substitution with the parroting of slogans, goes unavoidably hand in hand with an arrogant and domineering attitude. Lately a certain "drill" (I can call it by no other name) has gained increasing general acceptance within the work of our Party organizations in the village. It consists of the exaggeration of formalities; of such concern with the exaggerated, endless rhythmical applause; standing ovations; speeches put in people's mouths; the stifling of initiative, judgment, self-criticism, Party discipline; and the undermining of the Leninist

democratic ideological basis of our Party life. Besides, this "drill" is utterly alien to the peasantry and is likely to alienate or to keep the masses away from the Party and from the Communists whose activity is exhausted by the mere parroting of trite phrases in such an atmosphere.

Lenin called this "revolutionary" prolixity and contrasted it with simple everyday deeds. He said we need "less pompous phrases, more simple everyday work..." (Lenin's Works, Vol 29, 1953, page 436). "Less political chat and more attention to the simpler but living facts of Communist construction" (ibid., page 426).

The change that also must occur in the provincial Party organization must correct these deficiencies in the conduct of our Party functionaries, which deficiencies erect a barrier between our Party and the masses; obstruct the organization of a broad group of activists from the non-member peasant masses that would rally to our Party. Without the recruitment of such activists we can not establish a permanent contact with the millions of peasant masses; we can not render a solid base for our policy, built upon the Leninist tripartite slogan, which we can only accomplish if our Party unites with the fundamental peasant masses. Without the establishment of a broad, non-Party peasant activist group our work in the village, as Stalin said, will limp on both feet.

Honored comrades! In the provincial work of our Party the machine-tractor station Party organizations have an increasingly important role. Because of the position that they occupy, the Communists of the machine-tractor stations have a decisive role in the establishment of a close relationship between the masses and the establishment of a non-Party peasant activist group.

Lenin and Stalin teach that a good Communist is one who performs his Party work well but who is also a master of his trade. The work of the Communists of the machine-tractor stations is undoubtedly difficult and complex. They must not only be good workers in their own trade, must be familiar with and have mastery over scientific knowledge of agricultural production.

It has been shown in numerous instances at the national and county-wide conferences of representatives of the production cooperatives and of the machine-tractor stations that the Communists of the machine-tractor stations often do not measure up to their tasks.

Their deficiency is chiefly indicated by the fact that they are not sufficiently familiar with farming. As Stalin teaches, "In order that we may lead today, we must learn how to farm, we must know and understand farming...the good leader will be one who understands farming, who can give the peasant valuable advice in connection with the development of the farm, who can be of assistance in farm construction. To study the farm, to be one with the farm, to infiltrate into every detail of farm construction -- this is now the task of the Communist in the village. Otherwise we should not even dream about leading" (Stalin's Works, Vol 7, pages 134-135).

Our provincial Party organizations, but primarily and especially the Communists of the machine-tractor station Party organizations, must immediately commence with the acquirement of the professional knowledge of farming, so that, overcoming their defects, they may lead and gather around the Party the wide masses of the toiling peasantry in accordance with comrade Stalin's instructions. Otherwise the danger that the Party organizations of the machine-tractor stations may lose touch with the fundamental masses of the peasantry, will unavoidably increase.

The gravest consequences of our provincial Party organizations' isolationist policy, the policy of turning away from the non-Party masses, is especially manifest among the peasant youth. From the remarks made at the last conference of the workers of the production cooperatives and of the machine-tractor stations, it can be seen that the peasant youth is greatly estranged from the work that transforms the entire life and way of farming of the village. However, it is precisely the peasant youth that should fulfill a very important role in gaining the toiling peasantry's trust for the cause of socialism. For this, however, there is the prerequisite that the youth participate in this sort of work to an ever greater extent. But in order that it prove its worth and deserve the trust of the peasantry, it must increase its knowledge of farming and agriculture techniques; it must learn these subjects, so that it will be able to give useful advice for the improvement and perfection of the farm.

The development of Party-like criticism and self-criticism is necessary in every phase of the work, in order that our provincial Party organizations and Party functionaries eliminate those errors and deficiencies in their work and conduct which isolate our Party from the masses, which hamper the advancement on a wide front to the establishment of mutual trust between the Party and the non-Party peasant masses. This is the Communist's most effective weapon for the correction and prevention of errors, for the establishment of a

close contact and trust between the Party organization and the toiling peasantry.

Bolshevik criticism and self-criticism has not yet become the life blood of our Party organizations and Party members. There are Communists who are afraid of self-criticism and do not strive to point out the errors and deficiencies of work. And the criticism that comes to us from the masses falls on deaf ears.

Stalin teaches that fear of self-criticism or of the criticism of those outside the Party is a most dangerous malady. There are two alternatives: either we criticize ourselves and give an opportunity to those outside the Party to criticize our work -- then everything will be all right -- or we close our ears to the criticisms of the masses -- then we shall lose the correct way, we shall pile error on error, and our wasted bad work shall be our own highest criticism. Our Party functionaries in the village must learn that mutual trust between the Party and the toiling peasantry can only develop on the basis of Party-like criticism and self-criticism.

Besides the danger of separation from the masses, another phenomenon must also be mentioned which also leads to the weakening of the Party's leading role. The necessary preparation and knowledge is often lacking in our provincial Party functionaries and members, and therefore they are unable to generate either confidence in the Party or respect for themselves. They remain everyday men, they get lost among the masses, so to speak, and with them our Party is also weakened. Stalin teaches that, "The distinction between the avant-garde and the rest of the working class, between the Party membership and the non-Party members, can not disappear until class distinctions have disappeared." (Stalin, Questions of Leninism, page 85). "We should ignore our tremendous tasks, if we were to forget the constant duty of the avant-garde, that it elevate an ever wider and wider stratum to the level of the avant-garde" (Lenin's Works, Vol 7, 1953, page 271).

The Party, therefore, if it wants to preserve its avant-garde characteristics, must not sink to the level of the masses, but must elevate the masses to its own level. Lenin pointed out that the Communists, if they are to fulfill their leading role, must stand out from the masses by a head, which means that they must possess more knowledge and experience, a wider range of vision, than the surrounding masses. The broad realization of the theory of inter-Party democracy, the election of more experienced leaders with more knowledge, and political educational work will ultimately enable our provincial Party

organizations to fulfill the leading role of our Party by standing at the head of the peasant ranks.

Honored Central Committee!

The work of our provincial Party organizations suffers from serious defects, without the elimination of which we can not progress on the road of the building of socialism in the village.

For the successful correction of these deficiencies, the development of inter-Party democracy, the further increase of the influence of our Party, the fulfillment of its role of leader, are prerequisites. This is now the link with whose control our Party can gather around it the wide masses of our toiling peasantry and can establish the most solid foundation for our joint fight: mutual trust, which is an indispensable prerequisite and at the same time also the symbol of the victory of socialism in agriculture.

ON THE CENTENARY OF THE DECLARATION OF INDEPENDENCE
[Vol II, pages 176-183]

(Speech given on 14 April 1949 in the "Big Church" of Debrecen.)

Mr. President of the Republic! ... Deeply-honored festive party!

A hundred years ago on this sacred spot, within the ancient walls of the Protestant Church of Debrecen, our glorious forefathers, under the leadership of our immortal genius, Lajos Kossuth, wrote a brilliant page of our history. ... Under these archways the unforgettable vow, the eternal vow of every true Hungarian patriot, sounded from the lips of Kossuth: "If an at the disposal of God in this life. He may punish me with suffering, He may punish me with the scaffold, He may punish me with grief or exile---but He shall not punish me with one thing--- that I ever become the subject of the house of Austria" (Karoly Ballai, The History of the Hungarian Declarations of Independence, Budapest, 1935, page 75).

The great enthusiasm and jubilation that sprang from the hearts of the people of Debrecen and the representatives resounded from these archways in unison when in his historical speech Kossuth suggested that Parliament declare Hungary a self-governing and independent country. "I say not only with the sacred belief of faith, but with the conviction of logic, that the moment has arrived when Hungary should become free and independent--- the moment has come that it is the duty of Hungary, and particularly of the representatives of the nation, to declare before God, the world, Europe, and the people that we want to be free and independent!" (ibid., pages 74-75). "It must be declared,"

said Lajos Kossuth, "that the house of Austria...having borne arms against the Hungarian nation, has broken the tie that existed between it and us, and is thus unworthy to rule over Hungary and is banished forever..." (ibid., pages 80-81).

The petition of Kossuth, which restored the independence of our fatherland after 300 years of Austrian-German slavery and which dethroned and banished the ruling house of Hapsburg, which had committed so many sins and treasons against our country and our people, was announced in this church.

The tempest of the Hungarian revolution and war of independence had then already raged for one year in the heart of Europe. The external enemy and internal intrigue, the joint forces of the European and Hungarian counter-revolution, declared war on the revolution and commenced an armed fight to subdue the cause of liberty. A titanic struggle developed when the tempest of European revolutions had passed and the suffocating darkness of reaction fell upon the people who stood up for their liberty and for whom the Hungarian war of independence represented the last ray of hope. The great minds, the eminent representatives of the age, viewed our nation and its spirited leader, Lajos Kossuth, with admiration.

"Since 1793," wrote Marx and Engels, the founders of scientific socialism and the great teaching masters of the working class, "it is the first time that a nation surrounded by the counter-revolutionary fury dares to oppose the cowardly counter-revolutionary anger with revolutionary passion...after the passage of a long period of time we finally find a truly revolutionary character, a man who in the name of his people dares to engage in the life and death battle, who for his nation is Danton and Carnot in one person. This man is Lajos Kossuth...we find all of the main features of the glorious year of 1793 in a Hungary armed, organized, and fired by Kossuth" (Aus dem literarischen Nachlass von Karl Marx, Friedrich Engels, Vol 3 Stuttgart, 1913, page 283).

Our heroic national guard won the most brilliant victories of our war of independence against the Austrian imperial and other foreign mercenary troops who attacked our country's independence. In the spring campaign of 1849 the brilliant triumphs on the field of battle hardened the will of the people, the great national decision, the declaration of the country's independence.

The shackles of a more than 300-year-old Austrian-German oppression were crushed by the Hungarian nation in declaring its

independence in Debrecen a hundred years ago. With the eternally true words of our second national anthem -- "for which so many hearts have shed their blood in vain and so many faithful hearts broke in grief for the fatherland" -- the independence of our country finally came true. In the footsteps of our victorious national guard units' victory the will of the nation brought about that for which the foot soldiers of Bocskay, the heroes of Eszék, the insurrectionists of Rakoczi, shed their blood.

Honored festive party! We know the historical fate that became the lot of our country. The reactionist powers of ancient Europe, the Austrian Emperor, the Pope, and the Tsar, banded together in a "Holy Alliance," in order to crush the people who rose in rebellion for their freedom and independence. With the downfall of the war of independence, our freedom was also lost.

We know from our history, abundant in sad chapters, that whenever the existence of the Hungarian nation was at issue, in the times of great wars of national independence and during the grave ordeals of national resistance, it was the ruling gentleman class that, in opposition to the people who spared no sacrifice, knifed the national cause in the back and brought about its downfall. The cause of the series of national catastrophes, of the tragic breakdowns that occurred at critical moments, has always been the ruling feudal class, our aristocracy and high clergy. The great catastrophe of Mohacs and the subsequent slavery of a century and a half was their crime. These reactionary Hungarians and high priests were the ones who, in alliance with the enemy, subdued the war of independence of the insurgents of Rakoczi and of Tamas Esze and, together with them, our country's independence. They stayed loyal to their dishonorable treacherous past in 1848-49, too. They were the ones who in collaboration with the Austrian camarilla attacked the Hungarian people in the back and, having crushed our country's independence with the aid of European reaction, again drove our country into the yoke of the Austrian Emperor, the hated house of Hapsburg.

One of the greatest lessons of 1849 is that independence can not be achieved and protected merely by a fight against the outside enemy, however self-sacrificing and heroic that fight may be. The heroless and absolute liquidation of the inner enemy, of the anti-democratic reaction, is also necessary. The people themselves asked for a showdown with the interior villains. Later even Kossuth himself recognized this. In his letter from Vidin he wrote: "I could defend my fatherland against the exterior enemy but not against inner treason" (Kossuth, On the Last Days of the Revolution, Pest, 1850, page 60). Unfortunately

this recognition was too late for the preservation of our independence achieved a hundred years ago by the demolition of the reactionary treasonable ruling class.

Honored festive party! Throughout two generations the best of our nation have struggled for the liberation of our working people, for the independence of our fatherland, against the enemy within and without. During these fights the Hungarian working class, the battle-hardened, organized, and purposeful leading force of the working people, was consolidated and strengthened. During the course of historical development the cause of independence became indivisibly one with the cause of the liberation of the workers. The war of independence could not triumph, the country could not cast off the shackles of German oppression and overthrow the feudal-capitalist exploiting classes. The working class was the creator of our fatherland's existence and future and became the safest security for our liberty and independence.

When the victory of the Great October Socialist Revolution also set the ember of revolution ablaze in Hungary, in 1918 the Hungarian working class broke those ties with which the ruling class bound our country to the yoke of Franz Joseph and Kaiser Wilhelm. In 1919 the Hungarian working class defended the independence of our fatherland with arms against the attacking imperialist hordes with a heroism, patriotism, and self-sacrifice that were equal to the glorious heroism of our national guard units of 1849. And when the victorious fights of the glorious Soviet army liberated us from the horrible inferno of World War II and brought us the historical moment when over the ruins of the Horthyist, fascist Hungary we could again raise high the banner of independence that declined in 1849, it was the Hungarian working class with the Communist Party in its vanguard that volunteered for the lion's share of the work and fought for the construction of a free, independent, and democratic Hungary. In December 1944 the wind again unfurled our national flag, the symbol of our liberty and independence, now the final victory, here from the walls of Debrecen, where the cause of liberty and independence originated.

There are 4 and a half years of work and battle behind our people's democracy. In the life of a nation this is scarcely a fleeting moment, and yet we have already solved the great vital questions of our history. We crushed the feudal large-estate system, we terminated the rule of large capital, we inflicted annihilating losses on the inner reaction, we reconstructed this nation from its ruins, and now we begin to lay the foundations for a strong, prosperous, independent socialist Hungary.

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We stand loyally and unshakably beside our liberator, the mighty Soviet Union, in an inseparable alliance with the peoples' democracies and the freedom-loving peoples of the world, ready to repel the attacks of the imperialists which are aimed against the freedom and independence of the people, ready to defend our people's peace, the security of our constructive productive work.

A hundred years ago the Hungarian people were left alone with this their sacred determination. Today on the side of the Soviet Union we are part of an invincible force which can command halt to the imperialist gangsters.

It took us a hundred years to achieve this. At the price of how much suffering, how many sacrifices, could we finally reach the stage where we could commence with the completion and the further development of Kossuth's great work, until we could reach the stage where Hungary is truly a free and independent country and the real fatherland of the working people!

And now we made a pilgrimage to the site of the great national decision of a hundred years ago to demonstrate our faith in our greatest national treasure, in our independence.

We made this pilgrimage so that, saluting the immortal memory of Lajos Kossuth, we might proudly report that we have regained the independence of our fatherland, that we have honored the heritage of 1849.

We made this pilgrimage so that we might promise that we shall guard our independence as our most valued treasure and if necessary protect it with our last drop of blood.

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SOME IDEOLOGICAL QUESTIONS REGARDING THE SOCIALIST RECONSTRUCTION OF AGRICULTURE

[Vol. II, Pages 184-217
(Consultation at the House of Party Instructors
on 14 February 1951.)

Dear Comrades! I have received the questions for consultation. In our consultation today I must answer six questions which the comrades have raised in connection with the speech. I must tell you beforehand that I shall not follow the sequence in which these questions were raised, but rather shall cover them in the sequence of their importance.

In sequence of importance, the first question is as follows: "During the phase of the transition from capitalism to socialism is there a stratification of the peasantry, and within that is there a process of 'middle-peasantization' and of 'kulakization'? What is the reason? Did these processes show up before the year of change or afterwards? This is the first question.

I should like to use a little more time for this question. I probably do not have to particularly emphasize to the comrades that the stratification of the peasantry is one of the fundamental questions of Marxism-Leninism. Permit me therefore not to restrict the question merely to the phase of the transition from capitalism to socialism but to give it a somewhat broader coverage. This way it will be easier to cast light upon the whole problem.

As we know, our policy, the policy of the Communist parties, the overthrow of capitalism and the construction of socialism, rests upon a worker-peasant alliance. At the same time, we also know that the Leninist teaching with respect to the stratification of the peasantry constitutes the ideological base for the worker-peasant alliance. On the basis of this Leninist doctrine we can determine the relationship of the proletariat to the various peasant strata. In fact, only on the basis of this doctrine can we determine whether there are strata within the peasantry, and if there are, what sort of strata they are, and what the characteristic of each one of them is? We can determine on the basis of this Leninist doctrine how the proletariat is related to the various strata in the various phases of development. We know that in various phases of historical development the relationship of the proletariat to the various peasant strata is not uniform.

On whom shall we rely? Who is our ally? Whom shall we annihilate? Against whom shall we fight? In which phase of development? -- these fundamental questions which are of decisive significance in the tactics and strategy of the party of the proletariat can only be understood on the basis of the Leninist doctrine concerning stratification.

It is well, therefore, to observe in a little more detail the questions of stratification. You know that at a certain phase of historical development -- at the time of feudalism particularly in its initial and later incipient phase -- there was a unified class. What did this mean? This meant that there was no significant difference between peasant and peasant; there were no great differences as far as their economic situation or mode of land cultivation or living standard were concerned. They were serfs, and their relationship of the landowner was the same. At this stage, therefore, the peasantry was still a homogeneous class. Now for us it is important how the homogeneous class of the peasantry began to be divided into strata, and what caused this division.

Let us first examine the question historically. In the course of your studies you have already dealt with the fact that in the initial period of feudalism the necessary labor and surplus labor was divided in time and space. We know what necessary labor and surplus labor is. The necessary labor is that which is necessary for the regeneration of the serf's spent energy; and surplus labor is what he performs beyond that. On this basis the goods which were necessary for the supplementation of the serf's spent forces, and the surplus goods which he had to turn in to the landlord came into existence. In this initial phase necessary labor and surplus labor were separated in time and space. What do we mean by that? We mean that during one part of the week -- let us say for 3 days -- the peasant, the serf, worked for himself on the land allotted to him. During the remaining 3 work days of the week he worked on the feudal, manorial land for the feudal lord. What were the consequences of this situation? It was that however much work the peasant, the serf, had performed, however much he strained his energies, however much more surplus goods he produced, these surplus goods went over into the possession of the landlord in their totality. Exploitation was therefore complete; on this basis the landlord took all the surplus production from the peasant.

During the next phase of feudal development this form of labor organization changed. It had to change, because under these work conditions and with this degree of labor organization and exploitation nothing induced the serf to endeavor to produce more. However, the appetite of the landlord and also his needs increased constantly. Therefore, he demanded more and more goods. Obviously this sort of labor organization had to change. And it did change. The essence of this change was that the necessary labor and surplus labor were not separated from each other either in time or space.

During this phase of development the necessary labor and surplus labor were not separated from each other either in time or space.

What did this mean? This meant that the peasant-serf cultivated the designated parcel of land in villein tenure and turned in a determined portion of produce in kind. Of course he paid to the priests, to the landlords, to the king, he gave tithes, ninth-parts, assessments, etc. But these were always quantitatively determined. Obviously the landlords were eager to squeeze more and more out of their serfs. But as they increased their demands they also had to determine this increased amount in the form of how much they were to take from the peasantry. What did this mean? This meant, comrades, and this is where the decisive change is in contrast to the first phase of feudalism, that if any of the peasant-serfs farmed under favorable circumstances, thus either his land was better or he had more animals or he was more skilled or his family circumstances were such that he had more laboring hands at his disposal or perhaps he had more equipment, then this peasant, after he had satisfied those demands which were made by the state, by the landlord, and by the church, had a surplus! This surplus was what started the process of the peasantry's dissolution as a homogeneous class.

What could the peasant do with the surplus? Many things. He could consume it! There had surely been some peasant-serfs who ate their surplus. But something else could also be done with the surplus. One could hire the services of a serf, the use of other laborers could be utilized. Mainly his surplus made it possible to cover the produce necessary for the hired serf, outside laborer, outside labor force. In turn, the peasant-serf who was hired as an outside source of labor, who was exploited, produced surplus value with his labor energy, thus producing new surpluses for his master.

What could be done with this surplus? It could be exchanged. It was necessary for the peasant to exchange his produce. The historical turn in the life of the peasantry came when the exchange of surpluses commenced, when the peasantry began to split up into a wealthy and a poor stratum. Comrades! You know from your knowledge of political economy what becomes of the produce that is put up for exchange. It turns into goods. The stratification of the peasantry thus began with the simple production of goods. The exchange of surpluses, thus the appearance of goods, brings with it the later dissolution of production in kind at a later stage of feudalism. Money appears as the means of exchange and the market is formed. This is the last developmental stage of feudalism, when, although yet within the framework of feudalism, the germs of capitalism spring into existence, the conditions for the development of capitalism come into existence. That is when the stratification of the peasantry commences. This is one side of the question when we view the origins of the peasantry's stratification and its causes from a historical point of view.

But let us briefly view the question from the point of view of political economy. From political economy we know that there is value, and that there is value in use. We also know that there is abstract

labor, concrete labor, furthermore, that the value of goods is determined by abstract labor, and that its value in use is determined by concrete labor. We know that value is measured by time and also by the socially necessary labor time required for the production of a certain product. So it is with the production of the simple goods of which we are speaking now. What are the consequences? It is that the peasant, who under the more advantageous circumstances mentioned above -- either because he had better or more land, or because the labor force of his family developed more advantageously, or because he was more skillful -- produced his goods with less than the socially necessary amount of labor time. According to the logic of the production of goods, such a peasant became enriched. The other peasant, who used more than the socially necessary amount of labor time for the production of the same goods -- because he did not possess the above advantageous conditions of production -- began the road to ruin. This rule of capitalist society manifests itself mercilessly and consistently also in the field of agriculture, also on the peasant farm. Looking at it from this point of view, we can see that without with the commencement of the production of goods, unavoidable and without delay had to become stratified. One part of the peasantry had to be elevated, and the prosperous capitalist; the other part had to be ruined, into formation. The other part had to sink downward, had to be ruined, and had to form a wide poor-peasant stratum. This is what I wanted to say comrades, about the question of how, why and when the stratification, and differentiation of the peasantry occurred.

You comrades know that the stratification occurred in the form of polarization, that is the development went to two extremes in such a way that the middle stratum became always narrower, a smaller part of it became elevated, a greater part sank downward so that the middle stratum became thinner and thinner.

Now I turn to the concrete question which refers to the phase of the transition from capitalism to socialism.

First of all, comrades, let us clarify what we understand by transition. By transition -- and we are speaking of a transition from capitalism to socialism -- we understand such a phase of development during which there is still capitalism, during which there is not only capitalism but also socialism, during which the rules of capitalism still have effect, but the rules of socialism also have effect and validity. And this occurs in such manner that the rules of capitalism have a constantly decreasing effect during the progress of the transition, while the rules of socialism have an always greater, stronger effect. It is very important to keep this in mind in determining how the differentiation and stratification formed during the transition.

Obviously, in the initial phase of the transitional period the rules of capitalism, that is polarization and dissolution, have an effect of greater force. However, it is also obvious that during the more advanced phase of the development the rules of socialism have an effect of greater force. The given question is, is there stratification during this transitional phase? As is evident from what has been said so far, there is stratification, since the rules of capitalism -- even though only to a smaller extent -- still have effect; and if they do, then there must be stratification, even though restricted to only a smaller area. The main tendency is that polarization becomes proportionately smaller while the other process -- the process of "middle peasantization" -- the equalization of the extremes, which is the effect of the rules of socialism, constantly becomes proportionately larger.

Let us see, comrades, what comrade Stalin says in connection with this question, because in its time, in the years around 1926 and 1929, much was said on this subject in the Soviet Union. The same way as here now, there too, many incorrect views came into circulation in connection with stratification. When comrade Stalin dealt with the question of differentiation under the conditions of the Soviet Union, he dealt with approximately the same phase of development as the one we live in today. Stalin said the following: "Differentiation naturally continues. In the current phase, under the conditions of the NEP, it cannot be otherwise. But this differentiation progresses slowly. I recently read a manual which was probably published by the education and propaganda section of the Central Committee and another manual which, if I am correct, was published in the edition of the education and propaganda section of the Leningrad organization. If these manuals are reliable, it appears that under the Tsar we had about 60% poor peasants. Today, however, we have 75%. There was 5% kulaks under the Tsar, but today they represent 8 to 12%. There was a number of middle peasants under the Tsar; today however, there are less. I do not wish to use strong words, but I must confess that these figures are worse than the counterrevolution. How can a man who thinks in a Marxist way concoct such things and even print it, especially in a manual?" (Stalin's Works, Vol 7, Sakra, 1951, pages 349-350). Stalin opposed very vigorously all those views according to which, during the phase of transition, capitalist differentiation not only occurs but even occurs to a greater extent than under the conditions of capitalism.

From this it is also evident that there is stratification; this stratification, however, can not reach the previous proportions. In this connection I shall read Stalin's very interesting statements. He writes: "Indeed with us now (this refers to the time of the NEP -- I.E. the process is not that of the one-sided re-establishment of

capitalism, but the two-sided process of the development of capitalism and of socialism, the process of the controversial battle between the socialists and capitalist elements; particularly, "and this is emphasized by Stalin," the process of the socialist elements gaining the upper hand and of the defeat of the capitalist elements" (Stalin's Works, Vol 8, Sakra, 1952, page 91).

What does that mean? This means that the rules of socialism have an increased and stronger effect and ultimately drive out capitalism itself, and with it the rules of capitalism as well. Stalin writes that stratification does not assume the previous proportions, that the middle peasantry is not dissolved, that it remains the fundamental bulk of the peasantry. In later passages Stalin refers to the fact that the rules of socialism equalize in the village the extremes; therefore there is a process of "middle peasantization" which he paraphrases, with us the middle peasant is the central factor of agriculture."

In connection with stratification there arises another question. Is there a process of "kulakization"? On the basis of the above discussion we may conclude that "kulakization," that is, the elevation of the poor and middle-peasant strata into the exploiters' group, its extensive economic domination can not take place. There may be a few middle peasants who, because of the convergence of advantageous circumstances, become exploiters. This, however, is a rare exception which underlines the rule that under our conditions when there is a strong restriction of the kulak, there can be no process of "kulakization," which would mean that wide strata of the middle peasantry would be elevated into the stratum of kulaks. One comrade asked the question: Did this process manifest itself before or after the year of change? This question is put somewhat mechanically, as if there were a wall, a sort of Chinese wall, in the middle of the transition from capitalism to socialism which separates the previous phase from the subsequent phase. There is no such thing, comrades. There is no Chinese wall between the two. The question can not presume that before the year of change there was nothing but Capitalism, that only the rules of capitalism had an unrestricted effect, that then came the turn which brought socialism, and that from then on only the rules of socialism had effect. No! Just as, because of certain regulations, even before the year of change the rules of capitalism did not have effect in their full force as they had before in the capitalist society, similarly it can not be said that after the year of change the rules of socialism have an exclusive effect, since there still exist the masses of individual small-scale producers. It is obvious that as a consequence the rules of capitalism also have an effect in certain forms and in certain areas.

Before the year of change the rules of capitalism obviously had a greater effect, and after the year of change became increasingly weaker, whereas the rules of socialism gained increasingly stronger validity. But it would be incorrect to draw a line of demarcation between the period before and after the year of turn.

Now then, if we observe the transitional phase under our conditions in its entirety, we just say that the main tendency is the process of "middle peasantization," which means that the rules of socialism are already stronger with us.

The policy aiming to restrict the kulaks had not begun with the year of change. We had already taken measures to restrict the kulaks prior to that period. After 1945 the proletariat had a substantial share and role in the power in Hungary, even if it was not the exclusive possessor of the power. We had then already brought into effect serious ordinances against the kulaks by depriving them of privileges in rental and taxation. Generally, therefore, the capitalist strata could not develop as freely after 1945 as before under capitalist conditions.

As a conclusion of the above, the answer to the question is that during the phase of transition there is a certain degree of differentiation, but it does not assume by far the proportions that it ~~assumes~~ ^{assumes} previously. With the building of socialism this differentiation constantly decreases. The rules of socialism have an always stronger effect, and as a result the main tendency in the village is already toward "middle peasantization."

This is the next question: "Is the nationalization of land necessary for the complete collectivization of agriculture?" An interesting question. I can give the answer to it in two words: Absolutely necessary! But this way the answer would be too curt, let us therefore examine a few aspects to see why it is important. Let us first examine the economic significance of the ownership of land, since the nationalization of land would mean the socialization of private land ownership. From an economic viewpoint, what significance does the ownership of land have? The ownership of land means the ownership of a means of production which can not be multiplied at pleasure. What does that mean? It means that the class of landowners are the monopolist owners of land as a means of production. And what does that mean? It means that this circumstance places the landowners in a privileged position in contrast to all the other classes of society -- even in contrast to the other capitalists. Because, whereas factories can be built, machines can be multiplied and manufactured at will, land can not be so multiplied. Only he who has land, thus who himself as a

landowner or the one who bought this right from the landowner and pays the landowner for this right, can become engaged in agricultural production. The monopolist ownership of land therefore grants the possibility of the exploitation of the entire society essentially to only one class: the landowners.

If after these I put the question, whether there can be complete collectivization without the nationalization of land, without the termination of the monopolist ownership of land, the answer is obvious: no there can not be. Once the representatives of reformism denied, and their followers even since then in essence have denied the economic significance of land ownership. With this they also have denied the necessity of the nationalization of land, saying that if the ownership of land has no economic significance, there is no need for the nationalization of land. In its final consequences this means that he who denies the economic significance of land ownership also denies the necessity of the termination of the monopolist ownership of land and the termination of the accompanying possibilities for exploitation.

Now let us look at the other aspects. We know that the landowners endeavored to take advantage of the fact that they were the monopolist owners of a certain very important means of production. How did they intend to take advantage of it? In the form of land rental. They demanded that if anyone wanted to engage in agricultural production, he must pay them a land rental. Thus they took advantage of their monopolist ownership of land and thereby pocketed a very substantial profit.

We know comrades, that land rental is the obstacle to the development of the production forces in agriculture. Why an obstacle? Because the payment of land rental means a withdrawal from production capital. This means that if someone has 10,000 forints, and from this he must pay 2,000 forints for land rental, only 8,000 forints remain for the development of production. If this land rental did not have to be paid, then all the 10,000 would be available for production development. Thus the land rental is a significant obstacle in the path of the development of the production forces in agriculture. If the great landowner class did not have the opportunity -- by taking advantage of its monopolist position -- to gain such a profit, then the development would be much more rapid in agriculture. This demonstrates, comrades, that the collectivization of agriculture, one of the basic tasks of which is the development of the production forces, can not be realized without the nationalization of land, which terminates absolute land rental.

Let us view it from another aspect. What does complete collectivization mean? Complete collectivization essentially means the socialist reconstruction of agriculture. We know that in agriculture two kinds of objective reconstruction can take place -- democratic agrarian reconstruction, which means the termination of the feudal vestiges of the large-estate system, and socialist reconstruction, which means the conversion from small enterprise to large enterprise. Complete collectivization means the latter. But we also know, comrades, that socialism means the termination of all types of exploitation. This is the basic feature and prerequisite of the building of socialism. However, while important means of production are still monopolistically owned, exploitation can not be terminated. To build socialism and to terminate exploitation thus means that the monopolist ownership of the means of production must be ended, that is, the land must be nationalized. Socialist agrarian reconstruction thus makes the termination of the monopolist ownership of the most important means of agricultural production, that of land, indispensably necessary. This also proves that the nationalization of land is indispensably necessary for complete collectivization.

The application of the theory of nationalization, its forms and its methods, however, are not everywhere identical. They vary according to the stage of economic development, sometimes according to the country, according to circumstances, and according to many other aspects. This is also true of the tempo of nationalization, of the tempo of its realization. In his speech given in connection with the program of the Communist International on 5 July 1928 Stalin dealt with the question of the nationalization of land and, among other things, said the following:

"I do not agree with those comrades who suggest that as far as the advanced capitalist countries are concerned, the policy in regard to the nationalization of land should be changed, and who demand that in these countries a declaration of the nationalization of all the land should be made on the first day of the proletariat's revolution" (Stalin's Works, Vol. 11, Skizra, 1950, p. 162). Thus Stalin did not agree to an immediate declaration of the nationalization of all the land as soon as the proletarian revolutions triumph in the more advanced capitalist countries. Thereafter he says:

"The comrades who believe that the more advanced a country is from the capitalist point of view, the easier it is to execute the nationalization of all the land, are wrong. On the contrary, the more advanced a country is from the point of view of capitalism, the more difficult it is to execute the nationalization of all the land, because the traditions of private ownership of the land are stronger there. Thus it is more difficult to fight against these traditions" (Ibid.).

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In this you comrades can see that the Marxist-Leninist doctrine regarding the nationalization of land can not and must not be applied mechanically, because the application of this principle just for the sake of the principle itself, and without having well considered it, may bring about immeasurable damages and dangers. There is a country where the entire land could be nationalized at once. It is the Soviet Union. On the day of the October Revolution the entire land was nationalized by a land decree. In other places, as Stalin suggests, this must be executed gradually and not even in the same form. But ultimately, and this is important in view of the question, the entire land must of course be nationalized. Without doing so it is impossible to realize the socialist reconstruction of agriculture and complete collectivization. There are differences in methods and there are deviations in the tempo, but complete collectivization, which means the socialist reconstruction of agriculture, can only be brought about by the nationalization of land.

In connection with the above question I want to deal with one more question: this is the problem of our cooperative development and in this connection the problem of the nationalization of land. We see that with us, cooperative production is carried on, even if not on the basis of the kolkhos, by the collective ownership of the land and of production, but on the basis of restricted ownership.

As we know, in our third type of cooperative the members receive land rent up to 20%. Productive association in contrast to individual farming significantly increased the production forces. It is, however, also certain, comrades, that they would be increased even more if there were no land rent. And still it is necessary, because for the peasantry this 20% land rent is a very attractive feature and promotes passing into the cooperatives. The payment of land rent hampers the development of the production forces, and therefore if it did not exist, our roots of the third type could also develop in a greater tempo. But in order that we can promote the gathering of ever greater masses of the peasantry into the production cooperatives, we must maintain it to a certain degree. It is not of decisive importance that because of the land rent the production forces develop slower, but the fact that we make it acceptable to the peasantry, that we make the road of cooperative production fit to travel for ever greater masses by facilitating their joining the cooperatives. And this, comrades, is of decisive importance!

I must also remark that our production cooperatives are not kolkhozes but are the type of farms which are developing toward the more advanced stage of the collective farm. Here, under our conditions, the question of the nationalization of land has not yet arisen, because we are still very far from total collectivization. Thus under the conditions of the people's democracy the question of the nationalization of land and in this connection the question of land rental emerges in a different way than in its time in the Soviet Union. We must keep this in mind at all times.

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Comrades, this is the next question: "Are there hidden reserves in the socialist sector of agriculture, and if so, how can we help uncover them?"

When I first read this question I pondered over it, because, I admit frankly, I did not clearly understand what it was about. Of course, it was clear to me that the comrade who made the inquiry does not mean by hidden reserves what we search for in the case of those in arrears in connection with the collection of delivery obligations. This is obvious, but the question itself is not quite clear. I shall endeavor to answer the question in an economic sense and to concentrate on its most important part, namely, what sort of hidden reserves can there be in the socialist sector.

I think that the reference is to those production possibilities, or in the language of economics, to those capacities which do not exist in the individual small-scale production of goods and which have not yet been discovered or completely utilized in the socialist sector. Let us examine the question from this viewpoint, from the viewpoint of economics.

What sort of hidden reserves could there be and are there in the socialist sector? One is the size of the enterprise! We know that the large enterprise has great advantages. Of course the size of the estate does not signify the size of the enterprise. Let us presume that through association, through cooperation, cooperative farms of several hundred or several thousand holds of land come into existence. The question is, does our socialist sector take advantage of the benefits of association, of the fact that a large-size estate has come into existence, to the extent that it could and should?

Experience shows that in this respect there are significant hidden reserves. It is a serious deficiency that in the large state-owned or cooperative farms farming is carried on by small enterprise methods. Two hundred peasants who group themselves into a 1,000-hold production cooperative, who have an average of 5 holds each, do not cultivate the land as could be done in a large enterprise or on a thousand holds. They can not rationally utilize the advantages of size, which the large estate represents, and thus they are deprived of the benefits of the large enterprise. In this area, therefore, we still have tremendous possibilities.

The other problem which may emerge is joint labor, cooperative work, or in the language of economics, the social productive force of cooperative labor which can be put to use so well in a large enterprise. How do we stand in this respect? What is at issue, comrades? What do I mean by the social production forces of cooperative labor?

We know that when 10 men join together they can perform not only as much work as when each of them labors separately, but substantially more. Or let us take another example. One man can lift 50 kilograms, than 10 men, each of them separately, can lift 10 times 50 kilograms,

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thus 500 kilograms. The social production force, latent in cooperative labor, means that if they lift the weight jointly then they can lift not only 500 kilograms but substantially more than that. With us these advantages offered to the large estates by cooperative labor can scarcely be exploited. For instance, it is not by chance that in the production cooperative group we had concentrated upon brigade work. With us many places do not employ brigade work, although this is one of the forms by which the surplus production force which appears in cooperative labor can be utilized for the benefit of cooperative farming. In spite of this fact, brigade work has not yet become the fundamental organizational form of labor. This means that in this area, too, there are very substantial potentials which we have not yet exploited.

The productivity of labor is closely connected with the question asked. This is a decisive question, since the productivity of labor, as Lenin said, shall ultimately decide the progress of society, thus the transition from capitalism to socialism, and the ultimate triumph of socialism. Comrades, we have good possibilities in this area too. From the present technology we can see that machine technology is not being completely exploited by us either in the production cooperative groups or in the machine stations and on the state farms. We know, for instance, that the utilization of machines -- let us say tractors -- is yet insufficient; their full capacity is not utilized by far. Are there here enormous reserves, possibilities? Yes! Therefore there are also very substantial latent reserves in this area.

Closely related to this is also the question of accumulation. In the socialist sector enlarged production is yet very small, and the consequent accumulation is also at a very low standard. Without this, that is without the constant development of enlarged production, cooperative production can hardly develop at a greater tempo. The fact that there are also great potentials and significant latent reserves in this area indicates the production can be and must be accelerated with the utilization of the available means.

Comrades, many other questions could also be asked in connection with hidden reserves. One thing, however, is certain: there are latent reserves in the socialist sector which we do not exploit, which we do not utilize in full. Their discovery can be a tremendous impetus to the further development of the socialist sector.

The next question is: "What political differences are there between the membership of the single and the dual type of production-cooperative groups?"

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Comrades, I shall tell you frankly that this question surprised me a bit. But let us see what usefulness can be gleaned from this question for the benefit of you comrades within the framework of a consultation. First let us examine what the economic meaning of the single and dual types of production cooperative groups is.

Both the single and the dual type -- and the single type even more than the dual -- are obviously the simplest transitional forms from individual farming to collective production. In other words both the single and the dual give an opportunity to the tailing peasantry to exploit certain advantages of the large estate. Cultivation by strips goes on in the one as well as in the other, and this already is a great step forward in contrast to cultivation by plots. The one as well as the other offers the possibility -- the single type of course to a fuller extent -- of the utilization of machines, which is also of great significance. We know what revolutionary significance and effect machines generally have. In cultivation by strips, however primitive and unorganized it may be -- especially in the single type, but in the dual type of production cooperative group too -- collective work is carried on embryonic forms of which are already extant in both types. Beyond this, of course -- and in close connection with the above -- the elements of planned economy also manifest themselves in both, especially in the second. And we know that planned cultivation is the indispensable prerequisite of socialist farming. Without planned economy there is no socialism. Therefore planned cultivation also has a decisive significance in this respect, in respect to the development toward socialism.

Now let us observe briefly the joint political significance of both types. Both forms are capable of encompassing a significant mass and are especially adaptable forms for the rallying of the middle peasantry. They smooth the road toward collective associative farming. Decisive political significance is given to these simple types of cooperatives by the fact that they represent the acceptable road toward collective farming to the most undecided stratum. We know that within the peasantry the most undecided stratum is the middle peasantry. We also know that to draw the middle peasantry into socialist agricultural production is an important problem for the socialist reconstruction of agriculture. If we understand that these simple types represent the first step toward the socialist reconstruction of agriculture, then we can also properly appreciate the significance of the first and second types from the viewpoint of agriculture's reconstruction.

There have been and there still are today indications that these types are underestimated, although we see that they attract to collectivism precisely those strata without which we could not effect the socialist agrarian transformation. Thus the simple first and second type production cooperatives have a decisive political significance.

Furthermore, precisely these first and second type production cooperative groups enable the realization of the important Leninist doctrine that the yet undeveloped forms must not be omitted, the advancement of the masses can not and must not be anticipated, but the principle of gradualness should dominate the formation of collective agriculture. The principle of gradualism gains expression in the first and second types of production cooperative groups.

We know that gravest errors have been committed in this area. Our Party organizations have also underestimated these types and have strived for the formation of groups of the third type as the most advanced ones. With this they have isolated the production associations from a fundamental stratum of the peasantry, from the middle peasantry.

The Party reviewed this question and already today there is a bitter fight for strict adherence to this gradualism, which is represented by the first and second types.

Now let us briefly examine the difference between the first and second types. I have frequently referred to the fact that the first type is a less, and second type a more, advanced form. In the first type the association, the banding together for joint farming, besides cultivation in strips, is restricted to plowing and sowing. What does that make possible? It enables the utilization of machines in sowing as well as in plowing. This is not an ostensibly great achievement, but if we keep in mind that the preceding stage is the individual farm, the small lot -- which means that the five holds of land of one peasant are in 12 plots -- and we contrast this with the fact that in the case of the first type the land is already in strips which can be plowed by tractors and sowed by machines, then we can view it as a step of enormous significance. All other kinds of work are carried on individually, even harvesting. In its essence, therefore, the first type is restricted to the most basic agricultural work, to joint plowing and sowing.

The second type is much more advanced. Here they even prepare a joint sowing plan and besides the joint sowing plan everyone makes an individual sowing plan which he reconciles with the joint sowing plan of the second type group. Plowing and sowing proceed jointly, but the cultivation of the produce occurs on an individual basis. For instance,

if someone has planted corn, he spades it individually. Harvesting is done jointly and distribution is made on the basis of average production. For this reason this type is also called the production-averaging group.

What does this production-averaging group mean? For instance, in a case where one plants on his five holds of land in the second type of group, one plants two holds of wheat, one hold of potatoes, and two holds of corn. Others have also prepared a sowing plan, and so the group planted, say, 50 holds of wheat, 50 holds of corn, and 25 holds of potatoes. He who joined the group with 5 holds of land, of which he had used for production 2 holds of wheat, 2 of corn, and one of potatoes, participates with 2 holds in the 50 holds of wheat production, with 2 holds of the entire corn production, and with one hold in the potato crop. Comes the time of harvest and they harvest 50 holds of wheat. The individual does not get the production of his 2 holds, but his proportionate share according to the average production of the 59 holds harvested that he is entitled to on the basis of the 2 holds he joined with. And the situation is the same in the case of corn and potatoes.

The second type therefore is a significant step in contrast to the first one in the area of cooperative farming. Now then, if we have compared the first and second types and have examined the economic difference between the two, we can already give an answer to the question of the political differences between the membership of the first and second type of cooperatives. The economic difference between the two also indicates the political difference between the members. This, comrades, is obvious.

Another yardstick for the determination of the political difference can hardly be found. It would be incorrect to handle this question in a mechanized, standardized way; therefore let us not consider it a rule.

There follows the fifth question, which is as follows: "Does the commune exist in the Soviet Union? What are the prospects for the development in this direction of the kolkhozes?" The commune does exist in the Soviet Union. Approximately 2.5% of the collective farms are communes, thus their number is very small. Of course it has not always been like that. As the comrades know from the history of the Party, at the time of the civil war and of militant Communism there were many more communes. In fact we must admit that in 1918-19 the main form of cooperative production was the commune. To this, however, I must immediately add that those communes which came into existence in 1918-19, that is, at the time of the civil war and of militant Communism, are decisively, fundamentally, basically different from the present ones.

You comrades know that in 1918 the communes sprang into existence because of the misery and poverty. This is how the poor peasantry attempted to take advantage of their right to use the land as given to them by the land decree. The peasants had received the land, but they possessed no means of production and they began to gather in the communes in order to better their lot in this way during the wartime-misery. This brought the communes into existence in 1918-19. What did that mean? This meant that the communes were extraordinarily primitive associations, economically weak and backward.

It of course meant something else too. It meant that they lacked the force that could have motivated the peasantry. In the communes they could not satisfy their most elementary needs and could not reconcile the interests of the individual and of the community, although it is mainly this feature that attracts the peasantry to collective production.

What happened later? In what direction did the communes develop? A part of them ceased to exist and another part became transformed into collective farms. Today it is the prospect of the kolkhozes that after a certain and fairly significant development they will become communes. The commune is a much more advanced form than the kolkhoz is.

To see how and when the collective farms transformed into communes, let us hear what Stalin said. But before that I wish to emphasize that before the XVII Party Congress there were in the Soviet Union proposals for the organization of "model communes" and for the transfer of the weight of the socialist agricultural development from the kolkhoz to the commune. The Central Committee of the Bolshevik Party and Comrade Stalin himself took a very sharp stand against such suggestion. The Congress pointed out the fact that in the areas of agricultural development and the improvement of the kolkhoz peasantry's welfare they had not yet taken advantage of those possibilities hidden in the artel form of collective farming; that is, in the kolkhoz form. The Congress firmly decided that the basis of collective farming was still to be the artel, that is, the kolkhoz. The time had not yet come for shifting the weight of the productive forces of agriculture from the kolkhoz to the commune. As the most advanced form of collective farming, the commune can only displace the artel after the standard of kolkhoz farming has become much higher.

Returning to the question of the development into communes, Stalin said the following: "The commune of the future will develop from the advanced and prosperous artel. The agricultural commune of the future will come into existence when there is an abundance of wheat, livestock, poultry, vegetables, and all other types of produce in the meadows and farms of the artel; when there are mechanized laundries, modern kitchens

and mess halls, bakeries, etc., in the airtel; when the kolkhoz peasant sees that he is better off getting his meat and milk from the farm instead of keeping his own cows, pigs, sheep, or goats; when the female members of the kolkhoz see that they are better off dining in the mess hall, getting their bread from the bakery and clean linen from the common laundry, than tending to these matters themselves. The commune of the future will be based on a more advanced technology, a more advanced airtel on the basis of an abundance of goods" (Stalin's Works, Vol 13, Szikra, 1951, pages 373-374). What does that mean, comrades? It means that the kolkhoz will have to perform an enormous task in developing the production forces before the time comes when it will be necessary to change over from the kolkhoz to the commune.

There are still enormous sources of energy and potentials of development hidden in the kolkhoz. The task is, the ideological goal of the Bolshevik Party in the Soviet Union is, to develop these potentials and energy sources on the basis of the airtel form to the maximum.

The Central Committee of the Bolshevik Party delegated the creation of one of the decisive prerequisites of the transition to Communism, that is, the securing of an abundance of crops, to the kolkhozes. This is a gigantic historical task, because it means that the decisive tasks of the transition from socialism to communism must be performed by the kolkhozes. This is, comrades, how the Soviet Union now stands with respect to the economic conditions of the commune and of the collective farms, and these are the prospects of the development of collective farming.

The following is the last question: "How do the Party functionaries of Budapest utilize in their practical work the principles concerning the socialist reconstruction of agriculture?"

The question alludes to the possibility that the Party functionaries of Budapest, because they are from Budapest, and since agriculture is generally not conducted in Budapest but in the provinces would not be immediately concerned with the problem. We know, comrades, that the socialist transformation of agriculture can be accomplished on the basis of the worker-peasant alliance. We also know that the working class has a leading role in this alliance. The working class can fulfill this role only if it is aware of the ideological and practical duties of the socialist reorganization of agriculture.

How can the proletariat fulfill its role of leadership in the fight for the collectivization of agriculture if it does not understand what it means and in which way, by what methods, it can be accomplished? Can we say that everything is all right in this area if the proletariat of Budapest, that is, the elite guard of the Hungarian working class, has already performed its task and is aware of these tasks? No, not by far! These tasks are dissemination and explanation. It is the important political task of the Party functionaries. Unless they perform these we can not advance as we wish. We must secure the hegemony of the proletariat, its leading role, and in order to do so we must communicate these tasks. This is an important consideration for the Party functionaries of Budapest.

We also know that industry and the industrial laborers create the preconditions of the socialist transformation of agriculture. I do not want to digress to what preconditions there are; I shall only mention one: mechanization. It is obvious that without the technical aid of the village on the part of the city there is no socialist agriculture. The industrial workers must perform this task of rendering aid to the village. For this they must know the needs. And it is again here in the city, above all here in Budapest, that the knowledge must be acquired, because, although the collectivization of agriculture goes on in the province, its prerequisites must be created here in Budapest and in the rest of the socialist cities within the circles of the proletariat.

We also know that the working class leads the fight for socialism. Furthermore, we know that this fight goes on not only in the city but also in the village. Could the view be accepted according to which the duty of the proletariat is to carry on the fight for socialism only in the city? No, Comrades, this would be incorrect. In order that he be able to carry on this fight also in the village, however, he must master the problems connected with the class struggle related in the socialist transformation of the village. He must know the way of realization of socialism in the village, the conditions for, and the means and methods of collectivization. This is a very serious task not only for the proletariat, but for our Communist comrades, in fact primarily for them!

Comrades! Thousands, and I could say tens of thousands, of industrial laborers come into agriculture, to the state-owned estates, to the machine stations, into the apparatus of the committees, as economic and political leaders. They must be prepared for this work. By all means they must be prepared for it. This is an exceptionally great task.

The propagandists have an important role in the socialist reorganization of agriculture. Patronage work, that is, patronage over the village, also has an important role. We know from experience that good work is performed by those who are prepared for it, who know the tasks, know the problems of agriculture and its socialist reorganization. If unskilled, inexperienced comrades, Party member, or non-Party member industrial laborers, who are unfamiliar with the problems, get in the village, they can cause immeasurable damage. But if they are familiar with their tasks, if they prepare for this exceedingly important work, they can do an extraordinarily great service for the cause of socialism. The performance of this work is our functionaries' task. They can only perform the work if, first of all, they themselves are prepared and are aware of the theoretical and practical problems of socialist agrarian transformation.

Comrades! I want to emphasize that the problem of socialist agrarian transformation is not a question of detail. This is not a problem of the village, it is not a problem for the rural or provincial Communists. The theoretical and practical problems of the socialist agrarian transformation must be equally familiar to every Communist, simple Party member, or functionary, to everyone from Budapest or the country, to the industrial worker, to the intellectual and peasant. He who does not understand that does not understand the policy of the Party.

What does it mean that the problems of socialist transformation must be known? It means that the program of the Party must be known, that the policy of the Party must be known, that the tactics of the Party must be known. And this is the duty of every Communist.

This is then, comrades, how the question is answered as to our Party functionaries of Budapest who have indeed a very important duty in connection with the dissemination of theses that deal with the socialist rebuilding of agriculture, and in connection with the education of Party members and non-Party-member industrial laborers.

Comrades, there is one more question which I should like to briefly answer. Does agriculture accumulate at the present? If it does, does this accumulated amount exceed our investments in agriculture? I do not know whether anyone could answer this question, partly because to my knowledge no one has done any research in this direction.

A few aspects that indicate the status of accumulation, however, can be mentioned. In connection with the question related to the stratification of the peasantry, I have already mentioned what the situation is in the present phase, where the main tendency of development is "middle-peasantization." What does that mean, comrades? What does the fact that with us

the poor peasantry develop further and become middle peasants mean? It means that with us there occurs an accumulation, that agriculture is accumulating, since if this were not the case, the lower, poor-peasant stratum could not elevate itself into the ranks of the middle peasantry. This answers the question as to whether there is accumulation or not, better than any other method of calculation. I cannot mention figures, because I was not and could not have been prepared for that. But such a phenomenon as the process of "middle peasantization" obviously shows that the economic rules of socialism have an ever greater effect with us, and it is naturally accompanied by accumulation.

The economic conditions for enlarged production and accumulation exist primarily in the socialist sector. But enlarged production can also be observed in the small-scale producers' sector as a result of which accumulation takes place there, too.

But as to how it compares to, let us say, investments, could only be answered satisfactorily on the basis of complicated calculations. With this, comrades, I close my presentation.

FESTIVE SPEECH IN THE OPERA HOUSE ON THE SIXTH ANNIVERSARY OF OUR LIBERATION

(Vol II, Pages 218-233
(Speech Given on 4 April 1951.)

Honored festive Party! Dear comrades!

Our Hungarian fatherland lives in an era of unprecedented constructive work, of surpassing achievements, and we can proudly say, of a national renaissance. The miraculous results of our people's constructive labor are the milestones of our progress.

But amidst the feverish weekdays of their work to rebuild the country our people stand still for a moment today. They celebrate. They celebrate their most precious, most jealously guarded treasure: their liberty. They celebrate the fulfillment of our national aspirations, centuries-long struggles, most sacred goal: our liberation.

If there is a cause for which people have made unlimited sacrifices throughout their history, for which they have written in blood brilliant chapters of heroism in their history, it is the cause of liberty. Our people have also offered sacrifices by the shedding of their blood for the most sacred ideal, liberty. Still they could not achieve it by their own force, with their struggles lasting throughout the centuries and passed on from generation to generation. The mighty Soviet Union, the great friend of oppressed and conquered peoples, the champion and protector of freedom, brought liberty to our people.

It is the heroism of the Soviet peoples in the field of work and the field of battle, their undertaking of the immeasurable sacrifices in the gigantic struggle for the liberation of the people, to which we owe our liberation.

The shining victories of the Soviet army, the demolition of the Hitlerite-fascist war machinery, and, with it, Prussian militarism, brought our liberation. On the rock-solid basis of this liberty the Hungarian-Soviet friendship has been built. This friendship links our nation with unbreakable fraternal ties to the Soviet Union, whose sons have liberated us by the shedding of their blood and the sacrifice of their lives. This is what we celebrate today with a grateful heart, now for the sixth year.

If there is a people to whom liberty is especially dear, it is the Hungarian people, whose wars for freedom and whose cause of independence had been destroyed by the superior numbers of the enemy and the treachery of their ruling classes. The Horthy system turned loose on our people the blood-drenched rule of the Fascist beasts and subjected our

fatherland to the yoke of German-Nazi imperialism, to the Hitlerite Third Reich, -- the culmination of these series of dishonorable treasons.

Our people could learn well, although at their own expense, and as the experience of the last 6 years show, Aidslearn well that the only safe security for the liberty and independence of the country and for peaceful work is the liberation of the working people, the overthrow of the feudal-capitalist ruling classes and the establishment of the people's rule.

Our people have learned from their own past that if their leaders hitched the country's fate not to the wagon of progress but to backwardness and reaction our fatherland is exposed to a series of catastrophes and defeat, ruination, and devastation.

We have well learned from the historical lesson, although we paid a terribly expensive price. We learned how to live with freedom, how it should be appreciated, and how to protect it with our last breath, if necessary.

Honored festive Party! Dear comrades!

We can elevate ourselves from our past and commence a new millennium with a new country only with the help of the people of the Soviet Union. The existence and historical mission of the Soviet Union, the protection of the freedom and independence of small peoples, and an unrelenting fight against the imperialists that threaten their existence, was the precondition of the historical turn which occurred in the fate of our country 6 years ago, when the glorious Soviet army liberated our fatherland from the last Nazi bandits and their hirelings.

The historical past was closed 6 years ago and there began a new era in the life of our people. With our liberation there commenced such historical changes as were unprecedented in the economic, political, and cultural development of our fatherland. We embarked on the road upon which we progress today and triumphantly build socialism in our country. That is why our national celebration of 4 April far transcends even our greatest holidays.

We inherited a country ravaged by the devastation of war, economically ruined, politically shattered 6 years ago. Although the past 6 years is only a short period of time, historical changes occurred in our country and in the lives of our people. We had to make up for centuries of backwardness. Looking back on the results of the past years we can say without conceit but with justified pride that we have not only left behind the economic, social, and political backwardness of our country, but also that we are progressing with great steps on the road of our people's democracy toward socialism.

The era opened by our liberation is a historical turning point in the life of our country. The capitalist phase of social evolution was closed and we began the transition to a higher, more progressive, more human society, toward socialism. The last hour of the feudal system arrived more than a century ago. Then the great national task upon which our country's future depended was the overturn of the serf-keeping feudal system and the achievement of our country's independence. These struggles between the decaying old system and the upsurging new system, between backwardness and progress, between feudalism and capitalism, surrounded Kossuth by a halo, the amazing feature of our past. They made the youth of March, with Petofi at their lead, the great generation which not only we Hungarians but also all progressive peoples view with pride as immortal.

Hardly a century later history assigned even more beautiful, greater, and more exalted tasks to our generation: to liquidate the crumbling capitalist system, to overthrow the rule of the capitalists, to liberate the working people, and to terminate the exploitation of man by man forever. This is a new conquest in the footsteps of which a new country is being built in place of the old, in which not the privileged gentlemen classes but the working people are the rulers, in which not wealth but labor is the basis of honor, in which man is valued the highest.

During this work and fight for a new world, for socialism, the working class became the leading force of our people; in this struggle our glorious party, the Hungarian Workers' Party, became great and strong; in this unselfish, undefatigable, unrelenting work the Hungarian Communists acquired the love and trust of our people.

The cause of socialism to which the best our nation devote their entire life is a national cause. To serve the cause of the nation has always been a matter of patriotism, honor, and glory. This is even truer today, when the building of socialism demands from each and every member of the great family of our nation increased sacrifices, more unselfishness, and deeper patriotism than at any time during the past. Our people, who took into their hands the direction of their fate, built by such self-sacrifices their happy fatherland. They faithfully follow the guidance of our Party, which by its wisdom active energy, creative ability, and example is the symbol of unselfishness, of creative work and victorious fights, of the glory of true patriotism, and which teaches our people heroism and leads it to victory in work and struggle.

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Viewing the development of our country in a wide historical perspective, we understand in its grandeur the enormous national significance of our liberation and the role of the Soviet Union in world history. We can thank the first socialist state of the world that in liberating our fatherland it made it possible for us to begin to accomplish our great national goals in possession of our freedom and independence.

Six years is a short period of time even in the life of one man! In the life of a people it is no more than a historical moment. And still what momentous changes have occurred in our country even in such a short period! For a moment let us recall the looted country lying in ruins which the Hitlerite hordes and their Hungarian stooges left behind. Our factories and enterprises, our railroads and bridges, our most beautiful cities and villages, all show the picture of utter destruction. Our working people had struggled with the worries of acquiring their daily bread. The insecurity of the next day loomed large in the country. From here our working people started to remove the debris, to reconstruct the country, to begin new conquest under the leadership of the Communists.

The wise foresight and magnanimous aid of the Soviet government made it possible for our people to get on their feet again and commence the laying of the fundament for their new fatherland. It is to the credit of our Party that in those difficult times it took without hesitation in its hand the direction of the ruined country in the spirit of the teachings of Stalin and rescued it from the brink of a catastrophe, no graver one had stricken our country since Hobbes. Our Party was the only organized force which gave guidance and which trusted in the creative force of the working people and placed it in the service of reconstruction. We are justified to say that the great successes achieved in our reconstruction are the result of the indefatigable work of our Party.

We have behind us six strenuous years of work and struggle. The efforts and unselfishness of our people, the correct policy of our Party, have brought their results. The results speak for themselves. We liquidated the old feudal class that abused the peasant and the land. With the nationalization of factories, mines, banks, and commerce we expropriated the capitalist class of the city, restricted the capitalist elements of the village, and terminated the exploitation of laborers in significant sectors of our people's economy. With the Three-Year Plan we completed the reconstruction of our economic life, and in the course of the realization of the Five-Year Plan we are now establishing, by now for the second year, at a fast tempo a solid basis for the socialist reorganization of our people's economy. Our toiling peasantry for the socialist reorganization of agriculture. Our flourishing

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production-cooperative farms, our socialist villages, signify this gigantic transformation which occurs in the life and method of farming of our toiling peasantry. Our socialist machine industry already produces twice as much as in the last year of peace, in 1938. Our fatherland, which is on the road to socialism, is in the process of transforming into an industrial country that possesses an advanced agriculture.

We have broken the educational monopoly of the former ruling classes; the halls of knowledge have opened their doors to the sons and daughters of the working people. There are almost unlimited opportunities for the intelligentsia, for the men of science and art, to serve our people in the field of socialist construction. There is a veritable cultural revolution going on in our people which opens up the immeasurable wealth of cultural forces and values latent in the people and makes it the common treasure, thereby enriching our national culture.

By the establishment of our people's republic and of our constitution the remainder of the exploiting classes have been permanently eliminated from the power. Through the new organs of the democratic state power and through the local committees the working class, as the leading force of the country, raised to power the wide masses of the people, above all the toiling peasantry, and by doing so it further reinforced the basis of our statehood, the worker-peasant alliance.

Our people have never been, nor could they ever have been, so strong and developed politically and culturally as in our day.

Great and noble tasks, the cause of our liberty and our freedom, and the feeling of patriotic love had never formed our nation into as strong a union as today.

All this is the result of 6 years of labor and struggle. It is an eloquent testimony to what magnificent things a people can do when it is free, when it is master of its own fate, when it can use its creative force for peaceful work, when the fruits of its labor do not serve the enrichment of the privileged but serve the public welfare and the common interests of the nation.

Our results and successes, which even our most stubborn enemy can not deny, demanded a great exertion of force from every worker of our country. But we could not have achieved these magnificent results merely by our own strength. We can thank the Soviet Union that we could solve in 6 years the problems of centuries. The Soviet Union with its inexhaustible natural resources, its material and spiritual fountains of strength, has rendered from the first moment of our liberation and is

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All this is the result of 6 years of labor and struggle. It is an eloquent testimony to what magnificent things a people can do when it is free, when it is master of its own fate, when it can use its creative force for peaceful work, when the fruits of its labor do not serve the enrichment of the privileged but serve the public welfare and the common interests of the nation.

Our results and successes, which even our most stubborn enemy can not deny, demanded a great exertion of effort from every worker of our country. But we could not have achieved these magnificent results merely by our own strength. We can thank the Soviet Union that we could solve in 6 years the problems of centuries. The Soviet Union with its inexhaustible natural resources, its material and spiritual fountains of strength, has rendered from the first moment of our liberation and is

now rendering inestimable aid to our people's economy. The rich Soviet experience in the building of socialism, the work methods of innovators and of Stakhanovites, the latest advances of science and technology, become the public property of ever greater masses of workers. This way, and in thousands of other ways, the great Soviet nation constantly and in an always greater measure helps and supports us. The Soviet Union has offered so many sacrifices of blood in the fields of battle for the liberation of our country, in our peaceful construction work. We can thank the Soviet Union that, recovering from the horrors of a devastating war into which the Hungarian people were driven by their guilty masters, after 6 years of peaceful work a happy people can build for themselves a new socialist fatherland in the Danube-Tisza area.

Honored festive party! Dear comrades!

While the many million peoples of the Soviet Union, the peoples' democracies, People's China, and the German Democratic Republic create marvelous work in the favor of creative labor, the imperialist powers light the torches of war in every corner of the world. Beyond our southern and western borders it is not the rhythm of peaceful work, but the noise of hurried armament that disturbs the peace of the capitalist countries. War hysteria and unrestricted arming is the activity of the member states of the aggressive Atlantic Pact in the smaller and larger satellites of imperialism -- of Li Sin Man, Chiang Kai-shek, Franco, and Di Gaspari.

Through war these gentlemen wish to pull out the dilapidated carriage of capitalism from the bottomless mud hole where it sank after the Second World War. The knowledge of their weakness placed in their hands the audacious weapon, because they suddenly realized that the peaceful existence of the two systems, that of socialism and capitalism side by side -- the possibility of which we are convinced -- would sooner or later present mankind with the peaceful, bloodless victory of socialism. This is what the imperialists are afraid of, this is why they want to reach for the weapon of war. But the imperialists and their agents who speculate on war make a basic mistake in their calculations. They forget the great historical lesson that can be gleaned from World War II. This great historical lesson, which was well understood by the hundreds of millions of liberated workers, as well as their brethren who yet languished in capitalist slavery, warns the warmongers of the fact that while World War II tore only a few of the European and Asiatic countries away from the system of capitalism, a new imperialist war adventure will mean the grave of capitalism. And if the Soviet Union, as well as the peoples'

democracies mass in a gigantic peace camp, among them also our fatherland, firmly and unrelentingly adhere to the cause of peace, and defend to the last the peace, they do so because they fanatically believe that the best and most humane road to the victory of socialism is not slaughter and ruination, not bloody war, but formative, creative peaceful work.

Our love of peace and our government's policy of peace springs from our rock-solid faith in the victory of socialism and in the all-surpassing strength of the peace camp led by the Soviet Union.

Honored festive Party! Dear comrades!

The imperialist powers are in a feverish search for a so-called "weak point," so that through the explosion of war they can secure advantageous conditions for their aggressive plans. Their attack cut into the body of the Korean People's Republic, and they are establishing plans for attack on People's China and the Soviet Union. The most devastating and bloodiest fights have been carried on in the land of Korea for long months. In these serious fights, in which American imperialism and its followers hoped to achieve a cheap and fast victory by the massive utilization of their war strength and technology, the heroic Korean people proved stronger than the total number of the mercenaries thrown into action in Korea by American imperialism and a UNO degraded into a tool of war.

The defeats suffered in Korea moved the imperialists to increase their war preparations and to expand their activities in Europe. We know and we know that the cause of peace is one and indivisible, that the bloody aggression against the heroic Korean people also endangers our peace and freedom. But the increase of billicose activities in Europe brought to our immediate vicinity the danger that threatens the peaceful work of our people and the liberty and independence of our fatherland.

The main area of imperialist war preparations is Western Germany. German fascism is being revived and rearmbed by the violation of peace treaties and by the mockery of the loftiest ideals of mankind, of peace, of liberty, and of humanism.

In World War II the glorious Soviet army crushed Hitlerite Fascism. Since then it has vigilantly guarded the peace, liberty, and independence of nations. The peace policy of the Soviet government exerts superhuman efforts to prevent the revival of German fascism, to prevent humanity from a new cataclysm.

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The United States of America, England, France, instead of joining with the Soviet Union in the struggle for securing world peace and for the prevention of the revival of fascism in Western Germany, Japan, Italy, and elsewhere, in their blindness against the countries of socialism and against the peoples' democracies, intend to accelerate the breaking out of war against the Soviet Union and the peoples' democracies by supporting and arming fascism.

We Hungarians have learned at great price where our place is in the fight against imperialist-fascist conquerors. Our answer is firm and unequivocal: on the side of the Soviet Union.

While in the past the treason of our ruling classes had deviated our people from the only correct road of national interest, today our liberated people stand firmly and unshakably, under the leadership of the working class and the Party, on the side of the mighty Soviet Union and advance together with the friendly peoples' democracies on the only correct road of our national elevation and welfare, on the road of freedom and peace.

Honored festive Party! Dear comrades!

We celebrate the anniversary of our liberation at a time when the 800-million-strong peace camp led by the Soviet Union -- in answer to the imperialist warmongers' feverish preparations and provocations -- makes further efforts for the preservation of peace. Comrade Stalin's declaration of historical importance which lit the light of hope for peace in the souls of hundreds of millions of people and reinforced the faith and trust in the strength of the peace camp, and the resolution of the Berlin session of the World Peace Conference, which moved greater and greater masses to the active protection of peace, opened a new phase of the peace movement in the world.

Also on the Hungarian front of peace there are new problems awaiting solution.

The peace movement originated by the Stockholm appeal must now be further developed. The collection of signatures, which at that time involved the entire adult citizenry, was an enormous success of our peace movement. Yet today we must go further than that. The increasing danger of war demands that by moving that majority of the people who long for peace, the three imperialist powers, the United States of America, England, and France be forced to preserve a lasting peace, and that they enter into a peace treaty with the Soviet Union and People's China. In this interest we must assure that no one be

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indifferent or neutral in this fight for peace. The world is separated into two camps. On the one side there is peace, justice and life; on the other there is war, devastation, and death. Honest benevolent men must unhesitatingly gather under the banner of peace. The enormous energy of the peace movement, which springs from the fact that it depends for support upon the widest masses' will for peace, will be utilized. The words of Stalin furnish guidance in the world peace movement. This is what we also follow on the Hungarian front of peace when we place the lofty cause of protecting peace into the hands of the Hungarian people, knowing that, as Stalin said, "Peace will be maintained and will be lasting if the people take in their hands the cause of the preservation of peace and stay faithful to it to the end" (Stalin for Peace, 3rd ed., Szikra, 1954, page 100).

Honored festive Party! Dear comrades!

On the anniversaries of our liberation that follow one another, our achievements are always more magnificent, the aid and support which we receive from the Soviet Union is always greater, and the ties of friendship which bind us to our liberator, to the country of socialism, is always stronger. This eternal friendship is the foundation of our nation's future and will bring to our people the bright and happy life of socialism.

With the guidance of our glorious Party our working people build their socialist fatherland with true patriotism and unselfishness, with a feeling of deep gratitude toward the great Soviet Union, and with the certain knowledge that this victorious country of socialism is on our side, that it protects and supports us with its enormous power and inexhaustible richness. This immense and ever increasing aid in the areas of economy, technology, science, culture, and every endeavor of life manifests itself in magnificent deeds that oblige our people to eternal gratitude toward their great friend Stalin. The feeling of gratitude and love will become deeper, more sincere, and more encompassing with the increase of our people's enlightenment, the increase of their self-consciousness and intellectual transformation, and the inestimable significance of the assistance received from the Soviet people will become ever more prominent.

On the anniversary of our liberation the workers of our villages express throughout the country by the excellent results achieved in the socialist competition formed in honor of this holiday, and by overfulfilling their work plan, their determination to secure the welfare of our people and the upswing of our country by doing their job on the front of labor, by strengthening our people's economy by

increased production, and by the newer and more brilliant successes achieved in the area of socialist construction.

We have achieved great results during the past year in the area of socialist construction. But the defense of our liberty and of our peace now demands the solution of even greater tasks. Now we concentrate all the efforts of our people's democracy on these tasks. We are sure that our efforts will be crowned by newer and even more brilliant successes, that our working people will follow as one man our Party on the road which certainly leads to the fulfillment of our desires -- to the victory of socialism.

By now our working people know that they follow the road of advancement and of happiness when they follow our Party. They are aware of the fact that our Party has rendered inestimable services to their nation. They know that the desire to better the fatherland guides every act of our Party.

On the great holiday of the liberation of our Hungarian working people the people turn with a feeling of love and gratitude toward the true friend of our people, toward the mighty Soviet Union. They know that if they make the ties of friendship and cooperation even closer with the peoples' democracies, with whom we struggle in a joint effort for the common goal, as one big family, for liberty and socialism, this will be the most secure pledge for their happy lives.

On the sixth anniversary of our liberation we promise that our people will march with the enormous peace camp led by the Soviet Union, uniformly and as one man to the ultimate victory.

Long live and flourish our free and independent people's republic!

Long live our glorious Party!

Long live our liberator, the Soviet Union, and the great Stalin!

THE DEVELOPMENT OF AGRICULTURE IS NOT ONLY A PROBLEM OF
TECHNOLOGY BUT ALSO OF AGRICULTURAL PRODUCTION

[Vol II, pages 234-248]

(Opening speech given at the conference of the Agricultural Industrial Scientific Association on 7 July 1951.)

Dear comrades! Honored conference!

When the Agricultural-Industrial Scientific Association invited me to its conference today, I was pleased by the invitation for several reasons. First, because the agricultural industry is an extraordinarily important and extensive area of that field of work which I, as Minister of the Food Industry, must direct, and because it represents a whole series of scientific and practical problems. Secondly, because, besides the everyday work, it is indispensably necessary to deal with the problems in a more scientific way, in their wider perspective, all of which is also the main goal of this conference. And, finally, because this is the first opportunity for me to meet the leaders and members of the Agricultural-Industrial Scientific Association.

The conference has an enormous work program. Since I am no expert of technological sciences, I do not intend to enter into the scientific analysis of the problems posed. But please permit me, without the charge of abusing my right as a guest, to touch upon a few theoretical questions which in my opinion merit special attention in the present phase of the development of our people's economy.

I find the discussion of one of these decisive questions necessary, because there are a whole series of scientific and technological problems on the agenda of the conference -- and I must admit, very important and apparent problems. But however important they may be, they are still problems of detail, questions of detail. The big question of how to summarize scientifically the development of our agricultural industry in the present phase of the transition from capitalism to socialism is not illuminated in this conference.

To discuss the entirety of the problem, the entire complexity of the problem, is even more justified, because by doing so it will become clear that the scientific problems of the agricultural industry are primarily and fundamentally not technological but of an economic nature, and that the problem must be examined not only from a technological but also from a scientific and economic viewpoint. One of the most important tasks of the Agricultural-Industrial Scientific Association

is to elevate the scientific problems of the agricultural industry from its narrow technical framework, and to place it on the broad basis of Marxist economics, because only this can present the broad perspectives and correct guidance under the complicated circumstances of the transitional phase. Only so can we correctly determine where and in what direction our agricultural industry, one or the other branch thereof, should develop.

The Agricultural-Industrial Scientific Association should furthermore place the problems of agricultural industry upon the basis of economics, besides other reasons, because the problem is an organic part of the science of agriculture. More accurately, it belongs in the sphere of agrarian economics. The problems of technological science only manifest themselves secondarily, based on and because of the economic background. The fact that the scientific and economic basis of agricultural industry become blurred and that the problems show up primarily in the field of the technological sciences is of course not incidental and can be explained in several ways. But the first reason is that our scientific cadres, our Marxist economic training, our knowledge of the science of agriculture is not sufficient. In the acquirement and wide application of Marxist economic and agrarian science, a great task has yet to be accomplished, especially since we seem to be falling seriously behind in this field. The statements of comrade Stalin made in 1929 at the conference of Marxist agrarian experts characterizes our situation, too. Comrade Stalin placed great emphasis on the clarification of theoretical agrarian problems. As I have mentioned, he also passed judgment upon the activities of the Marxist agrarian experts and their theoretical work, in connection with which he said the following: "...even if we have reason to be proud of the practical successes of socialist construction, we can not say the same of our successes in theoretical work in the field of economics and especially in the field of agriculture. In fact, we must admit that our theoretical work can not keep in step with our practical successes, and that there is a certain gap between the development of our practical successes and theoretical work. It is very important, however, that theoretical work not only keep in step with practical work, but that it precede it, so as to equip our practical functionaries for our fight for the victory of socialism" (Stalin, Questions of Leninism, Szikra, 1953, page 349).

It appears as if comrade Stalin directed the above to us!

Honored conference!

The lag in the area of economic and scientific theory can not

mean that we shift the weight of the problem from the field of economics to the field of technological science, and it can not change the fundamental Marxist economic doctrine, that the economic formation of society, the economic basis, is primary and decisive. Thus, in spite of the fact that there is a lag in the field of economic and agrarian theory, which we must overcome, the economic bases, the solution of the problems in the field of economics, is primary.

In the analysis of the scientific problems of the agricultural industry these problems can not and must not be separated from the given economic conditions, especially since the character, task, function, position, specialty, and development of the agricultural industry is most closely connected with the social characteristic of agriculture and of the entire people's economy. We know that the function of the agricultural industry is entirely different under the conditions of capitalism than under the conditions of socialism; thus through the shift of the social basis, the tasks, characteristics, functions, etc., of agricultural industry are changed in their essence and substance.

Of course at the same time, the functions of agricultural industry react to the given economic basis and modify it. This is clearly proven by the experiences of the Soviet Union in connection with the massing of the toiling peasantry into production cooperatives. Socialist industry and the significance of agricultural industry proved particularly strong in the gigantic development and upswing of the cooperative movement in 1925-26 in the Soviet Union. The massing of the peasantry into general cooperative farms and production cooperatives reached the highest stage in those production areas in which they produced raw materials for industry, that is, in the agricultural industrial areas from which it is evident that the agricultural industry fulfills a very high social function. In our present case it promotes the conversion from the individual small-peasant farm to collective socialist large-scale farming. It is typical that the cooperative associations gained a greater impetus particularly in industrial plant producing areas, in the milk producing areas. In 1926, for instance, 70 % of all farms in the potato producing areas, 80 % of the tobacco and beet producing areas, about 60 to 72 % of the milk producing areas, carried on production on the basis of production contracts made with industrial enterprises. Therefore it is obvious that the close contacts with the agricultural industry brought these farms closer to the mass-scale collective way.

This is not the peculiarity of the Soviet Union alone. The situation is the same with us. I do not want to quote figures after figures, but it is obvious that production by contract is the method which,

although it is more primitive, is also more accessible to the peasantry, provides the means for directing the widest masses of our peasantry to the road of the associations. In this respect our agricultural industry also has a great role and significance.

We can conclude, therefore, that the problem of the agricultural industry transcends the technological questions and generally the scientific questions of industry, and that it is an essential question of the transition from capitalism to socialism, and, within that, of the socialist reorganization of agriculture. I believe these facts must be given consideration by the Agricultural-Industrial Scientific Association, and it should extend its activities into this area, to the area of economics.

Honored conference!

I also want to call attention to the problem of the development of the agricultural industry. Principally this is the topic of the conference. It deals with the question in detail by trade branches. This is highly correct and necessary, but the fact that the development of the agricultural industry is not only a technological but also an agricultural-production question must not be lost sight of. It is known that the development of the agricultural industry depends not only on technological factors, but on the following:

- (a) The structural changes of agriculture, including the transition from individual small-peasant farming to large-scale cooperative farming.
- (b) The change occurring in production, the production process itself. We know that the role of agricultural industry and its functions differ under capitalist large-estate production, under the small-peasant production, and again under the specialized production of socialist light enterprises.
- (c) It depends upon the formation of the production of the area, upon the adoption of new cultures, etc.

Altogether, therefore, it depends on the changes that occur in the raw-material basis. It is therefore indispensably necessary to recognize the fact that the development of the agricultural industry depends on such economic factors as the change occurring in the available labor force due to industrialization, the shift in the position of industry as a result of our five-year plan, the formation of new industrial areas, the establishment of new foodstuff bases, etc.

Whichever of these questions we examine we find the great process of transformation in each one of them under the present conditions in

Hungary. Undoubtedly, if we want to be correctly oriented in the question of the development of our agricultural industry, we must view and analyze these questions on this basis, from the point of view of the far-reaching changes within our people's economy and in our agriculture.

We must by all means take into account those economic factors and changes in connection with the development of the agricultural industry, because these factors and changes determine the prospects of development and are the economic factors and changes upon which the long-range plan of our agricultural industry is based. These are what ultimately determine the technological tasks and the problems that face us in the field of technological science.

Today's conference endeavors to set the tasks of agricultural industry by brooding it down as regards branches. This is correct. For this there is a definite need. But I believe the time is here for the Agricultural-Industrial Scientific Association to begin the preparation of a long-range over-all plan of the agricultural industry, perhaps with the cooperation of other scientific associations, upon broad scientific bases with the reconciliation of all economic and technical-scientific viewpoints, and taking into account the prospect and tempo of the socialist transformation of agriculture.

The third question with which I want to deal briefly is the hostile ideology, the question of the scientific fight against the idealistic view, which is not on the agenda of the conference. We must give greater weight and significance to this problem than we have done until now. Partly because we have not done and scarcely do this in this field, from which it logically follows that the tasks before us do not lessen but grow. Partly because the idealistic view is also taking a grip on our scientific co-workers. Its defeat is not inherent, it is a question of battle; it is a question of an unrelenting fight and work on the ideological front. The task to also conquer this field is one of the important tasks, I may even say the most important task of the Agricultural-Industrial Scientific Association in relation to the field of the agricultural industry. The scientific results of the Soviet Union furnish a great aid in this. We have at our disposal an armory of ideological scientific weapons which, if correctly applied, secure the victory of Marxism also in the field of science.

But our learned colleagues, if they want to fight successfully in the field of science and wish to make wide use of the achievements of

the Soviet Union, must make it their principle task to raise their Marxist-Leninist ideological standards. Without this no substantial scientific work can be pursued and the possibility for waging a successful battle on the ideological front against the hostile views is lessened.

Many of the members of the Agricultural-Industrial Scientific Association are yet unfamiliar with the achievements of socialism in the field of science in the Soviet Union. They have not yet had a chance to familiarize themselves with them. They could not adopt a materialistic scientific view as their own. This is not their fault, but we must see it and we must correct it. Aid must be given to the scientific associations.

We know, comrades, that at the final stage everything is decided by the cadres. In order to carry on a successful campaign in the field of science, in order to defeat the hostile ideological views, in order to further develop the results achieved so far in the field of science, we need such scientific cadres as can stand their ground with respect to their Marxist-Leninist training and their scientific technological preparedness, who will have a fighting spirit and will successfully struggle against hostile views in the field of scientific work, and who can carry forward the cause of socialism. There is a need for such scientific cadres. I want to emphasize the need is for those who have a fighting spirit, because it is not sufficient for them to arm themselves with the knowledge of Marxism-Leninism, it is not sufficient to become familiar with the achievements of Soviet science. This knowledge must be applied unconditionally, firmly and militantly in our everyday scientific work. Scientific results and scientific knowledge that retreat and withdraw, that do not rise in the protection of their truths, for the victory of their truths are worth nothing. There are such examples in the Hungarian scientific life. Their most dangerous manifestation is withdrawal, retreat, scientific passivity. Marxism is a militant ideology; battle is therefore the life blood of the Marxist also in science. It is the greatest and the most beautiful task of the Agricultural-Industrial Scientific Association to train and educate such cadres for our agricultural industry and generally for our people's economy.

Honored comrades!

The conference of the Agricultural-Industrial Scientific Association has convened at a time when our agricultural industry is facing tasks that are substantially greater than the tasks hitherto. The long-missed abundance of crops this year and the greater proportion of the harvest -- thus the substantial enlargement of the raw material basis -- will be a gigantic test of the strength of our agricultural industry. But our people's economy expects not only numerically more but qualitatively better things from our agricultural industry than in the past. Therefore it must produce not only more but also better. It is not easy to fulfill the requirements. Our agricultural industry has to wrestle with certain circumstances and factors which are outside the realm of industry. These factors are chiefly the remnants of capitalism. One such factor is the approximately one and a half million small-peasant farms which produce raw material of inadequate quality by obsolete methods and deliver these to our industry unscheduled and without a plan. The small goods-producing sector is undoubtedly a grave difficulty in the work of our agricultural industry and is an obstacle to our further development. There are two conditions for the removal of these obstacles. One is the socialist reorganization of agriculture, the conversion to large-scale cooperative farming, which by its planned production and high average return and high-quality produce will become the solid base of our agricultural industry. The introduction of the most advanced Soviet agro-technical methods, above all in our state-owned and cooperative farms, is closely connected therewith. But our individually-farming peasantry, who work on the basis of production contracts can also be led and must be led to the adoption of the more correct and more reasonable method of cultivation. The second remnant of capitalism is represented by the obsolete, old-fashioned enterprises of our agricultural industry and their unplanned and arbitrary placement. In this field we have already implemented certain changes. We have modernized through large investments and increased the productivity of a significant part of our enterprises, and by doing so we have improved the production of our individual branches of industry, both in respect to quantity and quality. At the same time, we have also established new, modern enterprises and our increased Five-Year Plan directs further such establishment. We have exerted great efforts in the past, not without results, and we shall continue to do so in the future for the decrease and even termination of the seasonal character of certain industrial branches. We must realize, however, that the consistent introduction of a planned economy is an indispensable precondition to the termination of the seasonal character.

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The lack of skilled labor is also a significant difficulty in the work of our agricultural industry, and this too is a wretched inheritance from capitalism. We have achieved no small results in the training and supplying of skilled workers, but these were insufficient for enabling us to keep in step with the greater demands accompanied by the increase. We have decided to realize an enormous program in the field of technical training and education which will bring us closer to the solution of the problem. We want to achieve this mainly by the increased utilization of the female labor force. The problem of the female labor force is a question with which, in my opinion, our appropriate organs and the Agricultural-Industrial Scientific Association should deal with more basically, more thoroughly, and also separately. In the individual branches of our agricultural industry there are also serious deficiencies in the field of inner production and labor organizations. Better work discipline is a very great task of ours. In this field we are far from what socialism requires. In the field of improving work discipline, therefore, we have great tasks to perform. In the field of decreasing production cost and of economization we are also far behind the requirements. Thus there is much to do also in this field.

Besides the errors and deficiencies in our agricultural industry, it has also had significant successes and beautiful results. The number of Stakhanovites, innovators, shock workers, who excelled in production has increased constantly. Our champion factories are leading in the national socialist production campaign, and the exchange of more reasonable work methods begins to become a mass movement also in the field of the agricultural industry. All this is most eloquently expressed by the fulfillment of the production plan of our agricultural industry. There still are certain serious fluctuations, sometimes serious backlogs. We have to struggle for the fulfillment and overfulfillment of the plan in every branch of the agricultural industry, keeping these in view.

Honored comrades!

This conference will undoubtedly mean a great help, partly in the elimination of the still existing errors and partly in the preparation for new and greater tasks. The industrial branch subcommittees, with the inclusion of their best trained and most experienced workers, will assign and set the new tasks. Serious problems are to be solved in the technological development of our enterprises, and this must be accomplished by the smallest investments and greatest economy. The maintenance of our machine equipment, in which field there are great deficiencies, must be well planned. The production technology of the

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goods produced must be unified and modernized, etc. As in every endeavor, here too the enormous and rich experience of the Soviet Union, which is at our disposal to open the way of development to new and greater production successes, is of great assistance.

I believe I express the feelings of all of us when I show our deep gratitude to our liberator, to the Soviet Union, for the many-sided support which the Soviet Union has extended to us from the beginning. At the same time, I also thank the leadership of the Agricultural-Industrial Scientific Association for the indefatigable work which it has done for our agricultural industry. Its most multifarious activity, its successful work in the field of the training and education of the technological and scientific cadres, its outstanding education of the technological and scientific cadres, its dissemination of the technological and scientific experiences among the workers of the Soviet agricultural industry. I wish that its activities in this direction, under the sign of Soviet-Hungarian friendship, may be crowned by even greater successes.

Dear comrades!

Our people's democracy, which is building socialism, places increasing burdens upon our agricultural industry. Man is the most valuable element in socialism. It is the greatest honor, and at the same time the greatest responsibility, to take care of this our great treasure in the way our Party demands. According to our Party's guidance we have to work so well, so conscientiously, so indefatigably, and with such devotion, as to deserve the highest recognition of our working people. This is a great task which requires much work and energy, but the task must and can be performed. It is for the realization of this great, honorable, and responsible task that I wish much success to this conference.

I herewith open the Conference of the Agricultural-Industrial Scientific Association.

ON THE 35th ANNIVERSARY OF THE GREAT OCTOBER SOCIALIST REVOLUTION

[Vol II, pages 249-268]

(Festival speech given at the Opera House on 7 November 1952.)

Dear Comrades!

On the eve of 7 November peace-loving mankind throughout the world celebrates the 35th anniversary of the Great October Socialist Revolution.

Let us turn back the pages of history

The first imperialist world war shook the decaying capitalist world to its foundations. The Russian working class, under the leadership of Lenin and Stalin's glorious Party, became battle hardened during the revolutionary fights, was armed with the science of victory, and overthrew the exploitive system in alliance with the oppressed peasantry and conquered nations of the tsarist Russian empire. The Great October Socialist Revolution triumphed 35 years ago on 7 November 1917. There is worthy historical significance in the fact that it opened a new era not only in the history of the Russian people but also in that of all mankind, that in the form of the Soviet power it brought into existence the state of the working people, and that upon the ruins of the defeated exploitive system it laid the foundation, through the victory of the revolution, not of the rule of another exploitive class but that of a nonexploiting socialist society -- for the first time in the history of humanity. It also has world historical significance, because it showed the way to liberation to millions of workers of oppressed and conquered countries; it kindled a fire in them for the smouldering revolutionary ideal, the teachings of Marxism and Leninism; it furnished them with the science of victory; and in the novel Party of Lenin and Stalin it pointed out to them that unified, indivisible, and victorious guiding power which lights the road to liberation with the rays of socialism that pierce everything.

The Great October Socialist Revolution rescued the people of Russia from the first imperialist cataclysm. The genius of Lenin and Stalin, the prudent guidance of the Party, and the heroism of the great Russian people not only achieved but also protected the revolution and saved the future of mankind.

This offspring of the revolution, the Soviet Union, whose cradle first rocked on 7 November 1917 in the form of the workers', peasants',

and soldiers' councils, is already the mightiest socialist state in the world; it is the rock-solid stronghold of world peace, the pride and example of liberated peoples, the hope of the people who yet suffer slavery.

Our teaching master, Stalin, pointed out in his historical speech given at the XIX Congress of the Communist Party of the Soviet Union the representatives of the sister party, called the Bolshevik Party, the "storm brigade" of the world's revolutionary and workers' movement. "It was of course very difficult to fulfill this very difficult role," said comrade Stalin, "until this 'storm brigade' stood alone, and until it fulfilled this role of leadership practically by itself. But this belongs to the past" (Material of the XIX Congress of the Soviet Communist Party, Szikra, 1953, page 331). Today the Soviet Union is no longer alone. There are rallied around it, in the form of people's republics, the ranks of "storm brigades" -- among them our people's republic, the Hungarian storm brigade.

The legendary October has a more glorious and shining brilliance three and a half decades after the heroic fights than ever.

The Soviet people and with them, progressive mankind, have celebrated its glorious memory every day by the greater and greater successes in the field of production, science, and culture an eloquent testimony of the superiority of the Soviet state and the socialist people's economy in contrast to capitalism. The remembrance on this, the 35th anniversary, is more outstanding, more magnificent, than ever. We celebrate this 35th anniversary in the spirit of the XIX Congress of world historical significance of the Party of Lenin and Stalin, which affects the future fate of the Soviet Union and of all mankind.

The Congress is an historical landmark. It has an immeasurable significance, because it was held by a party which, according to the immortal words of Lenin, is the brain, the honor, and conscience of our age (Lenin's Works, Vol 25, Szikra, 1952, page 279) and of which our beloved leader and teacher, Comrade Stalin said, "There is not there has never been in this world such a mighty and respectable party as our party, the Communist Party" (Stalin's Works, Vol 13, Szikra, 1951, page 244).

Honored Comrades!

The brilliant victory of 35 years ago opened a new era in the development of the Soviet people -- the age of socialism. The

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lightening of human labor and the unsurpassable development of technology gave an impetus to the growth of the production forces in every branch of the people's economy that is unprecedented in the history of mankind. The heroic Soviet people, under the leadership of the great Stalin, the ingenious protagonist of Marxism-Leninism, brought to reality in three and a half decades the dreams of the great teaching masters of scientific socialism, Marx and Engels, and established the socialist social order in the Soviet Union.

On the basis of the magnificent results achieved, the XIX Congress of the Soviet Union's Communist Party established the tasks of the new Stalinist five year plan, the fulfillment of which secures a new impetus for the development of the Soviet Union's economy and serves the further increase of the people's material and cultural welfare. It is sufficient to point out that the industrial production of the Soviet Union at the end of the Fifth Five-Year Plan had trebled as compared to that of 1940. In the production of many important goods the Fifth Five-Year Plan comes up to -- in fact, in certain goods it even surpasses -- the production increase of the 13 years preceding the war.

The marvelous achievements which paved the road of Communist society, such as the water power plants of the Volga and Dnieper, the great canals for irrigation and navigation, stretches of forests that protect meadows of great acreage, and the marvelous achievements in the transformation of nature, also contribute to the above.

All this shows the inexhaustible economic resources of socialism.

The situation is radically different in the United States and the rest of the imperialist countries, whose leading circles have commenced a murderous war and continue it now for the third year in Korea, and who labor in the preparation of a new, bloody world war through frenzied rearmament. In the capitalist countries the economic life is militarized, war production is increased. This also increases the exploitation of the people and increases the profits of the small group of war-material manufacturers. The peaceful development of the Soviet people's economy, whose way is chartered by the new Five-Year Plan, is in sharp contrast to the economic plans of the capitalist countries.

Under such circumstances the Fifth Stalinist Five-Year Plan has an outstanding international significance. It demonstrates to the whole world the vigor of socialism and the superiority of the socialist economic system over the capitalist system.

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Honored comrades!

The continuous increase of the power of the Soviet Union is the result of the correct policy and organizational work of the Communist Party. The strength of this Party lies in the fact that it is guided by Marxist-Leninist principles in its every activity. The indissoluble unity of its ranks is the basis of the Party's invincibility. Toughened by the grave ordeals of war and by the fight against the difficulties of the postwar period, the Soviet people rally in union around the great Stalin.

At the vanguard of the peoples of the Soviet Union there stands an experienced and battle-hardened party, which unrelentingly continues the Leninist-Stalinist policy, which is proven correct by the great results achieved: the great historical victory of the Soviet people in the Great Fatherland War, the fulfillment of the Fourth Five-Year Plan before the target date, the further development of the people's economy, the further elevation of the Soviet people's welfare and cultural standards, the strengthening of the moral-political unity of the Soviet society and of the friendship between the people who live in that country, the fact that every force that belongs in the camp of peace and democracy rallies around the Soviet Union, as was stated by comrade Malenkov in his report to the XIX Party Congress.

At the same time, while under the wise leadership of the Leninist-Stalinist Communist Party of the Soviet Union, the Soviet people achieve victories of world historical significance in the field of Communist construction, the ruling bourgeoisie and social democratic parties that are traitors to the working class show successive fiascos in the capitalist countries. In their countries the political and economic differences become intensified, the signs of economic crisis are stronger, all of which further deepens the general crisis of the capitalist world system.

Facing the camp of reaction and aggression stands the other camp: the international camp of peace and democracy. The Soviet Union stands at the head of this camp, which, as Comrade Molotov said in his opening speech of the Congress, "firmly and unrelentingly protects the policy of the maintenance and solidification of peace among nations" (Material of the XIX Congress of the Soviet Communist Party, page 16), which is based on the theory that the peaceful coexistence and cooperation of capitalism and socialism is possible if both parties uphold the principles of equality and nonintervention in the other inner affairs.

Under the leadership of the main aggressor, the United States, the

imperialists search for a way out from the intensifying differences through the preparation of a new war. From this new center of reaction and aggression comes the threat of the greatest danger of the cause of peace, of the cause of people's liberty and the independence of nations.

For the protection of the endangered peace and for the prevention of a new world war, there develops an enormous mass movement all over the world under the leadership of the Soviet Union, within whose ranks hundreds and hundreds of millions of people rally for the maintenance of peace and friendship among nations.

At the lead of the people's democratic countries that rally around it, the Soviet Union continues unrelentingly its peace policy, which aims at peaceful cooperation with every country despite all the maneuvers of the warmongers.

While scheming to drown the world in blood and flames, amidst their frantic rearmament and base provocations, the warmongers should not forget the lessons of history. As a result of the First World War Russia broke with the system of capitalism, and as a result of World War II many European and Asiatic countries have done likewise. "We have every reason to suppose," said Comrade Malenkov, "that a third world war would lead to the collapse of the capitalist world system" (Material of the XIX Congress of the Soviet Communist Party, page 48).

Progressive mankind, hundreds of millions of peace-loving people, under the leadership of the Soviet Union, want to save the world from the horrors of war, want to preserve peace, to preserve life for humanity. To harness the fury of war and to carry the cause of peace to victory is a great and difficult task, but it is the sacred duty of every honorable, benevolent human being toward his family, nation, fatherland, and all mankind. It is possible to defend the cause of peace. "Peace will be maintained and will be lasting if the people take into their hands the cause of the preservation of peace and remain faithful to it to the end," said Stalin.

An ever increasing multitude of people rally around the Stalinist banner of peace throughout the world. The recently concluded Peace Congress of Peking, convened by the people of Asia and the Pacific, expresses the will for peace and the indissoluble unity of the people of 37 countries for the security of peace in the Far East and all over the world in the struggle to repel the danger of war. The people who yet suffer foreign rulers know that their struggle for national

liberation is inseparably connected with the struggle against war, declared the Congress in its appeal to the people of the world.

The world peace movement can fulfill its magnificent historical mission only if it can oppose the aggressive forces with organized military might for the protection of peace and for checking the war makers. The mighty and invincible army of the Soviet Union and the heroic Korean and Chinese armies, as well as the armed forces of the peoples' democracies, are prepared for every possibility, with the most modern and mightiest weapons to protect the peace among nations at the duty post assigned to them. To quote from the speech of comrade Bulganin given at the XIX Congress: "Let the capitalist masters know, and let them be constantly reminded, that a new world war is more dangerous to capitalism than it is to the democratic camp. If they unleash war, all the freedom loving people will react with a resistance that will prompt them to exert all their energies to end capitalism once and for all" (Material of the XIX Congress of the Soviet Communist Party, page 224).

Dear comrades!

The pride and hope of progressive mankind, the Soviet Union, has become the world's mightiest and richest country during the 35 years that have passed since its birth. This brilliant victory of world historical significance is the result of that heroic work which is performed under the wise leadership of the Party and the great Stalin. Since the more than quarter century that has passed since the death of the great Lenin, comrade Stalin, together with the immortal spirit of Lenin, has guided the Party and the Soviet people on the yet untraveled road of developing the Communist life. Comrade Stalin prepares the Party ideologically for every phase of this road. He teaches it to foresee the sequence of events, and directs its attention to the performance of the main tasks.

In the ideological life of the Party comrade Stalin's work entitled "The Economic Problems of Socialism in the Soviet Union" is of immeasurable significance. The principles and conclusions which comrade Stalin established in this work open a new chapter in the development of Marxist-Leninist science. The new scientific work of comrade Stalin contains a many-sided discussion of the laws of the social production and distribution of material goods in a socialist society. It unveils and gives reasons for the basic economic law of capitalism and socialism. It determines the scientific bases for socialist economic development, and it points out the roads of the gradual transition from socialism to Communism.

This work of comrade Stalin, which is a shining example of the inseparable unity of revolutionary theory and revolutionary practice, plays an enormous role in the spiritual life and ideological preparation of the Communist and workers' parties. "Our comrades abroad want to know how we freed ourselves from capitalist slavery, how we transformed the economy of our country in the spirit of socialism, how we achieved an alliance with the peasantry, how we accomplished the fact that this previously poor and weak country turned into a rich, enormous country...all these and other things they want to know not merely out of sheer curiosity, but because they want to learn from us and utilize our experiences for their own countries," writes comrade Stalin in his epoch-making scientific work of the international significance of the textbook of Marxist political economics" (Stalin, Economic Problems of Socialism in the Soviet Union, Szikra, 1953, page 46).

"The Hungarian Communists," says the greeting of the Central Committee of the Hungarian Workers' Party to the XIX Congress of the Soviet Union's Communist Party, "have learned from the Party of Lenin and Stalin the science of leading the working people. The revolutionary ideas of Leninism and the world-transforming teachings of comrade Stalin, which became incarnated in the conscious activities of millions of people, can well be used by the Hungarian people, who suffered a great deal for their opportunity to be able to take the road of elevation for the working masses and of the achievement and security of true national liberty and independence of socialist construction" (Matyas Rakosi, Report of the XIX Congress of the Soviet Communist Party, Szikra, 1952, page 27).

Comrade Stalin's new work is a program that opens wide perspectives, not only for the Communist Party of the Soviet Union, not only for the Soviet people, but for all Communist and workers' parties for the ideological, theoretical, organizational, and technical work of the Hungarian Workers' Party, for all the peoples' democracies -- among them our country -- in the heroic planning work which the magnificent socialist society is called upon to realize.

The XIX Congress of the Soviet Union's Communist party is an inexhaustible source of knowledge for the international revolutionary workers' movement, because what has already been accomplished in the Soviet Union proves with the force of facts the superiority and unrestricted possibilities of socialism, shows the goal and the road which must be followed. It leads working mankind to the only possible road of liberation, of a bright future and a peaceful life -- to the road of democracy and socialism.

Honored comrades!

Stalin, in his historically significant and rousing speech, permeated by his wisdom, given at the closing session of the XIX Congress of the Communist Party of the Soviet Union, pointed out the elevating role the fulfillment of which awaits the Communist and democratic parties in every country, which is that the cause of popular freedom and peace should have storm brigades and that these should gather around them the great majority of the nation for the fight against oppression, exploitation, and the danger of war. The words of comrade Stalin provide a brilliant militant program to the Communist and democratic parties for their fight for liberation, national independence and sovereignty. Let them lift the banner which the bourgeoisie, the arch enemy of the democratic freedom and liberation movement, cast aside. Let them wave it high. "It is without doubt," said comrade Stalin, "that you as the representatives of the Communist and democratic parties must raise this banner and carry it forward if you want to be the faithful sons of the fatherland and become the leading strength of the nation. There is no one else to raise this banner" (Material of the XIX Congress of the Soviet Communist Party, page 333). He lighted the militant road of the Communist and democratic parties that struggle under the conditions of capitalism with the rays of a brilliant future when he remarked that "we are therefore justified to expect the sister parties to achieve successes and victories in the countries of capitalist rule..." (ibid.).

It is with such brilliant prospects that the millions of workers in the capitalist countries celebrate the 35th anniversary of the Great October Socialist Revolution.

The spirit of proletarian internationalism has never linked the millions of people all over the world with such strong, unbreakable ties as now during the great historical days that take place on the eve of the 35th anniversary of the proletarian revolution.

The moving words of Stalin, when he spoke about the mutual assistance of nations, filled every peace-loving individual all over the world with a feeling of rapture. "It would be a vain thought that our Party, which became a gigantic power, needs no more support. This is not true," contended comrade Stalin. "Our Party and our country always needed and shall always need the trust, sympathy, and support of the friendly people beyond the borders...it is understandable that our Party can not remain the debtor of the sister parties but must support them as well as their people in their fight for liberation, in their fight for the preservation of peace" (ibid., pages 330-331).

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The ideal of proletarian internationalism became an enormous material force in the Soviet Union with the victory of socialism and established the almost unlimited possibilities for mutual assistance, the peculiarity of which, according to the great Stalin's words of wisdom, is that "...every sort of assistance rendered by any sister party to the peaceful aspirations of our Party means at the same time a support to its own people in the fight for the maintenance of peace" (ibid., page 330).

When we confess our belief in the Soviet Union, when we maintain our steady and faithful, solid and unflinching, loyalty to it, we act according to the sacred duty we owe our people. Proletarian internationalism, coupled with deep and true patriotism, gave and gives us the strength for those victorious fights and those heroic achievements in the feverish construction work for whose results our great teaching master Stalin honored us with the name "storm brigade." We accept it with the magnificent feeling of national pride. We want to be and shall be worthy of the honorable name "storm brigade."

This great honor came to our fatherland, to our people, to our glorious Party, the Hungarian Workers' Party, not without merit. Molded into unity with our working people in the lofty ideals of liberty and socialism, the Hungarian Workers' Party is successfully building socialism in our country. Since our liberation -- which was born in the glorious fight of the Great October Socialist Revolution, and was brought to us by the invincible Soviet army -- we have solved the great Hungarian questions of life and death better than the magnificent revolution's noblest national and patriotic aspirations of the preceding ages. Since the short 7½ years since our liberation, historical changes have occurred in our country. Our country has become a socialism-building people's democracy from a capitalistic country, and an industrial country with a progressive agriculture from a backward agrarian country. Our industrial production has tripled, as compared with the last year of peace preceding the war, 1938. In agriculture cultivation is carried on by the socialist sector, the production cooperatives, and state farms, on one-third of the arable land.

Our results achieved are enlarged by our working people on the occasion of the 35th anniversary of the Great October Socialist Revolution. Our factory production is greater by 24.3% in the third quarter of 1952 than it was during the same period of the preceding year. And with yet greater vigor in the honor of the holiday of 7 November our workers have achieved even more wonderful production results. Our workers are inspired by the knowledge that they are members of the Hungarian "storm brigade" which must stand its ground

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on the Hungarian front of the enormous peace campaign. The third decisive year of our five-year economic plan is abundant with brilliant examples of large-scale undertakings and of enthusiastic work within the framework of the national socialist competition instituted in honor of 7 November. Inspired by the magnificent production results of the Soviet workers, the workers of our industrial enterprises work with increased energy. Through the strengthening of work discipline they aim for the fulfillment and overfulfillment of their duty toward their fatherland, their affair of honor, in the fourth quarter of the industrial plan and production plan of the year 1952.

Besides outstanding achievements in the field of laying the foundation of socialism, and of the fulfillment of our people's Five-Year Plan, we are also justified to count the brilliant successes achieved in the field of culture and sports. The far-reaching cultural transformation that occurs in the spiritual life of our working people, is upswing of socialist culture, under the leadership of our Party, is amply reflected by the fact that two of our young writers were rewarded with the honor of the Stalin prize in acknowledgment of our cinema art for many of its magnificent accomplishments at the film festival of Karlovy Vary, for the progress of our literature and results in other fields of our cultural life.

The brilliant accomplishments of our sportsmen at the Olympics at Helsinki, where they acquired 18 world championships and secured third place for our country among 69 nations is a result that elicited worldwide respect and acknowledgment of our people's democracy and exhorts the talent of our people.

Our accomplishments achieved in the field of socialist construction, the efforts, unselfishness, and stamina of our working people, were assured by the over-all, constant, and ever increasing unselfish, friendly assistance of our sincere and true friends in the Soviet Union. The great Stalin has supported and continues to support our Hungarian people's democracy. This unselfish aid and support enabled us to surmount the difficulties and made available to the Hungarian Workers' Party the infinitely rich experiences of the development of the Bolshevik Party and of the great Soviet Union, so that we can freely draw upon this treasure, so that we can gradually learn the application of these experiences to Hungarian conditions. This comrade Rakosi said in his address of welcome at the XIX Congress of the Communist Party of the Soviet Union.

The brilliant success of the third peace bond subscription is a magnificent expression of our people's unselfishness and unwavering

loyalty to our government.

The number of bond subscribers, which exceeds 3 million, and the 452 million foreign oversubscription of the bonds issued -- this splendid manifestation of patriotism -- proves that our working people stand their ground in performing their work, as well as in performing their tasks as citizens, and that in the cities and villages they rally around the Party and Government with a unanimous heart and spirit for the fulfillment of these future plans that the people's Five-Year Plan has set as our goal. This unselfishness will bring fruits for our people in the always more grandiose accomplishments of the socialism under construction, for the ascension of our fatherland.

Honored comrades!

In these historical days, amidst world-shaking events, when we are the eye witnesses of the brilliant victories of progressive mankind, the bastion of world peace, the great Soviet Union, of the resolutions of its glorious Communist Party's historical Congress, the working people of our people's republic celebrate the 35th anniversary of the Great October Socialist Revolution in the most fitting manner when it stands as a solid bulwark on the Hungarian section of the front of world peace.

The workers of our country make enthusiastic preparations by self-sacrificing work in the cities and villages, by imposing undertakings, by the overfulfillment of their production plans for the Hungarian peace movement, for the third Hungarian peace congress which will be a brilliant new manifestation of our people's unity and militant will for peace. In order to frustrate the war plans of the most furious enemies of the Soviet Union and the peoples' democracies -- the American imperialists and their satellites -- the peace movement is becoming stronger here as well as throughout the world. The peace congress of Vienna in December will be the outstanding event of this campaign.

And our people stand prepared in a greater unity than ever, united with all the peace-loving people of the world and under the leadership of the mighty Soviet Union, to fulfill their historical mission of protecting our liberty, independence, and peaceful, constructive work in the Hungarian section of the front of world peace. We surround with our love and respect and our tenderest care our people's army, the invincible protector of our working people's peaceful work, whose ranks we swelled with our best sons, so that it might become the worthy follower of the heroic Soviet army, the mightiest

guardian of world peace.

The enormous world peace movement, which embraces the entire globe and of which we too are members, may look back on great successes in its fight against imperialist war preparations. But the prevention of the danger of war demands a further exertion of efforts. Let us strengthen and broaden the Hungarian peace movement, so that our fatherland becomes a strong bulwark on the front of peace!

Honored festive Party! Dear comrades!

The great family of Soviet peoples celebrates the 35th anniversary of the Great October Socialist Revolution with the brilliant results of the construction of Communism. The peoples of the Soviet Union have arrived within the short period of 35 years -- merely a fleeting historical moment -- to the bright, happy, and wonderful world of Communism. The genius of Lenin marked the superb way for the Soviet people. This road is ours too. The present of the Soviet people is our future, and our fate will also be a brilliant victory. We carry the cause of socialism and of peace to triumph, because our Party is the student of the glorious Bolshevik Party, because our people are linked by the unbreakable ties of love, friendship, and loyalty to the country of Stalin, the Soviet Union.

The indissoluble Soviet-Hungarian friendship and the Soviet people's unselfish and inexhaustible assistance are our assurance that in the footsteps of the Soviet Union our people will also soon achieve socialism. It is the greatest lesson of the past 35 years that those countries and peoples that rely on the Soviet Union and the friendship and assistance of its people, those who walk the road of Lenin and Stalin, arrive at the magnificent goal -- socialism. Of this our country is a living example. The prosperity of the Soviet Union is the assurance of our country's future. We serve the cause of our people best if we stand with the Soviet Union with an unwavering loyalty as we progress on that road to socialism which is lighted by the ingenious doctrines of Lenin and Stalin.

The honorable task to lead our working people to victory is the responsibility of our glorious Party.

Long live the 35th anniversary of the Great October Socialist Revolution!

Long live the eternal friendship of the peoples of the Soviet Union and of Hungary!

Long live the Hungarian Workers' Party!

Long live the Communist Party of the Soviet Union!

TO CULTIVATE EVERY FOOT OF SOIL IS THE MAIN TASK OF THE SPRING
AGRICULTURAL ACTIVITIES.

[Vol. III, Pages 269-308]

(Opening speech and reply at the national conference concerning the
the spring agricultural activities, on 23 February 1953.)

Honored conference!

When the Council of Ministers decided to convene today's conference it was prompted by the desirability that we establish in common the most important tasks to be performed in every area of the enormous operation which poses extraordinary problems this spring, to agriculture in general, and especially to its leaders and leading workers. We must review whether we are prepared for the performance of those tasks which our government assigned to us in its known resolution concerning the spring agricultural operations. In the spring of this year, when the successful solution of our agricultural problems is before us in this decisive year of our first Five-Year Plan, the Government makes increased demands and requirements of the leaders, experts, and leading workers of agriculture, whose responsibility is greatly increased with the duties of this spring. That the objectives of the annual plan be successfully accomplished that we progress on the road of socialism, that the material preconditions for a better and more beautiful life be secured for our people and our country, rests on their shoulders. It is up to you, comrades, to overcome that series of grave losses which was suffered by our agriculture last year and to secure a constant increase in production through your efforts, organizational talents, knowledge, and experience. For this reason, our conference of today must be permeated by a consciousness of the great responsibility it owes to our Government and our people.

Under our conditions of production the spring agricultural operations have great weight and significance. In soil preparation we know that 11% of the plowing and 42% of tilling, disc- and spike-toothed harrowing must be performed in the spring. In sowing the situation is that 60% of the arable land is sown in the spring. A great percentage, approximately 50% of the planned cultivating operations, falls to the spring period.

The performance of the spring agricultural operations therefore necessitates a large-scale employment of human labor, of the draft-animal stock, of machine technology, even under normal conditions of production. But as you comrades know, this spring, not only that, but a lot more, is at stake. Extraordinary tasks must be performed, besides the ordinary, customary springtime agricultural operations, due to the very disadvantageous weather conditions of the past year, of the sort that occur only once in a lifetime, and due to the defective work of the

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agricultural directive organizations. At issue are two more or less intertwined tasks. It is known that the late frost of last spring and the subsequent serious drought resulted in a great shortage in production which has its unfavorable effects equally in supply, the turnover of goods, and production. It is a basic necessity that we supplement last year's shortage of production as soon as possible. This we had to begin with the agricultural operations of last fall. It should be mentioned, however, that because of the incessant rains during the fall, the new production year commenced under highly unfavorable circumstances. These were increased by the great faults and omissions the like of which have not occurred since the Liberation. These were committed by the leading organizations of agriculture, by the Ministry of Agriculture, and by the Ministry of National Farms and Forests, as well as by their lower branches. The largescale lag in the fall deep-plowing is one of the gravest omissions. Only 71% of the deep plowing has been completed over the nation, which means that the area to be plowed during the spring increased by a further 1.1 million cadastral holds.

The other serious omission of the agricultural organs occurred in the fall sowing. Without going into the details of the errors I only wish to mention a few figures which show the gravity of the situation caused by the irresponsible, lax management. The planned area in the fall sowing was 3,310,000 cadastral holds. Of this only 2,830,000 cadastral holds were actually sown. The loss is 480,000 cadastral holds, of which the loss of the wheat crop alone is close to 400,000 cadastral holds. The situation and the responsibility of the leaders of agricultural affairs was affected by the fact that because of the absence of adequate control and the laxity of the reporting service, they have misled the Government and the Party with their fallacious reports. The great lag, the loss of almost 400,000 holds of wheat, was discovered in the middle of December, when it was already too late to make possible the supplementation of such a great loss of crops.

This omission created an extraordinarily difficult situation, because it not only failed to supplement this large-scale loss of bread crops, primarily the wheat crop, which resulted from the bad harvest of last year, it also endangered the production of bread crops, particularly the wheat crop, in the current year. Thus the problem of bread crops, which is a decisive production problem concerning the Socialist reorganization of our agriculture, has become of even greater significance, from which it logically follows that we have to exert extraordinary efforts in order to solve it.

Honored conference!

The great and difficult tasks that we have to perform during the coming weeks and months follow from the present situation of our agriculture. Before I turn to those, however, it appears necessary to draw some conclusions

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from the production experiences of the last year, from the great lessons that we learned. In my opinion, one of the great lessons is that we are unprepared, either in the field of agrobiological or agrotechnical, or even in the field of organizational management, for a successful struggle against the caprice of climate. While in the state farms and production cooperatives there developed favorable conditions of industrial and agricultural production, we fall behind the undoubtedly high standards of socialist farming in the field of technology and expert management. Our experimental work does not keep pace with development, and what is worse it is isolated from practical work, from life, from production. The gravest facts of last year's frost and drought show that the situation that prevails in the field of the improvement of plants and the development of the acclimatization of plants that resist frost and drought, is intolerable. The seeds for sowing in our agricultural production are inadequate, deteriorating, inferior, and the growing of new seed material is unsatisfactory -- not to mention the quantitative and qualitative further development of the production of the various sorts of plants. A great deal is to be done here, as it is common knowledge that with respect to production returns we lag far behind, approximately in seventeenth place, in Europe. Until we effect a radical turn in agrobiological scientific work and commence its practical application on a wide basis and according to the agrobiological methods of Micsurin, we can not become masters over the elements of nature and we shall always be exposed to the great damages caused by the vicissitudes of climate. The fact that the most controversial views crop up among the experts who direct production, concerning basic agrotechnological questions, which frequently renders the necessary agrotechnological questions impossible, must not recur. This is what occurred at the time of the spring frost damage, when the advice and the orders to be given had become clarified only belatedly. Had the measures to be taken been previously clarified in a scientific way, the mitigation of the consequences of the frost damage would have been more successful. Absolute uncertainty in the circle of agronomists reoccurred over the question of winter crop sowing. No small role was played in the large-scale shortage that occurred in the fall wheat crop by the fact that a good part of the agronomists and other planned-production experts opposed the sowing of wheat, because of agrotechnological views, after the usual deadline for the sowing of the fall wheat -- contrary to the orders of the Ministry -- while the science of agriculture and the newest results of technology convincingly proved that under certain conditions the late sowing of wheat results in a more favorable crop than that of the spring. Without entering into the merits of the question, which is not a topic of today's conference, I only wish to point out that the fulfillment of the planned production tasks, the successful fight against the adversities of nature, demands that the experts of Hungarian agriculture, scientists, agronomists, supervisors of experiments, and outstanding producers form a uniform and definite viewpoint on the basic questions of agrotechnology, on the basis of the teachings of Micsurin, V.I. Janina, Liszenko, and the newest results of Soviet science, a viewpoint

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that does not hamper, but promotes, the abridgement of the emerging difficulties. It is unpermissible that in the middle of urgent and great operations like the late sowing of wheat, the agronomists divide into two camps -- those who want to sow and others who do not want to -- and that time should be wasted during production for the clarification of the questions of which no benefit can result, but rather a greater confusion and inconsistency. The fact that there is a lack of scientific activity, or at least that it is unsatisfactory, came to the surface. For instance, the lifeblood of agrobiological and agrotechnological scientific work, the exchange of scientific views and opinions which should decide the problems, are absent. Yet this is the only correct method of clarifying the questions; through this the scientifically founded agrotechnological measures take shape. During the execution of the orders given there is no place for uncertainty, nor particularly for argument. The orders given must be executed, and this must be assured and controlled by the agricultural management organizations. There are grave omissions in this field too. Frequently the agricultural organs of the council at best merely transmit the orders. Often they do not even accomplish that, and the orders given by the Ministry remain at the agricultural department of the county and do not reach the production stage, the toiling peasantry, the production associations. In the efforts directed toward the elimination of the difficulties of last year, the errors and weaknesses of the agricultural apparatus of the council at the department of the provinces and counties have also come to the fore. Despite their fairly large numbers they could not adequately control the agricultural operations during the fall, the successful execution of plowing and sowing. They could not surmount the difficulties. The apparatus is clumsy and slow, and its competence and technical preparedness leave much to be desired. In many instances it disturbs and wrongly applies otherwise correct orders. The weakness, looseness, and slowness of the Agricultural Department's work, its lagging behind the production tasks, and the decrease in a feeling of responsibility for the production results -- which conceals the danger of becoming bureaucratized -- contributed to the shortages in production and the omissions in the plowing and sowing operations during the fall.

Grave conclusions must be deduced from last year's experience with the State Agricultural Machine Stations (AMS) and the individual machine stations. The organization of labor, the operation and maintenance of the machines, the wage system of the tractor drivers, the grave errors shown in relation to the production cooperatives and in the line of responsibility for the production results, the laxity of discipline, the confused condition of agrotechnical, technological, and political management, are the chief factors of our difficulties today. The past year was a hard lesson for our production enterprises -- state farms, production cooperatives, their leaders and workers, and equally for the individual producers. The fact, however, that in spite of the elemental calamities, the vicissitudes of climate, the insufficiency of expert management, the laxity of execution, and the absence

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of control -- thus despite the errors and omissions committed by the agricultural organs and the production enterprises -- there are a goodly number of state farms, production cooperatives, and individual farms which have achieved good and even outstanding results and have even fulfilled their fall plowing and sowing plan, shows that when with the care of a good farmer, the wide application of modern agrotechnology, good organization of labor, agricultural operations were completed by the target date and good results were not lacking. Some successfully bridged the consequences of elemental calamities and the vicissitudes of weather. Some prepared themselves well for the completion of the spring operations.

Honored conference!

In the course of the coming weeks, during the spring operations, because of our falling behind in the plowing and sowing operations in the fall, we do not merely face the usual tasks. We have to perform extraordinary tasks that differ from the usual spring operations. These will undoubtedly demand extraordinary efforts, better organization, management and control, and the full utilization of every production factor. As a consequence of these extraordinary tasks the spring agricultural operations are characterized by certain peculiarities which must be studied in order to perform them successfully.

1. Substantially more soil work must be performed, and in such a fashion that the surplus work does not become distributed over the entire period of spring operations, but occurs at the end of February and in the first half of March, from which it obviously follows that during this period the work must be done with the complete utilization of all machine power, draft-animal power, and human labor. This also means that the preparations must be accelerated to the greatest possible extent. Generally speed has become a decisive factor this spring.
2. The sowing area of spring wheat is almost 10 times as large. This represents a new task in every sector and throughout the entire territory of the country, and it necessitates the solution of new problems in the field of agrotechnology and work organization. The large-scale increase of the sowing territory of spring wheat is accompanied by a shift in crop rotation, in sowing plan, in tempo and target date.
3. As a consequence thereof, preparations must be made so that, especially in March, we shall be able to handle the increased work of plowing, soil preparation, and the sowing of spring wheat parallel with the other tasks.
4. Because of the great amount of work which may yet be worsened by unfavorable weather -- and we must not ignore this possibility -- the timely meeting of the target dates for the individual operations is of extraordinary significance. Every organization, from the Ministry to the local councils, from the work brigade to the individual farming peasants

must make sure, by the utilization of all available means, that the operations are completed by the target date. Otherwise they will not be able to perform the accumulated tasks, partly because of shortage of time and partly because of the significantly increased work load, and this would cause an irreplaceable shortage in production.

5. Finally, this spring, more than the usual care and work must be used in plant cultivation. To make good the inferior work done in the fall soil preparation and sowing, for the improvement of the fall crop, which was inferior because of the unfavorable weather, for the supplementation of the crop shortage caused by the frost and harmful insects, agrotechnical provisions must be drafted and put into effect at the earliest date. In general outline these are the unusual characteristics of the spring operations which must be taken in view and which demand our concentration of efforts.

Honored comrades!

Now I turn to the exposition of the most important tasks that are ahead of us. Of these, with respect to their dimensions and urgency, plowing and soil preparation are in first place. It is known that especially the spring drought caused damage and a serious shortage not only in plant production, that is, in revenue, but also in the soil construction itself, which led to a decrease of production capacity. The task of the restitution and development of the soil's production capacity stands above all. We know that soil as a means of production is different from other means of production, as it is its peculiarity that under correct utilization its production capacity does not decrease, but in the contrary, increases. The means which mainly assure the increase of the soil's production capacity is correct soil cultivation and up-to-date soil preparation. Besides the soil-capacity decrease mentioned above, this becomes even more urgent by the fact that on the one hand the production average of spring wheat is lower and on the other hand, because of the general bad crop last year, the increase of the return per acre has a decisive significance in the supplementation of the crop shortage. The most important means toward the achievement of this is good soil work, rational soil preparation. It is known that the ripening of plants depends on soil preparation. This is even truer in the case of spring wheat, the growth period of which is short anyway. Especially in the case of spring wheat that ripens early, rational soil preparation decisively influences production results. But this is also true for our entire plant production.

Friable soil construction, which is a basic condition of productivity, can and must be achieved by good tractor work. Thus way the results of our plant production absolutely depends upon the soil work of the machine stations. For the successful completion of the spring agricultural tasks, therefore, the work of the machine stations, the operations of AMG [State Agricultural Machine-Stations], their productive and political activities, their organizational and technical preparedness, is a basic and central factor.

The Government, by its Resolution No 1003/1953. II. 5, designed to improve the work of the machine stations, has created all the necessary conditions for the absolute adequacy of the machine stations for their increased productive and technological tasks, so that they can complete the spring soil operations in due time and in the required good quality. It is the primary and decisive task of the Ministry of Agriculture, of the AMG headquarters, of the agricultural departments of the councils, of the machine-station directorates of the provinces, and individually of the manager, chief engineer, and agronomer of every machine station, to execute the orders contained in the Ministerial committee resolutions precisely and completely. This is the basic precondition for the elimination of the grave errors prevalent in the work of the machine stations and for the improvement of their performance.

The work performance of the machine stations is quite unsatisfactory. Numerous facts indicate that great laxity in the execution of the resolutions and serious deficiency in repairs can be observed. It was the duty of AMG to repair the power and work machines during the winter season. It must be stated that there is a significant lag, particularly in the field of the general overhaul of power tools. The deadline is 28 February. It is the chief task of the AMG management to perform a good quality overhaul of the power tools by the target date.

Parallel with the repair of machines, it was another task of AMG to supplement the omitted fall deep plowing as much as possible and thereby decrease the amount of spring soil work for the machine stations, in anticipation of the spring work accumulation. Despite the fact that the weather has been generally favorable for plowing, hardly anything was done to make up for the loss. When we asked AMG to account for the omission of plowing, it defended itself by the repair of machines; and when we asked them to account for the omissions in machine repairs it used the plowing as an excuse. Meanwhile there was neither plowing nor repair of machines. It is obvious that plowing was not the reason for the lack of machine repairs and machine repairs were not the reason for the lack of plowing, but the reason for both was the irresponsible and lackadaisical management of the AMG, its organizational confusion, the great laxity in work and governmental discipline, and the lack of supervision. These hampered the successful performance of AMG's tasks, which the hostile elements hidden in AMG could well utilize for their interests because of the lack of vigilance.

For the management of AMG, and of course for the Ministry of Agriculture itself, it is a most urgent task to accelerate the soil

operations to the maximum, above all the tempo of plowing, the multiplication of the daily results, and the earliest utilization and exploitation to its full capacity of the entire tractor stock by the acceleration of machine repairs. This is the condition of the complete fulfillment of the spring soil plan. In its accomplishment the thorough supervision of the machine stations' organizational and technical equipment, the spring inspection has a decisive role. Much care must be used for the organization of this. It must be assured, that it is really effective, that it discloses errors and deficiencies, that it does not become a mere formality, a bureaucratic action on paper only. Last year's experiences imply the danger. Having learned by the experiences of last year, the errors of the spring inspection must be eliminated and technical standards and responsible management must be secured.

The basic work of the machine stations is performed by the standard tractor brigades. The lion's share of the grave errors observed in the work of the machine stations resulted from the fact that these standard tractor brigades were not organized or operated very loosely. From this it clearly follows that a repetition of last year's serious errors can only be avoided if there occur decisive changes in this field, if the tractor brigades are organized, reinforced, and stabilized. Up to now nothing has happened, although the success of the spring machine operations depends on this and there is little time left. The management of AMG and the directors of the machine stations must accelerate the organization of the standard tractor brigades and must create the conditions for their stabilization.

The greatest deficiency of AMG, as the most effective governmental organization for the development of agricultural production and its socialist transformation, is the fact that it could establish no close production, technical, and political contact with the production cooperatives, that it is isolated from them. In the determination of this untenable situation, the sample contract issued as an appendix to the Ministerial Committee Resolution dealing with machine stations, which regulates the relation of the machine stations and the production cooperatives, states their mutual obligations, and clearly establishes the two parties' responsibility, has a great significance. The great significance of the contract lies in the fact that it makes the machine stations not only interested in the production results of the production cooperatives but makes it responsible for them. Thereby the responsibility of the machine station's agronomer has been significantly increased over that of the past, as he is now responsible not only for the adherence to the agrotechnological prescriptions for the machine work of the machine stations, but also has to answer for the fulfillment

of the production plans of the production cooperatives serviced. I need not say that the actual -- not merely the formal -- agreement to the contract and its performance by both parties would be an enormous lever for the increase of production, for the organizational stabilization and socialist development of the production cooperatives.

In the field of contract making there are serious mistakes despite its enormous significance. It is now preceded by the indispensably necessary, wide-range educational work. Generally its significance is underestimated in the machine stations as well as in the production cooperatives, and thus the danger threatens that the contract may become a mere formal administrative act instead of the basic charter of production. Therefore the leadership of the Ministry of Agriculture, which is equally responsible for the activities of the production cooperatives and the operations of the machine stations, must without delay take those steps which render the contract a great tool for the security of the successful work of the machine stations and the production cooperatives.

There can be no doubt about the fact that the main tasks facing the machine stations during the spring agricultural work, either individually or in their entirety, can be performed successfully -- the machine stations can be responsive to the justified demands made on their performance by the Party and the Government, only if a wide circle of the workers of the machine stations are recruited for the performance of these tasks. Ultimately it is their enthusiastic, unselfish, disciplined labor which can secure -- and it is my conviction that it will secure -- the elimination of errors, the abridgement of difficulties, and the successful solution of problems.

Honored conference!

The spring soil operations place an extraordinary burden on draft power, especially since, on the one hand in fall deep plowing the greatest omission was committed by the individual farms, and on the other hand even the most complete utilization of our power tool capacity is insufficient to complete the soil operations by machine power. From this it clearly follows that in the preparations much attention must be given to draft power and its employment capacity. With the present fodder situation it is difficult to insure the fitness of draft animals. Therefore more attention must be given to this problem during the wintering of animals. The other task is to concentrate the draft power upon soil operations. It must be prevented that transportation, trips to the market, or other activities withdraw draft power from

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agricultural work. The local councils must strictly execute the orders in this connection.

The main goal of spring agricultural operations is the cultivation of every bit of land. Although we have laws compelling the cultivation of land, it is no easy task to effectuate it, because this goal does not include only the areas owned, possessed or rented, but also includes the so-called reserved territories, fallow and unclaimed land. The utilization and cultivation of these has a great significance, because it increases total production and thereby helps supplement the loss resulting from last year's bad crop. This becomes the main task of the local councils, which are responsible for the utilization, primarily through the transfer of the reserve territories into the common land possession of the production cooperatives. Those production cooperatives which this spring received reserve land parcels for cultivation are given priority by the machine stations.

The agricultural associations have an important role in the utilization of the reserve territories. Their cultivation is taken care of partly by domestic cultivation, but mainly by lease arrangements.

A serious lag must be eliminated in the field of the utilization of reserve lands and cultivation must be accelerated, because the time is passing and spring work has already commenced. The local councils therefore must promote more vigorously the acceptance of land reserves by the production cooperative groups. The agricultural associations have two tasks, and it must be observed that they are far behind the performance of both. It appears that they underestimate the tasks and the difficulties in connection with the utilization of land reserves by small leases, whereas there is a need for great effort besides the educational and propaganda work in order to insure the cultivation of the assigned plots through small leases.

The situation is no better in domestic cultivation. The agricultural associations which have done no farming before are not adequately prepared to do so now. The trouble is that, instead of speedy and directional preparedness, they underestimate and treat this task as incidental, hoping to get rid of the worries of domestic farming through the increased utilization of small leases. One glance at the statistics of small lease utilization should be sufficient for the leaders of SsOVOS to see the incorrectness of such calculations.

Another important question of the spring agricultural work is soil-energy supplementation, fertilization. The question this spring is of great importance for several reasons. First, because as a

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consequence of last year's drought, the soil's production power has deteriorated to a greater extent than normally. Thus for the supplementation of soil power more and better fertilizer is needed. Secondly, because, as a consequence of the inadequate feeding of livestock, manure production is substantially less and of an inferior quality. These two circumstances basically determine our tasks:

1. Farmyard manure must be treated most carefully and used most thriftily on these fields and for such plants where it has the greatest effect;
2. Farmyard manure must be used primarily for basic manuring and;
3. Because of the quantitative and qualitative insufficiency of farmyard manure, increased utilization must be made of artificial fertilizer.

Under such conditions of fertilization the strict adherence to the agrotechnical prescription is highly important. I call attention to this fact, especially since in our state farms, where the conditions for professional farming are present, it frequently occurs that the farmyard manure used is at best only half its value because of incorrect handling, and that neither the quality of the soil nor the needs of the plant to be fertilized were taken into consideration in the utilization of artificial fertilizer. The disregard of agrotechnological prescriptions causes more losses than profits and leads to the waste of manure that could be valuably utilized.

There is a significant lag in the carting out of manure. At innumerable production cooperatives and state farms the manure is not carted out allegedly because of the lack of horse teams, and this carries with it the danger that the manure will not be plowed in, that it will not get into the soil in time, and that its fertilizing elements will suffer great losses through rain and wind. Controlling checks indicate that the reference to the lack of team horses holds no water, because while certain governmental farms utilize hired teams, they only make 40 to 50 percent use of their own team horsepower. Bad organization instead of lack of team horses is the reason for the failure to cart out the manure, and this situation must be altered by better organization.

We have approached industry to secure increased utilization of artificial fertilizer partly in the interest of the increase of the available amount of artificial fertilizer and partly in the interest of speedier manufacture, having taken into view the enhanced early soil operations.

Honored conference!

In connection with sowing as the central task of spring agricultural operations, we must first deal with the requirement of seeds for sowing. With every sort of plant and in both sectors, in the production cooperatives as well as on the individual farms, the basic principle is that the producers acquire the necessary seeds on their own account. This means that the producers must make the greatest efforts in order to secure the seeds. Experience shows that agricultural organizations underestimate the necessity of securing the spring seed requirement. They think that because the order was given the rest will take care of itself. The requirement of the seeds for spring planting is a most difficult task, the performance of which requires the full enlistment of all the energies of the agricultural organizations, of the agricultural department of the councils and of the local councils. A serious omission and a serious lag can be observed in this field, and this must be altered without delay. The advisory organizations and the production cooperative leaders fail to notice, although it goes on before their eyes, that the high market prices which are the results of last year's weak crop, open the field for seed speculation, which draws with it the danger that the amount necessary for the fulfillment of the sowing plan will not be secured. The president of production cooperatives and the executive committees of the local councils must without delay see to the precise execution of the resolutions that refer to the requirement of spring seeds, they must strictly control them, and where they find omissions or transgressions, they must effectuate the prescribed punitive ordinances. At the same time, the resolutions that refer to the requirement of sowing seeds must be widely propagated in the production cooperatives, as well as within the circles of the individually-farming peasant. Their significance and the duties and obligations issuing therefrom must be explained. Contact with the producers is the best method of control. This must be achieved instead of paper instructions and cursory inspection by the local councils and the agricultural organizations.

Beyond the usual issuance of adequate sowing seeds in contractual production, the people's democratic state offers extensive assistance in the matter of seeds for spring wheat -- primarily in return for exchange crops -- in order to surmount sowing-seed difficulties. For the supplementation of the significant shortage in the sowing of fall wheat, the sowing area for spring wheat must be increased 10 times and the producers do not possess sufficient seeds to accomplish that. It is in the primary interest of every production cooperative and individually-farming peasant that there be the usual amount of bread crop production that will cover the shortage of last year. Through the intervention of our Government we have received from the Soviet Union

the necessary sowing seeds for spring wheat, with which we can cover our bread crop shortage. Through this aid the Government frees the producers from their biggest worry, from the problem of bread, when, primarily in exchange for other crops according to a determined rate, it makes the necessary seeds for spring wheat available for them in the form of an exchange transaction. The directives for its execution, although belatedly, have already been dispatched. However, there are grave errors and dangerous lags in their execution. The Ministry of Agriculture and the local councils were satisfied in having given the instructions through the three-time announcement via the beat of a drum or the reading of the text through the public address system. Then they waited for results and registrations which, of course, never came. Such a formal bureaucratic measure draws with it the danger that the exchange of spring wheat seeds will not take place in time, that the producers will not get the seeds for sowing, that the state will not receive the exchange produce. The Ministry of Agriculture and the local councils must immediately and without delay act to promote the organization and execution of the seed exchange transaction. The exchange must be agreed to within a matter of days with each production cooperative and taking present and must be completed on the spot on an immediate give-and-take basis. The Ministries of Agriculture and of the Collection of Compulsory Deliveries should make provisions through the Produce Exchange Enterprise that the seeds for spring wheat be available at every place for the purposes of exchange, and at the same time they should also make provisions for the receipt of the exchanged produce. The enemy attempts to generate mistrust by spreading the rumor that the producers receive not sowing seeds, but money for the purchase of sowing seeds in exchange for their produce. This hostile rumor must be disproved and the producers' trust must be gained by providing them immediately with seeds for sowing spring wheat. The grave omissions in this field must be made up without delay by good organization and the mobilization of the agricultural departments, as well as of the councils' executive committees. The speedy and successful transaction of the seed exchange, as one of the most important tasks of the spring sowing, must be accomplished by 1 March. At the same time, the 10 percent spring wheat seed loan to the needy production cooperatives who have proved their lack of exchange produce must also be accomplished.

Speed and organization has an extraordinary significance in the securing of seeds for sowing. We are at the end of February, the weather is favorable, sowing can be and must be commenced. To do this, however, it is indispensably necessary that the sowing seeds for spring wheat be prepared and available. We must understand that the

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successful performance of this task depends on the well organized and disciplined work of a few days.

Honored conference!

The preparation of the seeds for sowing has a significant role in production results. And since the question of production returns is even more important this year, increased care must be taken in the agricultural technology of seed preparation. There is much truth in the saying that "he who sows rubbish harvests trash." The agrotechnologists must feel the weight of responsibility that they must shoulder in order to achieve adherence to the agrotechnical rules. They must make sure that only appropriate quality seeds, dressed and vernalized as needed, get into the soil; that the strict requirements in the field of seed cleaning be followed; and that cleaning be completed before the commencement of outside operations. Without going into the agrotechnical details of sowing seed preparation, which are not necessary within the framework of this conference, I merely want to call attention to spring wheat. It is known that the production average of spring wheat is lower than that of the fall bread crop. Sowing spring wheat in the omitted fall wheat area therefore does not completely supplement the amount of wheat lost. The loss can be and must be mitigated, however, by correct agrotechnics with which the lower production return of spring-wheat can be raised. More attention must be given this problem, especially since the raising of spring wheat is not a widespread activity with us. However, this year it must be grown countrywide for the supplementation of the fall wheat. For this reason the agricultural technology of spring wheat must be made familiar to the widest circle of producers, always keeping in mind its basic principle, which is that the seed must get into the ground, the sooner the better. The time for sowing is the end of February and beginning of March. As its growth period is short, its ripening must be speeded up. In this respect the selection and preparation of soil is important. According to prescription, sowing should be done on land plowed in the fall. As this is not possible everywhere because of the lag in fall deep plowing, the advantages of fall plowing must be supplemented by better soil preparation and by securing better soil for sowing. For the achievement of a better crop, it is desirable to sow by machine, densely and in cross rows. This way the utilization of soil is more perfect, the reception of nutritive material is better, development is more vigorous, the plant is more resistant and subdues weeds. As a result, the spikes will be denser and the crop will be larger.

Although during the spring agricultural work the most urgent and

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the greatest task is the sowing of spring wheat, increased attention should be given the preparation of the sowing of other plants and the good utilization of the longer time available. The sowing of spring barley is the work closest in time and must be promoted. As big and important tasks, I wish to emphasize the planting of sunflower seeds, of corn and of potatoes. In the case of sunflowers and potatoes the acquirement of seeds is the main task, taking into consideration the fact that the high speculative prices tend to draw the seeds to the market. In the case of corn much weight must be given to the seeds' good quality and good preparation.

Besides the agrotechnical measures, the organizational directives aimed at effectuating the completion of sowing by the deadline prescribed by the resolution of the Ministerial Committee and at securing the complete fulfillment of the sowing plan of the counties, provinces, and villages are also very important. The Ministry of Agriculture and the executive committees of the councils must effectuate the directives of the Government and of the state authorities by an awareness of their responsibility, by elimination of the laxity still apparent in their work by strict, unwavering adherence to the requirement of governmental discipline and fulfillment of the duties of citizenship.

Because of their dimension and importance and as the chronologically first tasks, the care of lands sown in the fall, weeding, and the care of pastures, must be emphasized among the multifarious tasks of spring agricultural operations. The first task is to reinspect the condition of the plots sown in the fall, where this has not yet been done. The mulching of bread crops sown in the fall should already be performed on the widest possible area. It is correct to reseed the scarcely sown land, especially with annual fodder plants. Where the soil became frozen, rolling must be done as soon as the condition of the ground permits it. Weeding essentially begins with the preparation of soil and sowing seeds. This year, considering the insufficiency of the fall plowing, sowing, and soil preparation, an increased fight must be carried on against the spread of weeds in the fields. Unfortunately, it is a frequent occurrence that not enough care is taken for the suppression of weeds. This task is underestimated and is regarded as one that is to be performed in due time when there is nothing else to do. Because of laziness and carelessness it is a frequent occurrence that enormous strips of our production cooperatives or even of our state farms are taken over by weeds, and this means a serious loss in production. The killing of weeds is the elementary condition of ordinary farming. It is the duty of the agronomes to secure clean and weedless lands. They are responsible for raising the task of weeding from its neglected state and that it be incorporated among the

important agrotechnical tasks and that the place, time, and the labor force be provided in the work plan for its completion.

A neglected branch of the agricultural work is also the maintenance of pastures. However, the productivity of the grazing grounds, the thrifty utilization of grass, have since decades not had the great significance as this spring when, because of the shortage of fodder and the difficulties of wintering the stock, it is decisively important to commence the feeding of natural foods at the earliest opportunity. The animal that weakens during the winter regains its strength in the spring pastures and a decrease in the otherwise scarce fodder and energy food rations also become possible. For this reason increased care must be taken for the improvement of pastures, for the maintenance of their soil strength, and for the increase of grass production. It is common knowledge that the correct and rational utilization of the grazing ground can be best secured by pasturing in shifts. A simple method for increasing grass production, which involves no special effort, is to spread the manure dropped at the resting places, and sleeping places. By the proper maintenance of the wells and the grazing grounds and the places of noon-day rest, by regularly changing the sleeping places, we can make the pastures the basis for abundant fodder and this will have an almost immeasurable significance for the people's economy through the weight increase of the animals and the increase of milk production.

In the successful completion of the spring agricultural tasks that are before us, work organization and the security of the labor force play an important role. Although the agrarian sciences, agrobiology, and agrotechnology are highly respected and appreciated by us, the most important production factor in agriculture is still the labor force. Therefore extraordinary attention must be given to the acquirement of the labor force and its careful, rational utilization in the organization of work. During the last year we have witnessed how serious economic damages were caused in the state farms and production cooperatives by the incorrect utilization of the labor force. But even now we hear the production cooperatives complain day after day of a shortage of labor, whereas it is bad work organization that they should complain of. There are real treasures of manpower in the production cooperatives but they are undiscovered. By drawing the women into production work they could solve all the labor force problems. Ignoring the women means serious material losses to the production cooperatives, as experience has already proven that women not only can compete with men but in numerous branches of production they are much more skillful and much more successful and are almost indispensable, especially in animal husbandry. That president of a production

cooperative who enlists the employable women of the membership families is free from labor worries. By such organization the labor problem can and must be solved.

On our state farms it has also frequently occurred that complaints are made about the labor shortage, whereas, as our investigations have revealed, bad organization was the trouble. Even now there is a serious, inexcusable lag in the securing of labor, in the contracting of laborers. It has also happened that drivers are used for foot work. Therefore their own vehicles could not be used, and vehicles were hired for transportation. Neither does the fact that draft animals can not be utilized because of equipment and vehicle shortage, while labor stands idle, indicate good organization. So the situation came about that the state farms used last year 95,000 hired vehicle days, while their own vehicle utilization was only 56%. Unfortunately, these are not rare examples and isolated incidents. For this reason we must declare war upon such irrational and irresponsible work organization, and the triumph of the socialist principles of work organization must be achieved. There is a lag in the machine stations as well as on the state farms, in the production cooperatives, in the field of organizing plant production, team driving, and tractor-brigades, and it must be overcome. We know from experience that it is impossible to correctly distribute the labor force, to rationally utilize it, to increase the productivity of labor and assure its rationality without brigades prepared for these tasks. Every day of delay in the organization of brigades is accompanied by serious economic losses.

With respect to the speedy and successful elimination of errors and omissions on the state farms and production cooperatives, the inspections that supervise the preparation for spring operations have decisive significance. The Minister should be personally responsible for the inspection, and provisions must be made that the inspection be thorough, that it reveal the deficiencies, so that they can be eliminated during the process.

The basis of work organization is work discipline. Without it no successful production work can be accomplished on large enterprises, production cooperatives, or state farms. I am not mistaken when I state that the extraordinarily lax work discipline had a decisive role in the poor economic results of our state farms, and especially in our production cooperatives. A radical change must be brought about in this field. The production cooperatives management's, the president's, the brigade leader's right to discipline is secured in the charter. In the interest of the membership they must exercise these rights. If discipline and punishment does not help, the lazy ones,

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those who avoid work, those who live as parasites in the community, retard the work of the others, and undermine the production cooperatives, must be expelled from the associations. Of course this is the duty of the entire membership, not only of the management. Until this is accomplished they can not surmount the difficulties. The production cooperative is strong and thriving, excellent results are reached, the final accounting brings pleasure, together with money and produce, where work discipline is strong, where every member performs his own work industriously and honorably. This lesson must be disseminated among the entire membership of the production cooperatives. The successful completion of the spring agricultural operations, the crop results of this year, the amount of money and produce per individual work unit, depend upon whether last year's laxity in the field of work discipline has been eliminated. Where work discipline is still treated loosely, they can not expect good results this year either. Where, however, strict order is established, work discipline is strengthened, where loafers are not tolerated, there success will not fail and the economic results will substantially improve. Production cooperatives today cultivate a significant part, approximately 24% of all arable land. It is quite interesting from the economic point of view how the production cooperatives succeed in this area. The people's state, which made so many sacrifices in improving the situation and bringing about the economic stability of the production cooperatives, has every right to expect the production cooperatives to make an increased contribution to the fulfillment of our agricultural plans by the strengthening of work discipline and increased production results.

Comrades!

Many and great tasks must be performed in agriculture during the spring, much more than I have discussed. I failed to talk about them not because their performance could be ignored by our agriculture, but simply because they belong in the category of work which is usually and regularly performed during the spring, even if they are important in production. In my lecture today I want to deal mainly with those problems which represent extraordinary and supplementary tasks this spring, which substantially change the usual spring operations.

The spring operations mean a great test of strength to our local councils, which shoulder the brunt of the burden. Our local councils must be well prepared for the performance of the tasks for the management and control of the execution of the resolutions. To be able to responsibly perform their task so that they do not become the representatives of an interest contrary to the interests of the country

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through misinterpretation, so that they become the local executive agencies of the people's democratic state, they must fight more firmly and more intensively against laxity, for the strengthening of state discipline within the councils. As the local organs of the central state power they must by all means execute the laws, the directives of the Government and the main governmental departments, and besides the civic rights, they also must secure the performance of obligations. In the spring agriculture places obligations on every producer, cooperative, and individual. For the performance of their tasks our local councils also need far-reaching assistance. On the part of the ministries the most successful method of helping is to reduce to the bare minimum the controversial and confusing orders in numbers and dimensions. The second method is to substantially restrict the number of instructors and inspectors sent from one center after the other. I think the presidents of the cooperatives will agree that if the Ministry of Agriculture satisfies these two requests, if the local councils can really concentrate upon the management and control of work and will not have to waste their valuable time with the reading of endless circulars, with constantly giving information to instructors and inspectors or with the writing of oversized reports, this in itself will mean success in the spring agricultural operations.

The assistance coming from below is available for the councils, we have only to reach for it. The permanent agricultural committees are there, the production cooperatives and machine stations on whom our local councils can without fear rely are there. There are the peasants who excel in productive work, who can provide great assistance to our councils -- their aid must only be enlisted less hesitantly.

Socialist competition, for whose development the Ministry of Agriculture and the organs of the council have done so little so far, can and must be given an enormous impetus. The enormous force hidden in the competition of the machine stations, the state farms, the production cooperatives, and the individually farming peasants for the fulfillment of the production plans has not been sufficiently valued. The recruitment of great masses of agricultural workers into the work competition, and their active participation therein, greatly contributes to the good and timely completion of the increased spring agricultural tasks. Socialist competition is the best means for the complete development of the workers' initiative and productive power. The governmental, organizational, and management rules should be geared to the enthusiastic work competition of the workers, to their sacrifices and undertaking of work in the honor of 4 April, our greatest holiday, our Liberation. The workers have already shown initiative. This must be supported, so that the many local beginnings, sacrifices,

undertakings, finally swell into an enormous nationwide agricultural socialist competition, thus becoming the moving force for the great efforts aimed at the successful completion of the spring agricultural operations.

Honored comrades!

Let us not forget for a moment that while with great care and caution we prepare to supply our working people in a greater abundance, to secure food for the country for next year, to completely perform the spring agricultural operations, the enemy does not sleep. It does not remain inactive; the enemy is also making preparations. It works on base schemes, in order to frustrate or at least to make more difficult the successful completion of the spring agricultural tasks. In order to succeed in its dishonorable schemes it even resorts to the base means of spreading alarming rumors, lying, slander, and intimidation. We must keep our eyes open, we must be vigilant, therefore, in order to frustrate the enemy's intent by its timely recognition. As always, its attempts will be defeated again. They will fail because of our working people's common sense, patriotism, and loyalty to the people's democracy.

We inflict the greatest loss upon our interior and external enemies by the successful completion of the spring agricultural operations. That this will be so depends primarily on you, leaders of agriculture, experts of production, and prominent workers.

Let action, which speaks better than words, take over now. Let everyone in his own place, with his best knowledge and ability, perform the best work, and then the tasks assigned by our Government and our Party, and discussed in my presentation, will certainly be successfully performed.

Answer to the Remarks

We may conclude that the conference failed to deal with certain important questions proportionate to their significance.

Such an important question is the role of the Stakhanovite, the role of the Stakhanovite movement in agriculture. Although it was industry that gave birth to the Stakhanovite movement, primarily the production results of Soviet agriculture, but also our own experiences, show that the Stakhanovite movement is also a moving force for the development of agriculture. It has an especially great significance in the agriculture of our country, where, without the development of

through misinterpretation, so that they become the local executive agencies of the people's democratic state, they must fight more firmly and more intensively against laxity, for the strengthening of state discipline within the councils. As the local organs of the central state power they must by all means execute the laws, the directives of the Government and the main governmental departments, and besides the civic rights, they also must secure the performance of obligations. In the spring agriculture places obligations on every producer, cooperative, and individual. For the performance of their tasks our local councils also need far-reaching assistance. On the part of the ministries the most successful method of helping is to reduce to the bare minimum the controversial and confusing orders in numbers and dimensions. The second method is to substantially restrict the number of instructors and inspectors sent from one center after the other. I think the presidents of the cooperatives will agree that if the Ministry of Agriculture satisfies these two requests, if the local councils can really concentrate upon the management and control of work and will not have to waste their valuable time with the reading of endless circulars, with constantly giving information to instructors and inspectors or with the writing of oversized reports, this in itself will mean success in the spring agricultural operations.

The assistance coming from below is available for the councils, we have only to reach for it. The permanent agricultural committees are there, the production cooperatives and machine stations on whom our local councils can without fear rely are there. There are the peasants who excel in productive work, who can provide great assistance to our councils -- their aid must only be enlisted less hesitantly.

Socialist competition, for whose development the Ministry of Agriculture and the organs of the council have done so little so far, can and must be given an enormous impetus. The enormous force hidden in the competition of the machine stations, the state farms, the production cooperatives, and the individually farming peasants for the fulfillment of the production plans has not been sufficiently valued. The recruitment of great masses of agricultural workers into the work competition, and their active participation therein, greatly contributes to the good and timely completion of the increased spring agricultural tasks. Socialist competition is the best means for the complete development of the workers' initiative and productive power. The governmental, organizational, and management rules should be geared to the enthusiastic work competition of the workers, to their sacrifices and undertaking of work in the honor of 4 April, our greatest holiday, our Liberation. The workers have already shown initiative. This must be supported, so that the many local beginnings, sacrifices,

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undertakings, finally swell into an enormous nationwide agricultural socialist competition, thus becoming the moving force for the great efforts aimed at the successful completion of the spring agricultural operations.

Honored comrades!

Let us not forget for a moment that while with great care and caution we prepare to supply our working people in a greater abundance, to secure food for the country for next year, to completely perform the spring agricultural operations, the enemy does not sleep. It does not remain inactive; the enemy is also making preparations. It works on base schemes, in order to frustrate or at least to make more difficult the successful completion of the spring agricultural tasks. In order to succeed in its dishonorable schemes it even resorts to the base means of spreading alarming rumors, lying, slander, and intimidation. We must keep our eyes open, we must be vigilant, therefore, in order to frustrate the enemy's intent by its timely recognition. As always, its attempts will be defeated again. They will fail because of our working people's common sense, patriotism, and loyalty to the people's democracy.

We inflict the greatest loss upon our interior and external enemies by the successful completion of the spring agricultural operations. That this will be so depends primarily on you, leaders of agriculture, experts of production, and prominent workers.

Let action, which speaks better than words, take over now. Let everyone in his own place, with his best knowledge and ability, perform the best work, and then the tasks assigned by our Government and our Party, and discussed in my presentation, will certainly be successfully performed.

Answer to the Remarks

We may conclude that the conference failed to deal with certain important questions proportionate to their significance.

Such an important question is the role of the Stakhanovite, the role of the Stakhanovite movement in agriculture. Although it was industry that gave birth to the Stakhanovite movement, primarily the production results of Soviet agriculture, but also our own experiences, show that the Stakhanovite movement is also a moving force for the development of agriculture. It has an especially great significance in the agriculture of our country, where, without the development of

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of the Stakhanovite movement we can not reach the desired production results. Amidst our increased difficulties it is extremely important that the number of Stakhanovites multiply in Agriculture, and that the leader of every farm take special care of the Stakhanovites, that he give them every sort of assistance, so that we create from our own ranks the greatest force for the bridging of the difficulties.

Taking care of the tractor-driver is similarly important. We have talked a lot about technology, of the good maintenance of machines, of the complete exploitation of their capacity, but we forget the fact that the achievements of the tractor depends on the work of the tractor operator. If we want the tractor to perform good quality work it is indispensably necessary that we make far-reaching provisions for the tractor operators, for the improvement of their working conditions, for meeting their social and cultural needs.

In the past there have been serious omissions in this field in our machine stations. Our tractor crews had no brigade quarters and many other deficiencies could be observed in this field. The resolution of the Ministerial Committee made the effectuation of a radical change in this untenable situation possible.

Many of you speakers have spoken of the work competition, but only a few of the deficiencies of the work competition. One of the greatest faults is the work competition's lack of conspicuousness. A work competition which is not widely known, which is carried on in secret, which we do not attempt to expand to the widest circles, and whose rules we do not publicize, will have no results. Especially the presidents of the executive committees of provincial councils should see to it that through the provincial press, through the organization of newsreel coverage and other media, they assure one of the decisive conditions of socialistic work competition -- publicity.

The most important question with which I have yet to deal is the question of criticism and self-criticism. The only successful methods for the correction of the errors is courageous criticism and frank self-criticism. Without criticism and self-criticism there can be no preparation for a great task. The application of judgment and self-judgment gives assurance that the errors will indeed be eliminated. At this respect the conference has shown a serious deficiency. At the beginning of the conference an unjustifiable self-satisfaction could be observed, whereas there is no reason for such. Complacency means that all goes well, that there are no particular troubles, that there is no need for great exertion of effort. Instead of motivating us to attack the undoubtedly difficult and extraordinary tasks that

lie ahead of us, complacency weakens our efforts. Perhaps the fact that most of the speakers were representatives of production cooperatives, machine stations, and state farms, of places where things go more or less well has also contributed to the development of such a sentiment. This, however, should not mislead us. Generally the work of our machine stations, production cooperatives, state farms, is not as represented. There are very serious deficiencies and omissions, for the elimination of which we must make serious exertions of effort.

There is a serious lag in plowing. Why did the speakers not discuss what sort of measures they take in order to eliminate this lag? The omission has greatly increased the tasks for the spring. It is not easy to wrestle with them, and there is the danger -- especially if we commence our work with a complacent attitude -- that we shall not be able to perform these tasks in time. If we have not completed plowing, how shall we sow spring wheat that should be sown by the end of February? We have already observed at this conference that the sowing of spring wheat must begin immediately. We should have talked about how our farms will go about it. Because it must be done and its conditions must be fulfilled.

There is a lag in the repair of machines which hampers and slows down the tempo of plowing. The repair of machines must be accelerated, but the comrades talked very little about what means should be employed to accomplish it.

The exchange of plant seeds was mentioned, but the conference by-passed this important question without having put the question in its own great significance and without having endeavored to find a way for the elimination of the errors shown, especially that of laziness.

There is a lot to be done about the preparation of the councils. Besides the speech of the president of the Baranya council, comrade Varga, there was hardly anything said about the work and preparation of the council, of the help they need, although the lion's share of the tasks must be performed in the councils. The local council is the organ for the solution, direction, and control of the innumerable duties discussed here. The council representatives still fail to deal with these questions.

The question of work discipline is one of the central problems for the performance of the spring operations. If there is no work discipline, it is impossible to meet the target date, and without having done so, the spring tasks can not be successfully completed. And so the question of work discipline has only been touched incidentally.

We may conclude, therefore, that questions of basic importance have simply eluded the attention of the participants of this conference, although the Council of Ministers convoked this conference in order that we aid the solution of problems by the discovery of errors, by courageous criticism and open self-criticism. In a great part of the speeches given at the conference, serious deficiencies were indicated in the field of criticism and self-criticism. Criticism and self-criticism are what the comrades should apply in connection with their work outside and what they should demand from others.

I can not leave without remarking on that form of self-criticism that we have heard from some comrades from the experimental institutions. It was primarily from these speeches that the voice of complacency rang out. Self-criticism was not limited in volume, nor was it convincing. Either the comrades failed to see the tasks clearly or we failed to explain the problems in their entirety. In either case we can not be satisfied under any circumstances with this sort of self-criticism. The criterion for measuring the standard of our scientific preparedness is our practical achievements in agriculture by the application of the agrarian sciences, agronomy and agrotechnology. The criterion is the level of our plant production and its rate of return. On the basis of those we can establish with great objectivity that we are far behind. And if this is true then the comrades should have approached the problems in an entirely different way. I tell you frankly the reasons for my bringing up the question here is to give an opportunity to the comrades to deal with the lag shown in this field, that they help us to effect its elimination, that we eliminate the deficiencies and make up for the omissions.

Today's conference is a serious warning to us all also in this respect: we must give greater attention and much more assistance in this field. As far as we are concerned this will not fail. I wish to ask the agrarian scientists, the leaders of the experimental institutions and their scientific workers, that they work with a similar will and determination for the broadening of the agrarian scientific work called upon to improve our agricultural production, for the elimination of errors, for the covering of the omissions, and for the utilization of the scientific results in production.

Even considering the deficiencies we may conclude that the conference was useful, because it called our attention to an entire series of errors and deficiencies. It was particularly useful, because it brought out sharply the fact that the fight against complacency must be much more vigorous.

I think the conference was held at the right time. We still have the opportunity to eliminate the errors and deficiencies uncovered here. The experiences and resolutions of the conference are worth as much and as many as we can put to use. Now the decisive task is that everyone in his own field of work apply the experiences gained at the conference. With this determination we should now commence our work.

SOME ECONOMIC PROBLEMS OF THE TRANSITION FROM CAPITALISM
TO SOCIALISM IN THE PEOPLE'S DEMOCRATIC COUNTRIES

[Vol II, pages 309-348]

(Inaugural lecture given at Hungarian Academy of Sciences,
26 May 1953.)

In my lecture I wish to deal, on the basis of Stalin's last scientific work, with some economic problems generated by the transition from capitalism to socialism in the people's democratic countries.

The scientific treasure in Stalin's legacy which he left to mankind in his inspired teachings is inestimable.

His teachings take form not only in the Soviet Union's successes in the building of a socialist society, in the economic, political, and cultural upswing of the Soviet state, in the magnificent works of Communism. Besides those of Marx, Engels, and Lenin, it is Stalin's teachings that guide the struggle of the people suffering under the fetters of capitalism and the yoke of imperialism, as well guide the highly successful work of the people's democratic countries that advance from capitalism toward socialism in every area of socialist construction.

On the basis of Marxism and Leninism, Stalin armed the Communist and workers' parties of the people's democratic countries with the science of victory in the political and cultural spheres as well as in every other sphere of their governmental activities. This makes it possible for them to be able to charter their course, to be able to see the goal, and to determine correctly the tasks under the complex conditions of the transition from capitalism to socialism.

Stalin attributed an extraordinary significance to ideological work, particularly to the ideological development and preparedness of the Party. He emphasized that of all the treasures possessed by the Party, the most important and the most valuable were the spiritual treasures, the ideological possessions, its tenets and revolutionary perspectives. This spiritual value was enriched by immeasurable scientific value through Stalin's last work. The Economic Problems of Socialism in the Soviet Union, which, as of today, is of inestimable significance in the spiritual life of the Communist and workers' parties. The principles which Stalin announced in this work opened new chapters in the development of the Marxist-Leninist science of

economics. Stalin's work also has a great significance in that it assists people in the transitional phase, when the fight between the socialist and bourgeois ideology becomes ever more intensive, to rid themselves from the remnants of capitalism, from the prejudices of the old society and its harmful inheritance.

In his speech at the XIX Congress of the Soviet Communist Party, Comrade Malenkov stated that in the Soviet society there is not and could not be a class basis for the ideological rule of the bourgeoisie. "Socialist ideology rules with us," said Comrade Malenkov, "the unshakable basis of which is Marxism-Leninism. But the ideological vestiges of the bourgeoisie can still be found among us: they are the rudiments of the individual proprietors' philosophy and morality. These rudiments do not die out by themselves, they are extraordinarily sagacious, they can develop, and therefore we must carry on a very vigorous fight against them" (The Material of the XIX Congress of the Soviet Communist Party, Szikra, 1953, page 109).

In the people's democratic countries, thus in our country too, in the current phase of development there still is a class basis for the bourgeois ideology; Marxist-Leninist ideology does not yet rule absolutely. Even under the restrictive policy, the kulaks, as the last capitalist class, still exist in the people's democratic countries, and particularly in agriculture, small-goods production, which in certain respects forms the ideological class basis of the bourgeoisie, still covers a wide area. Because of this fast increased attention must be given to ideological work in the people's democratic countries. Stalin's last scientific work gives the most effective ideological weapon for this great work, for the elimination of bourgeois ideology as well as its economic and class basis. It is particularly important in the field of economics, primarily because this is the area where the scientific work and ideological struggle against hostile views through the clarification of problems and the opposing opinion has not kept in step with the tempo of socialist construction.

The greatest, and I may add, the most difficult task that lies ahead of us in our economic scientific life and activities is the transposition of the principles announced in Stalin's last scientific work, into the conditions of a people's democracy and their application during the transitional phase.

In the footsteps of Marx Stalin unveiled the scientific rules of nature and economy and their operation in this work, the rules that reflect the regularity of those objective processes that go on independent from human will, equally in the system of capitalism and

socialism. However, there is a basic difference between the operation of the economic rules of capitalism and socialism. This is what Engels writes in this connection: "The difference is the same as the difference between the destructive power of electricity in a thunderstorm and the harnessed electricity of a telegraph or the arc light, or the difference between a conflagration and a fire burning in the service of man" (Engels, Anti-Duhring, Szikra, 1950, page 288).

In contrast to the economic rules of capitalism, therefore, it is the characteristic peculiarity of the economic rules of socialism that these rules operate not blindly, not by superhuman elementary force, but are consciously utilized and applied in the practice of socialist construction. This does not mean and can not mean that these rules lose their objective, necessary characteristics; it does not mean that in socialism we can create and apply economic rules as we please. Stalin has scientifically proven that these objective rules can neither be terminated nor transformed nor substituted by new ones. But while these rules do not become annihilated, they merely lose their applicability and surrender their place to the new rules which, in the field of economics, come into existence with the new conditions of production.

The scientific principles concerning the existence and operation of the rules furnish the opportunity for the recognition of the objective rules and their utilization in the interest of the development of society, in other words, for the conscious and planned management of economic life and for the scientific forecast indispensable for its accomplishment. Therefore the fact that we recognize the economic rules of socialism as objective necessities does not mean at all that we passively and impotently submit ourselves to their effect. The leaders of the state uncover the economic rules of socialism in order to use them in the construction of socialism, in order that they actively interfere in the fight between old and new, in order to break the forces and the instinctive trends of development that oppose socialism. It is an indispensable condition of this, however, according to the teachings of Stalin, that "the party of the proletariat, if it wants to be a real party, must acquire first of all the knowledge of the rules of production development, the knowledge of the economic development of society" (Stalin, Questions of Leninism, Szikra, 1953, page 669). Stalin's last work furnishes the scientific ideological basis for this.

Among the objective economic rules the principle that production conditions must correspond with the character of the production forces has a great significance. According to the teachings of Marx, which Stalin further developed, this principle is true not only under the production conditions of socialist societies, but also under the

conditions of production of the preceding social formations during their incipient period. Otherwise the advancement of social economy would have been impossible.

Even under the economic conditions of socialism the operation of this economic law must not be so interpreted as if it would require the complete harmony of production conditions and production forces, as if this law would mean the immovable stability of the conditions of production and the production forces. This could not be possible, if for no other reason than because the production forces are the most mobile, most revolutionary forces of production, which even in socialism precede the conditions of production. Therefore the conditions of production lag behind the development of the production forces, which means that the conditions of production become transformed to correspond to the character of production forces only after a certain time lapse.

In regard to the operation of the principle, however, we still must distinguish between socialism and the social economic systems that preceded it. While in capitalism and the preceding social formation the operation of this principle led to a sharp collision between the conditions of production and the production forces, and this was the unavoidable consequence of the economic system, in socialism, although there are and there will be controversies because the conditions of production lag behind and continue to lag behind the development of the production forces, this ordinarily does not lead to a collision, because, as Stalin teaches, "society has an opportunity to bring into harmony the lagging conditions of production with the character of the production forces," which is one of the peculiarities of the objective economic principle under discussion under the conditions of Socialism (Stalin, Economic Problems of Socialism in the Soviet Union, Szikra, 1953, page 62). Another peculiarity, which logically follows the first one, is that under the conditions of socialism, in contrast to capitalism, economic development occurs not by sudden turns but by gradual changes.

The objective economic principles have certain characteristics that deviate from those of natural laws. Such as, for instance, the fact that the objective economic rules are relatively short-lived, the greatest part of them are only applicable to a certain historical phase, after the passage of which they surrender their place to new rules.

Another peculiarity is that the discovery and application of the new rules that came into existence on the basis of the new economic

circumstances are against the interests of the dying-out social classes and meet their resistance. To aid the utilization of the new economic principles this resistance must be broken down and it must be broken down by social force. Such force is the alliance of the working class and the peasantry, which represents the majority of society.

We see, therefore, that the creation and application of these new economic principles on the basis of the new economic circumstances are connected in principle with the historical necessity of a worker-peasant alliance under certain socioeconomic conditions formed by history.

In order to understand the connection between the role and historical tasks of the worker-peasant alliance and the operation of the objective economic principles, Stalin's teachings must always be kept in view: "It must never be forgotten that everything changes, that everything has its time and place, therefore the questions must be put according to the actual circumstances..." The question of the worker-peasant alliance, its development, as well as its tasks, must be analyzed in connection with the given historical and social conditions. It is obvious that during the course of social development -- especially during the transition from one socioeconomic formation to another -- the social and economic basis of the worker-peasant alliance changes and its task changes with them.

Under the conditions of capitalism the worker-peasant alliance, as the social force that breaks the resistance of the ruling classes and overthrows that rule, operates toward a sudden, revolutionary change. Under the conditions of socialism, this social force tends toward a constant gradual change. In the phase of transition from capitalism to socialism the worker-peasant alliance has a peculiar attribute and a dual task.

The socioeconomic development of Hungary and of the other people's democratic countries is in the phase of the transition from capitalism to socialism. This transitional period is characterized by the fact that in our people's economy the objective economic rules of capitalism as well as socialism gain force, and this in such a way that the decaying, disappearing economic principles of capitalism have a constantly smaller effect and during the intensifying class struggles surrender their place to the objective economic principles that come into existence under the production conditions of a socialism under construction, which in turn have an always increasing effect. This is the basic characteristic of the transitional phase and it follows from the fact that new economic conditions have been created, socialist conditions of production, which form the basis of the new economic rules. From

this it logically follows that the shift occurring in the conditions of production also forms a new economic basis for the worker-peasant alliance and sets new tasks.

Stalin asserts that under the socialist conditions of the Soviet Union economic development does not occur by sudden turns, but by gradual changes in such a fashion that the old economic conditions and the rules formed by them do not simply disappear, but having adapted themselves to the new conditions, change their substance and only preserve their form.

Under the conditions of a people's democracy, economic development is characterized by the fight between the forces of capitalism and socialism, by the increased resistance of the dying forces of capitalism, from which it follows that the development is not free from sudden turns, from sudden and radical changes in economic and property relationships. Such were, for instance, the land reform in 1945, and later the nationalization of industry, banks, and large commerce.

Therefore the social force represented by the worker-peasant alliance had to remove, amidst vigorous fights, those obstacles which the dying capitalist classes placed in the way of the operation of the new rules that came into existence in the course of the transition and originated from the new economic conditions.

But in the transitional phase economic development is not only characterized by sudden turns that stimulate the dying forces of capitalism to resist. At the same time, the transitional phase is further characterized under the conditions of the people's democracy by the planned development of the people's economy and by the laying of the foundation for the socialist economy, which in turn occur through gradual changes.

This dual characteristic of the transitional phase gives a dual characteristic also to the worker-peasant alliance. A fighting force for the defeat of the forces of capitalism and a constructive force in laying the foundations of socialism, these define the substance of the worker-peasant alliance and its functions and tasks during the phase of the transition from capitalism to socialism under the circumstances of the people's democracy. The social basis for the people's democratic system, the worker-peasant alliance, defines and directs the economic activity of the state and thereby the development of the production forces and conditions of production, their balanced proportions and planned regularities, through legislatures, through government, through the organs of state power, through local councils.

All these factors tend to bring about a harmony between the production forces' character and the conditions of production, and to promote the operation of the applicable objective rules. This explains why the operation of the economic role of the state and the interaction of questions of the economic role of the state and the interaction of politics and economics emerge in a new way during the stage of transition from capitalism to socialism under the conditions of a people's democratic system. The people's democratic state possesses numerous and an always increasing number of means for the concentration of the country's entire political and economic life into one unified effort. From this it follows that the people's democratic state can play such a role in the development and direction of the people's economy as could never be done by the capitalist state. This situation was very well characterized by Stalin: "Economy, in its separate isolated meaning, is of little interest to the capitalist state. Economy is not controlled by the state; on the contrary, it is the state that is controlled by the capitalist economy" (Stalin, Questions of Leninism, 10th ed., page 602 (in Russian)).

In the social transformation that occurs in Hungary and in the other people's democracies the decisive significance of the people's democratic state built on the local councils, lies in the fact that one form of exploitation was not and could not be exchanged for another form of exploitation, because the people's democratic state tends to terminate every form of exploitation and helps the development of the economy in this direction.

It is a known Marxist principle that the economy forms the basis of the political superstructure and that politics, at the same time, also affects the economy. Politics promotes but also retards the development of the economy, the operation of the objective economic rules. According to Lenin, politics, which evolves from the need for economic development, can become the decisive factor for the basic transformation of the economy, and at the same time the means of the acceleration of economic progress if the necessary material conditions are available. In the people's democratic countries, where the political and economic activities of the state power and the organs of the government rest upon the cooperation of the two big social classes, proletarian and peasantry, politics and the economy are inseparable and the unity of the two are in the interest of society's material progress, as it tends to eliminate the friction or conflict between the character of the production forces and the conditions of production, and tends to harmonize the two.

Under the conditions of the people's democracy, especially after the solidification of power, the question of the state, as well as

the question of the mutual relationship of politics and the economy, which radically differ from that of the capitalist countries, emerge theoretically in the same way as in socialism because, as is known, the people's democracy in its essence is one form of the dictatorship of the proletariat, in which the state and the economy, although at different stages of development, basically retain identical functions.

Since the Liberation, two closely connected, far-reaching changes occurred in the social structure and in the people's economy of Hungary and the other people's democratic countries, which brought into existence a new economic basis for both the worker-peasant alliance and the operation of the new economic rules. The fundamental change is that these countries, among them Hungary, turned from capitalist to people's democratic countries that build socialism. The other fundamental change is that they developed from backward agrarian countries into industrial countries. Both far-reaching transformations, which at the present are still in process, are of decisive significance to the building of socialism, to the development of the production forces and the conditions of production, as well as to the establishment of the harmony of both.

The conversion from capitalism to socialism is an historical necessity. The basic, irreconcilable inner conflict of capitalism renders it an historical necessity; it springs from the fact that the social characteristic of the capitalist production process is in sharp conflict with the conditions of ownership of the means of production. The means of production are privately owned and this opposes the social characteristic of the production process. In socialism the conditions of production are in harmony with the condition of the production forces, because the social characteristic of the production process is supported by the communal ownership of the means of production.

In the people's democracies this situation is characterized by a certain peculiarity which comes from the fact that in the present stage of development the social characteristic of the production process is only partially supported by the communal ownership of the means of production. In this respect the two main production branches of the people's economy, industry and agriculture, are quite clearly distinguishable. In industry the social characteristic of the ownership of the means of production is essentially in harmony with the social characteristic of the conditions of production. We can not say that of all of agriculture. In the larger part of agriculture, with respect to the conditions of production and the ownership characteristics of the means of production, conditions characteristic of capitalism still exist. State ownership (socialist) and cooperative ownership

(fundamentally socialist) of the means of production are as yet prevalent only in a smaller segment of agriculture.

Now let us examine what changes were brought about in the people's economy by the fact that we became a socialism-building people's democratic country from a capitalist country. Stalin emphasizes that the basic change in the conversion from one social system to another depends on who possesses the principle means of production, who controls them, society or certain classes, groups or individual persons. Further, it depends on whether the means of production are utilized for the exploitation of certain classes, groups, or individuals, or for the benefit of the entire society?

Since the Liberation decisive changes have occurred and are in process in the conditions of ownership of the means of production in Hungary and the other people's democratic countries. With the nationalization of industrial manufacturing, large commerce, and the banks, the working class removed the basic economic support of capitalism, which, having become the property of all society, brought about the new socialist form of ownership of the means of production.

At the same time, the people's democratic countries also laid the solid, broad foundations of the socialist conditions of ownership in agriculture by a large-scale organization of state farms and by the broad network of machine stations. During the effectuation of the land reform they liquidated feudal and large-capital land ownership, and this led to the broad development of small-peasant conditions of ownership. During the further phases of development, as a result of the policy aimed at the restriction of the kulaks, the capitalist ownership of the means of production have been limited to an always narrower area of agriculture. At the same time, with the more intensive conversion to communal farming, new conditions of the ownership of the means of production, ownership by groups and cooperatives, the new forms of ownership of the means of production, came into existence in agriculture.

In the people's democratic countries, therefore, essential changes have occurred in the ownership of the means of production: a large part of the means of production -- which includes significant amounts of farm land -- cease to remain a means of exploitation and now serve the interests of society as a whole instead of individual classes.

As we can see, in the people's democratic countries -- in our country too -- several forms of the ownership of the means of production have developed. One is the socialist state ownership of all the

means of production within the possession of society. Besides that, there came into existence and develops the other form of socialist ownership, the cooperative ownership of the means of production. Although this form does not serve the interests of society as a whole, but only serves the interests of individual groups, it does so in harmony with the interests of society as a whole. Besides these two forms of ownership, as a result of the land reform, the individual ownership of the small-scale producing farms based on family work has also been broadened. But these are gradually losing ground with the conversion to large-scale cooperative farming, and because of the people's democratic state their economic policy can not become a means of exploitation. Besides these there still exists the kulak-capitalist ownership of the means of production, whose possibilities for exploitation are on a continual decline because of the policy of restriction and displacement.

The fact that the manner, of the conditions of production and of the characteristics of the production forces developed unevenly in the various branches of the people's economy, originates from the peculiarities of the people's democracy as a form of the dictatorship of the proletariat and is greatly affected by the circumstance that the conditions of ownership of the means of production during the transitional phase are marked by still-existing capitalist forms and remnants. These affect the development of the production forces in a different way in the various branches of production.

The changes that occur in the ownership of the means of production, as the decisive factors of the transition from capitalism to socialism, play an important role in the acceleration of the tempo of the development of the production forces. It is natural that where the basis of the production conditions is the communal ownership of the means of production, the production forces develop in a more rapid and a constantly accelerating pace, as the conditions of ownership permit their free development. In the people's democratic countries the still-existing private ownership of the means of production in agriculture slows down the tempo of the development of production. It is true that the tempo is incomparably faster than what it was under capitalism, but it is still lagging far behind the development of the industrial production forces. However, the slower development of agriculture in turn delays the socialist development of the entire people's economy, including industry. Thus the socialist reorganization of agriculture, the conversion from the individual small-scale-producing peasant-farming to advanced large-scale cooperative farming gives an enormous impetus not only to the development of the production forces of agriculture, but by placing the entire people's economy upon a unified

socialist basis, it accelerates its uniform development through the elimination of the inconsistency of the conditions of production and the ownership of the means of production also in agriculture. Stalin teaches that the people's economy's two main branches of production can not permanently rest on differing bases, because that would sooner or later lead to the disintegration of the people's economy. From this the task of reorganizing agriculture in a socialist way clearly follows.

During the current transitional phase the formation of the conditions of production and the ownership of the means of production in agriculture, as well as the formation of the harmony characteristic of socialism, show certain peculiarities in the people's democratic countries. One peculiarity is that in the form of kulak-capitalist and small-scale producing individual farms there also exist the production conditions and ownership conditions of capitalist and quasi-capitalist individual farms. The other peculiarity is that on the state farms and in the production cooperatives the conditions of production and the ownership of the means of production are yet at a less developed and more backward stage of socialist agriculture than in the state and collective farms of the Soviet Union, which fact is also reflected in the way they fulfill their role in the development of advanced socialist collective agriculture.

The teachings of comrade Stalin, as well as the experiences of the Bolshevik Party, equally show that in the Soviet Union the state farms, the sovkhozes, had a decisive role in the socialist reorganization of agriculture during the conversion from individual peasant small-scale production to large-scale collective farming. "It would be an error to view our sovkhozes only as a source of cereal reserves," writes Stalin. "Indeed, the sovkhoz was the leading force which, with its new technology, with the assistance it gave to the peasants in the area, with its unprecedented economic impetus, facilitated the conversion of the peasant masses and started them on the way to collectivization" (Stalin's Works, Vol 12, Szikra, 1950, p 502). And when Stalin poses the question as to how the new movement, the kolkhoz-movement in the village, would further develop, he states the following: "The sovkhozes will be in the fore as the battering rams of the old village system's reconstruction. They will be followed by a multitude of kolkhozes as the supporting joints of the new movement of the village. The unified labor of these two systems will create the conditions necessary for the complete collectivization of every territory of the Soviet Union" (*ibid.*, p 357).

The state farms in Hungary and in most of the people's democracies do not yet play the role of a battering ram in the production cooperative movement. They do not yet fulfill their leading role in production,

in setting an example to and aiding the peasantry. It is one of the most important and most urgent tasks to discontinue the state farms' lag in this respect and to secure by the widest application of science and technology, by the increase of average returns, that they become as soon as possible advanced large socialist enterprises, the leading force of socialist agriculture.

Besides the state farms, the production cooperative is another member of the socialist sector of agriculture. If we compare our production cooperative sector with the collective farm system of the Soviet Union, we observe substantial differences and peculiarities. First of all, there are no kolkhozes either in Hungary or in the other people's democratic countries. Secondly, even the most advanced production cooperatives had lagged behind in the consistent materialization of the socialist principles of large-scale collective production. Thirdly, production has not yet reached the level, except for a few production cooperatives that carry on better farming, which would have made communal farming attractive for the decisive masses of the peasantry. However, the toiling peasantry generally, and the middle-peasantry specifically, do consider that cooperative production and the production cooperatives can be raised to the level of the kolkhozes if the toiling peasantry becomes convinced by practical, tangible proof that it is advantageous to convert to cooperative production, that cooperative production, because of its greater return and profitability and its secure future, is superior to individual farming.

And finally, collectivization is complete in the Soviet Union, while in the people's democratic countries the production cooperative movement only attracts, at the present, a smaller part of the farms of the individually farming peasants. All these peculiarities which characterize the socialist transformation of agriculture under the conditions of a people's democracy, and which indicate the degree of change that occurs in the condition of production, restrict the development of the production forces, or rather restrict the complete exploitation of the available production forces.

The other far-reaching change that occurred in the social structure of the people's democratic countries, as I have already mentioned, is that they turn into industrial countries from agrarian countries.

The history of the various socioeconomic systems and particularly that of capitalism, indicates that the main trend of economic development was industrialization in its broader sense. Capitalism gave a great impetus to the development of industry, but its inner contradictions and the sharp clash between the conditions of production and

of the production forces led to an ever greater economic crisis and later to the general crisis of capitalism. The capitalist economic system became the obstacle of the production forces' development. The historical need for the liquidation of capitalism and for the development of the socialist economic system had arrived.

When Hungary and the other people's democratic countries were liberated by the victories of the Soviet army, the opportunity was open for the realization of this magnificent historical task. The series of losses inflicted upon the fundaments of capitalism, the radical changes effected in the ownership of the means of production, have removed great obstacles in the way of the production forces' development, and thus created a solid economic foundation for the industrialization of the country. The development of industry was further promoted by the fact that the industrialization policy of the people's democratic state and of the Party was generally equal to the needs of the development of the social economy.

According to the teachings of Marx, "in every social system it is a certain branch of production and its condition that determines the importance and influence of the other branches of production and their condition" (Marx, *Introduction to the Critique of Political Economics*, Szikra, 1951, p 32). In the era of feudalism this branch of production was agriculture. This situation radically changed in capitalism. In capitalism, where the social division of labor is much more advanced than in the preceding economic formations, the separation of industry and agriculture occurred as follows: industry came into a dominant position, while it had a great influence upon the tempo and direction of the development of agriculture. This process had occurred in complex inconsistent forms and great controversies. Of this, Lenin writes as follows: "Is a capitalism in which the development of commerce and industry does not surpass agriculture possible? Because the development of capitalism is the development of the market economy, that is, the development of the social division of labor, and as its result, the various forms of utilization of raw materials, which were originally intertwined with the only natural economy based on the unity of the production and consumption of raw materials, one by one become separated from agriculture. Therefore always and everywhere capitalism means the faster development of commerce and of industry than of agriculture, the more rapid increase of the commercial and industrial population, a greater weight and importance of commerce and industry in the general order of the economy. This can not be otherwise" (*Lenin's Works*, Vol 2, Szikra, 1951, pp 207-208).

Of course, even agriculture did not remain in the same place in

capitalism; it also developed, but its tempo lagged behind the general tempo of development of capitalism to a significant and always increasing extent. And this is one of the most important manifestations of the contradictions of the capitalist production system.

Under the conditions of capitalism, the development in Hungary and in the other people's democratic countries, occurred according to the principles and the controversy outlined above, and finally led to the fact that backward agriculture impressed its mark upon the country's economy, which was the obstacle in the path of the country's large-scale industrialization. In the far-reaching economic change during the process of which Hungary turned from a capitalistic country into a socialism-building people's democratic country, a decisive role was played by industrialization, which, through the development of industry and by being placed on a socialist foundation, brought about the advantageous conditions for the development of the agricultural production forces and of the conversion from individual farming to cooperative farming.

The main characteristic of socialist industry is that ownership of both the means of production and the produced industrial goods is in the hands of the state. Thus it is in the possession of all the people and can not serve for the exploitation of the village. With this we have terminated one of the most essential economic foundations of the controversy between the city and the village, industry and agriculture.

The liquidation of another economic foundation of the controversy, the liquidation of the individual small-scale and kulak-capitalist production and the complete socialist reorganization of agriculture still await solution.

From the circumstance that production and industry are carried on according to the economic rules of socialism, there follows the acceleration of the tempo of development, not only in industry but also in other branches of our people's economy, thus also in agriculture. This is the explanation of the fact that while the various socioeconomic systems needed about a thousand years to develop from slavery through feudalism into capitalism, and the development of capitalism itself required a century and a half, the construction of socialism, after the downfall of capitalism, required only 3½ decades in the Soviet Union and can also be realized in the people's democratic countries within a short period of time. In this an enormous role was played by close cooperation and enormous assistance, of which Stalin said "The experiences of this cooperation show that not one capitalist country could render such a true and technologically high-level

assistance to the people's democratic countries than what the Soviet Union gives them. The issue is not only that this assistance is the cheapest possible and technologically outstanding. The issue is primarily that this cooperation is the basis of the honest desire for mutual assistance and the achievement of common economic improvement" (Stalin, Economic Problems of Socialism in the Soviet Union, p 32).

The efforts in the field of the industrialization of the people's democratic countries and the successes achieved through the multifarious and unselfish help of the Soviet Union completely vindicate the Leninist-Stalinist principle of socialist industrialization.

The development of socialist industry increases enormously the production forces in every branch of the people's economy, including agriculture. Socialist industrialization opens the opportunity for the development of agricultural technology, mainly by the establishment of machine stations, and this forms the material-technological basis of the large agricultural enterprises. The principle of socialist industrialization was worked out by Lenin and Stalin. Of the decisive role of socialist industry in the socialist reorganization of agriculture, Lenin writes the following: "...the city should render such far-reaching technological and social support to the backward and isolated village that this support can create the material basis for a large-scale increase of the productivity of land cultivation and of agricultural labor, so that by this example it can motivate the small-scale cultivators to convert to large-scale collective mechanized farming in their own interests" (Lenin's Works, Vol 31, Saikra, 1951, p 156).

In the works of Lenin and Stalin we can find innumerable references to the fact that without an advanced socialist industry it is impossible to establish large socialist cooperative enterprises in agriculture. Of this, among other things, Lenin writes: "In order that the socialist city be able to carry with it the socialist village, it is necessary that we transfer the country's economy, including agriculture, to a new technological basis, to the technological basis of modern large-scale production" (*ibid.*, p 533).

The new technological basis for the socialist reorganization of agriculture, the mechanization of every branch of production -- including animal husbandry -- further, the establishment of a network of machine-stations throughout agriculture, can only be achieved by an advanced socialist large industry. During the transition from capitalism to socialism in the people's democratic countries, socialist industry is the most effective factor of the development of the production forces,

of the transformation of the conditions of production and of the ownership of the means of production, as well as of the promotion of their harmony. Undoubtedly, socialist industry has a strong effect in this direction. However, during the current phase of transition it is still the characteristic of the production forces and of the interaction of the conditions of production and the ownership of the means of production that the development of the production forces occurs faster and on a larger scale than the transformation of the conditions of production and of the ownership of the means of production. And, although the trend of development is toward harmony between the production forces' characteristics and the conditions of production, because of the significant proportions of small-scale production, the differences in this respect still largely exist.

The advanced technology brought about by socialist industry can only have a restricted utilization on the individual farms; they can not keep in step with the development of technology. This shows that those production forces which were created by socialist industry have already surpassed the limits of the individual method of production and conditions of ownership and that these increased production forces demand new conditions of ownership and that these increased production forces demand new conditions of production, large-scale production. According to the teachings of Lenin, there are two roads for that: the capitalist road and the socialist road. The capitalist road leads to the large enterprise through the ruination and expropriation of the peasantry. We reject this road. The socialist road brings about large-scale production through the voluntary cooperation of the tilling peasantry. The enormous technology created by socialist industry secures this possibility for our toiling peasantry. For this very reason we are for the latter, for the socialist road, and this is what we recommend to the peasantry in the people's democratic countries.

The most effective lever for the increase of the production forces in agriculture -- in every people's democratic country -- is the machine station, which secures for agricultural production the advanced technology created by socialist industry. In capitalist agriculture, because of the individual ownership of the means of production and the smaller dimensions of the enterprises, even the more advanced large-scale production does not enable the wide utilization of the technology created by capitalism, which surpassed the conditions of the production and ownership of capitalist agriculture. This leads to the conclusion that the organic construction of capital is extraordinarily weak.

The chief reasons for the backwardness of agricultural production

in capitalism, and of the weak organic construction of capitalism, are the individual ownership of land and the absolute land rental flowing therefrom, which hamper the flow of capital into agriculture. In the Soviet Union, under the conditions of socialism, where the capitalist conditions of production and ownership have been completely terminated and their places taken by socialist conditions of production and ownership also in agriculture, absolute land rental has been terminated and with it the obstacle in the production force's way of development has also been removed.

In the people's democratic countries, in the present phase of development, the transition of agriculture from capitalism to socialism has certain peculiarities. The most important peculiarity is that although absolute land rental has not been terminated, its role and significance has greatly decreased. The buying and selling of land, the existence and exploitation potentials of the kulak farms have been greatly restricted in the people's democratic countries, and with this they have at the same time also implemented the gradual transformation of the small peasants' individual property into cooperative property. Under such conditions there are always smaller possibilities for the operation of land rental. Generally in the individual peasant farms absolute land rental, as an insured income to be gotten without work, can be realized only within narrow limitations.

These circumstances explain the fact that the operation of absolute land rental, and its damaging effect that hampers the development of the production forces during the current stage of transition to socialism, has already been strictly limited in the people's democratic countries. From this can be seen the peculiarity of the transitional phase, that in the socialist reorganization of agriculture under the conditions of a people's democracy the direct interference with conditions of land ownership (nationalization) is not a primary task, and that termination of absolute land rental is not an indispensably necessary requirement for the transition to cooperative large-scale production, or basically socialist farming, during its initial period. Later, at a more advanced stage, the contradiction between the conditions of production and ownership must disappear, and because of the operation of the applicable objective economic rules the harmony of the two must come into existence. All this, however, shows that yet today the conditions of production and of ownership develop unevenly even in the cooperative, thus in the basically socialist sector. As we can see, the socialist transformation of the most important means of production, of the ownership of land, lags behind the conversion to large-scale cooperative production, and this fact is a peculiar feature of the transition from capitalism to socialism in the field

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of agriculture in the people's democratic countries.

The new large-scale technology created by socialist industry carries forward the development to socialism at enormous steps also in the field of the productivity of labor. Lenin states that "the productivity of labor is ultimately the most important for the victory of labor as was unknown to feudalism. Capitalism can be completely defeated, and we shall completely defeat it, through the fact that socialism brings about a new and much higher productivity of labor" (Lenin's Works, Vol 29, Siskra, 1953, page 435).

The transformation of the conditions of production, in other words, the conversion from individual production to large-scale cooperative farming through the simultaneous cooperation of the labor force and machine technology, in itself increases to a significant extent the production forces and the productivity of labor. According to Marx, cooperative work produces a collateral production force, which means that cooperation increases not only the productive force of the individual or machine unit but brings about a new production force -- the social production force generated by the cooperation of labor, the advantages of which only avail themselves to the toiling peasantry in the large cooperative enterprise.

The participation of industrial labor in the increase of the productivity of agricultural labor is very significant. The proportion of the industrial labor contained in the machines and simple work tools utilized by the individual and production cooperative peasantry measured by the labor time utilized, according to approximate figures, approaches the amount of the utilization of human and draft-animal labor. In other words, this means that, for instance, in the labor utilized for the production of one quintal of cereal the proportion of the industrial and agricultural labor utilized is about equal. It is obvious that the higher the degree of mechanization, the higher the proportionate participation of industrial labor in agricultural production.

All this clearly shows that without the leading role of industry, the transformation of the people's economy, the establishment of large-scale cooperative agriculture, and ultimately the creation of a socialist socioeconomic system is impossible. This is why the five-year plans aimed at the industrialization of the people's economy in the transitional phase have such a high, decisive significance.

For the economic cooperation of the city and the village, between industry and agriculture, for the worker-peasant alliance, the question

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of industry's demand for manpower and the village's manpower reserve, which manpower, having been liberated by the mechanization of agriculture, is to migrate from the village to the city, is of vital importance. In capitalism the migration from the village to the city was the sign of decay and of economic decadence, because it is a rule of capitalist development that the migration from the village to the city is preceded by the economic ruination of the peasant. Under the conditions of the people's democracy the migration from the village to the city, from agriculture to industry, is the sign of economic, cultural, and social elevation. The migration from the village to the city is made possible by the constant increase of the technical equipment of agriculture, by increased labor productivity, by the cooperative large-scale production's smaller need for manpower.

Under our present circumstances, agriculture, as the manpower reserve of socialist industry, shows two peculiar features. In the Hungarian village, and, according to the available data, also in the rest of the people's democratic countries, because of the still relatively low productivity of agricultural labor, at the present stage of development the liberation of the labor force is slow. The aggregate amount of agricultural production could be produced by a substantially smaller labor force through the correct and larger-scale utilization and better exploitation of machine equipment, of agrotechnology, of science. Because of a still-existing deficiency in this field, the amount of labor utilized for the production of a certain amount of goods is still too high. Thus the situation comes about that the relative backwardness of the productivity of agricultural labor becomes the obstacle of the migration to industry, which retards the development of industry and the process of the elevation of the peasant involved in his migration to the city.

Besides the relatively low productivity of agricultural labor, the backward production methods of the individual small-scale producing farms and the lack of specialization and rational placement of agricultural production are also obstacles to a larger labor force for industry. Generally, we carry on a mode of production in agriculture according to which the handling of goods of great bulk coincides in time, and this, because of the deficiencies of the production organizations and the inadequate utilization of machine power, results in the fact that not only is there no evidence of an absolute labor surplus in the necessary amount, but, especially in the state-owned sector, there is a periodical labor shortage.

The increased development of the agricultural production forces and the increase of the productivity of labor, since they secure

industrial labor, have decisive effect upon the socialist development of our entire people's economy.

Production and the exchange of goods are extremely important in the economic contacts between the city and the village, between industry and agriculture. In his highly significant scientific work entitled Economic Problems of Socialism in the Soviet Union Stalin presents a splendid analysis of the production of goods, the exchange of goods, and the condition of their termination. He contends that while the two basic sectors, the state owned and the cooperative (kolkhoz), remain in the people's economy, the production and exchange of the goods for consumption must also remain.

During the exposition of the objective economic rules of socialism, Stalin gives a detailed analysis of the question of the opposition and the differences between the city and the village. He demonstrates that although the difference disappears by collectivization, the difference is substantial not only in the conditions of labor but also in the conditions of ownership of the means of production and the goods produced. From this it logically follows that the production and exchange of goods and its effects can disappear only after the elimination of the substantial differences between industry and agriculture.

According to the teachings of Stalin, the following are the peculiar features of the production of goods under the economic conditions of socialism in contrast to the capitalist production of goods: (a) the production of goods is restricted to certain limitations and does not cover the production of the means of production, (b) the means of production are owned by the society (by the state, by all the people), (c) exploitation and the system of wage-labor has been terminated, (d) labor is no longer a commodity. These peculiarities make it possible and explain the fact that in socialism the production of goods does not lead to capitalism.

Of the above-enumerated principles, not all are applicable to the current phase of the transition from capitalism to socialism under the economic conditions of a people's democracy. Under the economic conditions of a people's democracy we have basically ended exploitation and the system of wage-labor -- with the exception of the highly restricted, narrow kulak-capitalist sector and the narrow upper stratum of small producers -- and labor is no longer a commodity. There are, however, substantial differences with respect to the framework and characteristic of the production of goods, as well as with respect to the conditions of the ownership of the means of production and the goods produced. Under the conditions of a people's democracy, during

the current phase of transition there occurs not only a production of goods by the state and by the cooperatives, but also a kulak-capitalist production of goods and individual peasant small-scale production, which under the conditions of capitalism, as Lenin said, promotes capitalism day by day. It is a decisive question whether, during the phase of transition from capitalism to socialism, under the conditions of a people's democracy, those rules of capitalism discovered by Lenin have an effect, and if so, how great an effect. It is obvious that those rules can have no effect in their entirety for at least the reasons discussed above, but this does not mean that they have absolutely no effect, that they have no validity at all. But the nationalization of industry, of banks, and of large commerce, the strict limitation of the kulaks and generally of the capitalist elements, the termination of exploitation and of the system of wage labor in decisive areas of the people's economy, the leading role of the Party and the state power that fulfills the function of the dictatorship of the proletariat -- all these tend to arrest the operation of the rules of capitalism in the production of goods.

In contrast to the above factors, there are factors that tend to promote the operation of the rules of capitalism, such as the small-scale production of goods resting on private ownership, the individual ownership of produced goods and their sale in the market. These factors undoubtedly tend to invigorate the capitalist production of goods and contain the danger thereof in agriculture. The increase of the production of goods during the transition phase, not only in the state-owned and cooperative sectors but also in the peasant farms, is the main concern of the economic and political measures.

An economic measure of great weight, such as our Party and Government resolution of 1 December 1951, greatly promotes the increase of the production of goods by having freed the exchange of goods. This measure, however, as we have seen, because of the relatively great weight of the production of goods of the small and middle peasant farms, carries with it the danger of capitalism. The method of its defeat is not the development or diminution of the small and middle peasant farms' production of goods, but the specially careful development of the state-owned cooperatives -- the socialist farms' production of goods within the general increase of production. This is indispensable and necessary in the fight against the danger of capitalism. Besides its necessity, there are realistic possibilities for it. The danger of capitalism may lie in the fact that the socialist sector does not yet exploit to the necessary extent the realistic possibilities of a large-scale production of goods for the increase of the production of goods.

The resolution of 1 December 1951 stems from the peculiarity of the transition phase. It stems from the fact that during the development of the socialist agricultural sectors' production forces there is a need for drawing the surplus goods of the individual producers' sector into the food supply exchange of the inner market.

Under the conditions of a people's democracy the peasant type production of goods has that peculiarity, different from the similar initial period of the NEP [New Economic Policy], that it does not lead to the invigoration of the capitalist elements in agriculture even temporarily, if we correctly apply the economic policy of the party and Government, and if during the producers' free exchange of goods the forceful restriction of the kulak-capitalist elements and the transformation of small-scale production is continued. This trend of our economic policy may therefore still promote the formation and solidification of our economy's socialist foundation even under the predominance of small-scale production. The economic contacts between the city and the village, between the working class and the peasantry will be reinforced.

Lenin also refers to this when he teaches us that "for the economic cooperation of the city and the village, of industry and agriculture, the production of goods (the exchange through buying and selling) must be maintained for a certain length of time, as it is the only acceptable form of economic contact with the city for the peasants..." (Stalin, Economic Problems of Socialism in the Soviet Union, p 16).

The problem of the inner market is closely connected with the problem of production and exchange of goods. In the people's democratic system there are not two, but three, goods-producing sectors side by side in agriculture: state-owned, cooperative, and individual (small-scale producing and kulak-capitalist). The inner market is similarly divided and the objective economic rules operate accordingly, in a different way in each sector, depending upon their conditions of production. In contrast to capitalism, under the conditions of the people's democracy it is the basic characteristic of the inner market that it expands constantly, that the production forces are not restricted by the limits of the market, and these characteristics save the people's economy from the crises of over-production and their devastating consequences characteristic of capitalism.

During the present phase of transition the individual peasant farms' proportionate share in the production of goods for consumption is the most significant in Hungary, and also in the rest of the people's democratic countries. The socialist sector still lags behind these

individual peasant farms. One peculiarity of the transition phase with respect to the production and exchange of goods for consumption and raw materials stems from this fact. One part of the consumption goods and of the raw materials required by the city is produced by the socialist state-owned and cooperative sector; the overwhelming part of it, however, is produced by the individual small-scale producing sector. This draws with it the consequence that the city's supply of consumption goods and of raw materials rests decisively on the individual small-scale producing sector and not on the socialist sector of agriculture. However, the unreliability of the individual peasant-production and of the sale of its surplus goods renders the regular and steady supply of consumption goods and raw materials insecure for the city. Government procurement by compulsory deliveries has a decisive significance during the present stage of transition in Hungary, as well as in the rest of the people's democratic countries, also because it is to solve the contradictions that exist between the socialist industry and small-scale producing individual agriculture in the field of supplying the city with goods for consumption and with raw materials.

Government procurement must produce that reserve of goods with which the state can abridge the insecurity that stems from the unreliability of peasant production in the field of supplying the cities with food and raw material, and can assure a scheduled supply. As we can see, therefore, government procurement plays a very important role in the reinforcement and further development of the economic cooperation between the city and the village, in the rational supply of the population, in the increased realization of the socialist principle of everyone according to his abilities and everyone according to his work output, in the field of the distribution of goods.

This is greatly promoted by the fact that the city has ceased to be the center for the exploitation of the village, and by now it is the inexhaustible source of assistance to the village for its elevation and its socialist reorganization. This is an important factor in the strengthening of the worker-peasant alliance and the securing of the working class' leading role.

The liquidation of capitalism and the completion of the foundation of socialism in our country and in the rest of the people's democratic countries indicates the long road which these countries have covered during the past few years since the Liberation. The scientific ideological basis of the successful work was determined by the teachings of Lenin and Stalin, who have rendered an inestimable service to humanity as a whole by having provided the scientific basis for the historical

necessity of the two worlds, capitalism and socialism's fight, which comrade Stalin, by the discovery of the basic economic principles of both systems, has further enriched.

In his last scientific work Stalin defined the basic principle of contemporary capitalism as follows: "...the maximum capitalist profit by the exploitation, ransacking, and impoverishment of the majority of the inhabitants of the given country, by the conquest and regular spoliation of the people of other, especially backward countries, and ultimately the achievement of the highest profit by wars and the militarization of the national economy" (Stalin, Economic Problems of Socialism in the Soviet Union, p 40).

By the exposition of the basic economic rule of contemporary capitalism, Stalin explained with classic compactness to the people who suffer under the yoke of capitalism, the reasons for their slavery and suffering.

At the same time, in his scientific work entitled Economic Problems of Socialism in the Soviet Union he exposed the basic economic rule of socialism and contrasted it with the basic rule of contemporary capitalism, which he phrased as follows: "...to assure the maximum fulfillment of society's steadily increasing material and cultural needs by the constant increase and perfection of socialist production on the basis of the most advanced technology" (ibid., p 41). By discovering the basic economic rule of socialism, Stalin has shown to the whole of mankind the substance of that social order which had already been achieved in the first socialist state of the world, the Soviet Union, and for the achievement of which the workers of the people's democratic countries labor indefatigably, for the achievement of which the fight is carried on by the people who live under the oppression of world capitalism.

By the exposition of the basic rules of the two worlds, of the two systems, Stalin highlighted the historical road on which humanity must progress. He determined the world historical task which it must perform: the ending of capitalist society and the establishment of a socialist society. It is for the performance of this historical task that socialist construction in the people's democratic countries is called upon and which makes serious scientific demands on the political and economic leaders. As Stalin said, the Party and economic functionaries must be not only experts who know their trade well, but also politicians and men interested in public affairs who have a deep interest in the fate of their country, who are familiar with the rules of social development, who can apply these rules, and aspire to be the active participants in the political management of the country. In this context on a magnificent



task is given the Hungarian Academy of Science. It has a great role in making these scientific rules the common treasure of an ever wider circle of political and economic leaders.

Stalin's work is basic in the spiritual life of the Communist and workers' parties of the world, among them the Hungarian Workers' Party, and in their theoretical and practical work. "Our Comrades abroad want to know," writes Stalin, "how we freed ourselves from capitalist slavery, how we transformed our country's economy in the spirit of socialism, how we achieved our alliance with the peasantry, how we achieved the fact that our formerly poor and weak country has changed into an enormous country...all this and many other things they want to know, not out of sheer curiosity but for the purpose of learning from us and of using our experiences for their own countries" (Stalin, Economic Problems of Socialism in the Soviet Union, p 46).

In my lecture I set myself the task of attempting to discuss a few economic questions of the transition from capitalism to socialism on the basis of Stalin's guidance and of the vast Soviet Experiences, so that through familiarization with some principles expounded in Stalin's last scientific work, I might in some way contribute to the greatest utilization and application of his teachings in the magnificent work of socialist construction.

THE GOVERNMENT'S PROGRAM BEFORE PARLIAMENT

[Vol II, Pages 349-376]

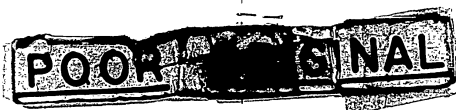
(Speech in Parliament on 4 July 1953.)

Honored Parliament!

When after the liberation of our fatherland the working people took the state power into their hands, the significance of Parliament based on the democratic representation of the people substantially increased. With the democratic rebirth of Hungary the old feudalist-bourgeois Parliament which kept the working people, the working class, and the peasantry outside the protection of the Constitution has forever subsided in the torpest of history. The legislature and the government of the gentleman's Parliament had left behind a backward, economically underdeveloped country and a people deprived of their liberty and rights. After the representatives of the people moved into the House of Representatives and made popular liberty, popular rights, and the Hungarian working people the basis of legislation, the fruitful work of legislation began and the people's constructive initiative developed. The previous session of Parliament had enriched the successes of the people's democracy with significant achievements in numerous fields of the government, economic, and cultural life. The laying of the foundations of socialism, the results achieved in the development of our people's economy, are due above all to our magnificent working class and its firmness and self-sacrifice. The Hungarian working class, which is the beneficiary of power, the vanguard of socialism, and its main force in our country, has proven worthy of its historical tasks and stands its ground with a sense of responsibility for the fate of socialism despite all the difficulties, ordeals, hostile temptations, and subversive activities. It is the rock-solid foundation of our Socialist country.

Our industrious toiling peasants took their just share in the creation of our achievements, and despite every difficulty, floating elemental calamity, danger, and troubles, it remained loyal to the people's democracy and now it harvests, filled with hope and a secure trust in the future, the abundant crop of its toilsome work. For their firmness and their loyalty to the fatherland, our working class and our peasantry deserve our deepest gratitude and appreciation. The achievement of our results and successes is to the credit of our party, the Hungarian Workers' Party, which at the head of the working class has led our working people to the wide road of Socialist construction.

The source of our achievements is our most important treasure, our liberty. With this in its possession our working class and our peasantry become capable for the solution of the historical tasks, for making up for our country's centuries-long backwardness, for the termination of



the rule of the middle classes. It was liberty that opened the way to socialism. Liberty gave wings to our people, it unrolled their productive force which enriches our fatherland with the most magnificent creations of our history. This liberty was gained by the sacrifices of the sons of the Soviet people, in order that we might establish a prosperous and happy life and a free and independent country for our working people. This is how the Soviet Union, the unselfish friend of the small nations, the bulwark of peace and liberty, became the source of our every success and of our every result.

With the Liberation there opened for us the wide magnificent perspectives of reconstruction, elevation, and socialist future. But we could not have performed the enormous work by our own efforts and material resources, without the multifarious and effective aid of the Soviet Union, which rendered inestimable assistance within the framework of mutual cooperation, and which it shall certainly continue to render for the construction of socialism, for the enormous work of improving our working people's material conditions. Speaking of our achievements, we therefore show our expression of sincere thanks to the people and the government of the Soviet Union.

In our constitutional life, in the development of the people's democracy, every new session of Parliament became a landmark in transforming the economic and political basis of the old system, in reconstruction, in ascension, in securing the peace and independence of the country.

In the Parliament elected on 17 May the democratic principle of true representation of the people is better reflected than in the preceding Parliament. The inseparable relationship with the working people, the beneficiaries of the power, rests on a more solid basis. This gives a new popular content to the spirit and the tasks of Parliament and to the role it plays in our constitutional life. We can say with confidence that in the now-covered Parliament there commences a new phase in our development, in which an increased expression will be gained for the people's sovereignty, for the increased role of Parliament in the useful management of government life in the determination of the basic principles and basic goals of responsible government as well as in the exercise of Parliament's constitutional rights.

In performing its task the government wishes to derive more support from Parliament, by whose trust it manages the country and to whom it is completely responsible for its activity in the field of government, for the good or bad fate of the fatherland, for the prosperity of our working people. At the same time, it wishes to make sure that the Council of Ministers becomes the full powered organ for the management of state affairs, which rests upon the wider jurisdiction of the Ministry and the greater responsibility of the ministers. In essence, with this we make a further step toward the democratization of our public life.

In the Development of Our People's Economy We Rely Upon
the Economic Energy Sources of the Country

Honored Parliament!

Turning to the question of economic policy, I wish to emphasize that the government carries on its economic policy on the basis of the proposals and the realistic goals of the new guiding principles of the central committee of the Hungarian Workers' Party. This means that our people's economy in its development takes account of the economic energy sources of the country by all means, so that it does not set any goals for whose solution the necessary requirements are lacking -- be they material resources or investments that exceed the country's energy and production capacity, or any other exaggerated economic tasks that would harm the living standard of the population. In the field of economic policy the government observes the principle that one should not reach beyond his means. However, we must frankly confess before the forum of our country that the increased goals of the Five-Year Plan exceed our energies in many respects. Their realization makes an excessive demand upon our energy resources, hampers the betterment of the foundations of material well-being. In fact, lately they have even caused the reduction of the living standard. It is obvious that in this respect a substantial change is necessary. The development of socialist heavy industry can not be a goal in itself. We must progress toward socialism on the road of the people's democracy, on the road of socialist industrialization, so that progress may draw with it the constant betterment of the standard of living, of the social and cultural conditions of our working people, above all the basic force of socialist construction, of the working class. From this one of the most important tasks of our government's economic policy emerges in clear outlines: a general and significant reduction in the tempo for the development of our people's economy and for investments, so as to correspond with the country's load-bearing capacity. To this end the government is reexamining the people's economic plan for both production and investments, and will make a proposal for its adequate reduction.

The trend of the people's economic development must also be modified. Nothing justifies exaggerated industrialization and striving for industrial autarky, especially if we do not possess the basic material resources necessary therefor. Autarky, besides the fact that it means economic isolation and overtakes the country's production capacity, cuts off from the very beginning all of the favorable possibilities which flow from the increased participation in the international exchange of goods, from the commercial exchange with capitalist countries but above all from the mutual economic aid and cooperation with the Soviet Union, the people's democratic countries and People's China. The government in its economic policy will count more heavily upon this energy source with which it intends to lessen the burden of our people's economy.

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By significantly slowing down the development tempo of heavy industry, that produces the means of production, in our economic policy we must change the direction also with respect to placing a substantially greater weight than previously on light industry, that produces the necessary articles of consumption, and on the food industry. Through this it must be made possible for the population to better satisfy its increasing demands.

The direction of the economic policy must also be changed with respect to the two basic branches of the people's economy: industry and agriculture. Besides exaggerated industrialization, especially the much too rapid development of heavy industry and the consequent large investments, the material resources of the country were insufficient for the development of agriculture. As a consequence thereof, industry, -- primarily and almost exclusively heavy industry -- developed at a rapid pace while agricultural production bogged down. It could not cater to the rapidly developing industry's raw material needs, nor could it satisfy the increased need for foodstuffs of the growing industrial workers and of the population. The government believes it to be its most important task to increase agricultural investments together with the increase of industrial investments, in the interest of the most rapid and largest-scale improvement of production.

With the radical changes to be effected in our people's economic plans, which are basically highlighted by the decrease of the exaggerated tempo of socialist industrialization and by the increased development of agriculture, there emerges the goal of the government's economic policy: the constant elevation of the standard of living of the working people, and above all of the working class.

The rescheduling and regrouping of industrial production and of the investments connected with it, the drafting of the new production and investment plans, require very circumspect and thorough work. It is the central task of the National Planning Bureau, on the basis of the guiding principles given by the government, to complete this work as soon as possible, so that we may convert our people's economy, and principally our industry, flawlessly and so that we may secure the continuity of production and the fulfillment of the plans with conscious, disciplined labor.

The fulfillment of our industry's production plans is an indispensable precondition for all those measures which the government intends to take in its economic policy and in the field of the elevation of the standard of living. Without the complete fulfillment of the industrial production plans it is impossible to develop agriculture production. The key to the successful achievement of the government's plan is therefore in the hands of our working class. This means a two fold responsibility. On the one hand, it obliges the

government to give the greatest possible attention to the elevation of the living standard of the working class and the satisfaction of its material, social, and cultural needs, while it develops these measures. The government accepts and will perform this task. On the other hand, it obliges the working class to secure the fulfillment of the production plans by the target date through the reinforcement of work discipline. Our industrial laborers must accept and perform this task. I am convinced that it will do so honorably and enthusiastically.

We Strengthen by Every Means the Security of Peasant Production and Property

Honored Parliament!

The other main branch of our people's economy, in whose realm the government placed new tasks, is agriculture. Because of the already mentioned low investments, compared with the total investments of the last years' relatively decreased investments, because of the neglect in assisting the individual farmers, because of the exceedingly rapid, economically and politically unsupported development of the production cooperatives -- which rendered the peasants farming insecure -- agriculture development became stagnant and in recent years has essentially come to a standstill. In this a great role was also played by the frequent and large-scale redistributions of land, during the course of which there occurred many transgressions and much use of force, which justifiably violated our peasantry's sense of fairness, and caused it serious losses. It is known that our agricultural production decisively rests upon individual farms whose production the country can not dispense with. The development of our production in the fields of either land cultivation or animal husbandry is a national interest. The government regards it as its primary task to support the production of the individual farms with production and work implements, with equipment, with fertilizer, with improved sowing seeds, with its aid, and with other means of agrotechnology.

The government wishes to insure the security of the peasantry's production and ownership with every available means. To this end, it already proscribed this year the usual fall redistribution of land, which by the arbitrary land exchange hampered the careful cultivation of land and reduced the farmer's willingness to produce.

The excessive production cooperative campaign, the excessive tempo for the numerical increase of the production cooperatives, has undoubtedly contributed to the unfavorable formation of agricultural production, which led to the fact that a part of the production

cooperatives formed could not become strong economically and organizationally because of the lack of the necessary means. However, the gravest consequence of the excessive development of the production cooperative movement was that it induced a serious restlessness within the circles of the toiling peasantry, especially because of the excesses and the violations of the principles of voluntariness, and interfered with peaceful production work and led to a large-scale decrease in the investments necessary for the development of farming.

The exaggerated measures taken against the kulaks, which became prevalent, also promoted the circumstance that the utilization of the so-called land reserves which remained uncultivated because of the uncertainties of farming and because of the difficult conditions of production, have caused, year after year, and ever-greater worry to the government. Because of all these facts, the government regards it as its primary and most urgent task to establish the security of agricultural production. In order to secure every chance of peaceful work for the toiling peasantry, in order to dissolve their doubts with respect to the peasant farms' forcible entry into the production cooperatives, the government believes it to be correct and necessary to slow down the production cooperative movement, and, in the interest of strict adherence to the principle of voluntariness, it will make it possible for those production cooperative members who wish to return to individual farming to be able to leave the production cooperative at the end of the economic year. Furthermore, it will permit the dissolution of those production cooperatives in which the majority of the membership so desires. At the same time, the government will offer far-reaching support to the production cooperatives; it will contribute to the development of their farming, to the happiness of its members, with loans and investments, because it is its conviction that this is the surest way to the elevation of the peasantry.

The government wishes to permit the free leasing and rental of land. And those who wish to put under domestic cultivation those lands that they previously offered to the state and which are now treated as land reserves, can get their lands back. Furthermore, the state will secure the loan of sowing seeds and machine work for its cultivation. Those who wish to rent land reserves may rent them from the state under advantageous terms, instead of the present one-year period, for a 5-year period. The measures planned by the government will lead to the successful realization of one of the most important goals of our economic policy: the upswing of our agricultural production. It is my conviction that our sincere endeavors will meet the highest approval and support of the peasantry. The government, which does not hesitate to learn from past errors and which courageously

liquidates them -- and greatly supports the cause of our peasantry -- can justifiably rely on that.

In other fields of our economic life there are also indications of the necessity that the government change the economic policy it has pursued to date. During the past years the state has extended its economic operations to such areas where private initiative and private enterprise may yet have a substantial role and may promote the increased satisfaction of the population's demands. This area is small commerce and small trade. Although the small-trade associations show evidence of a significant development, they still can not supplement the loss in the field of small trade. This prompts the government to give room to private enterprise and to make it possible for those eligible to acquire a trade license according to the provisions of law. At the same time, it secures them the necessary conditions for carrying on a trade: supply of goods, credit, etc. The exchange of goods between the village and the city must be developed and intensified by all means, and there will be substantial surpluses of goods because of the abundant crop. There will be a great quantity of industrial products available.

The Constant Raise of the Population's Living Standard is the Basic Principle of Our New Economic Policy

Honored Parliament!

The constant raise of our population's living standard is the basic principle of our new economic policy.

This is the most important, the most magnificent goal of the development of our people's economy and of the fulfillment of our plan. The only correct, feasible and, for the working people, acceptable, way of socialist construction is to raise the living standards of the population, above all that of the industrial proletariat, and to constantly improve their material, cultural, and social conditions. This is what we must make the central question in our planning and development of the entire people's economy. We must make up for serious omissions in this respect, above all to the industrial proletariat. This is the goal of the regulations planned which provide the government with a means, by the use of which it becomes possible to raise the populations consumption of vital foodstuffs and industrial articles. The favorable prospects of an abundant crop greatly promotes the achievement of this and also facilitates the governments performance of the task of raising the real wages of the workers and employees, generally those who live on wages and salaries, through a more abundant food supply.

It is the determined intent of the government to lower the high cost of living. With the harvest of the abundant crops, through the complete fulfillment of the industrial production plans, with the increase of the reserve of goods, the door will open to the reduction of the high prices of foods and industrial articles. In this field the government is not procrastinating. We have already forced the reduction of the price of seasonal goods under the price level of 1951. We made sure that until the harvest of the new crop there will be in circulation a greater amount of the most important foodstuffs -- flour, sugar, meat, and fats. The great improvement and price reduction will occur in the fall subsequent to the harvest of the crops. But, as is known, we have already reduced the price of numerous industrial goods by 15 to 30 % as of 1 July and we have made provisions in order that these goods be at the disposal of the population in greater variety and abundance.

These and similar regulations indicate that the government has decided to improve the supply of the population, that it does not go back on its word, and that it has already begun its fulfillment. We shall increase the manufacture of industrial articles and of foodstuffs for the consumption of the population. During the balance of the year we shall increase the appropriation for the improvement of the conditions of the factories' food supply and conditions of hygiene with 60 million forints. We shall reexamine certain provisions of the Work Code. Fines, as disciplinary measures against workers and employees, must be abolished.

We must by all means enforce the provisions of the Work Code that are aimed at the protection of labor, we must procure the lawfully prescribed protective equipment and assure the distribution of protective food and protective clothing. Those who do not utilize the amounts appropriated for the protection of the workers' health must be asked for an accounting and must be severely punished. For the increased protection of the laborers' work energy we shall decrease unreasonable and incorrect overtime, as well as Sunday work. Besides the usual weekly day of rest we shall insure by appropriate regulations the workers' enjoyment of their free time after work. We wish to substantially improve the community services in the cities and villages by significant investments. In 1954 we shall build 40,000 new apartments, in contrast to the 1953 figure of 25,000 new apartments, by significant government investments. With state support we shall develop the project for the building of houses and small apartments for the miners. In Budapest, primarily in the workers' districts, all the community apartment houses must be renovated within 2 years, and provisions must be made for the continued maintenance of the houses. In order to accelerate

the renovation of the houses and apartments, 40 % of the amount collected as rental, which is twice as much as in 1952, must be used for this purpose. I could continue the enumeration of the long series of measures taken, all of which result in the improvement of the conditions of the city inhabitants, primarily the living and working conditions of the industrial workers.

We shall also substantially improve the living conditions of the inhabitants of the villages. Beyond the already-mentioned large-scale support of production we shall also furnish a free supply of the services of veterinarians in order to improve animal health protection, which, beyond the fact that it means a significant material saving to the peasantry, also stimulates the development of animal raising. Undoubtedly, this measure is welcomed by our peasantry. We shall discontinue the forcible or compulsory characteristics of contractual production. By making significant allowances and supplying a larger amount of industrial goods, we shall draft such terms as will make the contractual production advantageous for our peasantry. In order to secure the increased satisfaction of the growing need and for the better supply of the villages, SzOVOSz must significantly increase the agricultural associations' supply of goods in the variety and quality corresponding to the peasantry's taste and needs.

We shall reexamine the production associations' past-due debts to the state and its significant portion, as well as the not always just amount of damages assessed to the production associations or individual farmers because of their noncompliance with the compulsory delivery requirements. We shall waive the payment of an approximate total of 600 million forints. We shall simply find a system of the collection of compulsory deliveries. We shall fulfill the election promises of the Hungarian Independent People's Front. In the new system of collection which will go into effect next year we shall determine the assessment for several years, so that the toiling peasantry may carry on farming securely, may know its exact obligations well ahead of time, and may freely sell its surplus. In order to effectively assist our peasantry in our production cooperatives, as well as to accelerate the bridging of the difficulties resulting from last year's serious drought, the government will cancel those compulsory deliveries which are owed by those who fulfilled their compulsory delivery obligations of bread crops and feeder grain during the current year.

Honored Parliament!

The mentioned regulations prove that the government is not parsimonious, that its readiness to help is great. There is no doubt

about the fact that all these will not remain empty phrases, but that we shall precisely and completely perform the tasks undertaken before the forum of this country, that we shall fulfill our promises. Of this the Hungarian people had numerous occasions to be convinced during the past years. This clear conscience justifies the fact that the government expects and even demands from the peasantry, and the individual and cooperative producers as well, that they perform their delivery and tax obligations to the state punctually and completely. The individual farmers and the production cooperatives should perform their civic obligation taking that into account. The law also obliges them to do so. He who resorts to the good will and the far-reaching assistance of the state and government with a disregard of the interests of the country and a violation of the laws must blame himself for the consequences. Obeying the laws for which the government promulgated effective regulations does not only mean that the state vigilantly guards the rights of the peasantry, but also that the peasantry must perform its obligations to the state in the field of compulsory deliveries and the payment of taxes. However, none who honorably performed his compulsory delivery obligations can be burdened with any supplemental assessments. This is the law, and he who violates it, he who places excessive burdens on the peasantry beyond the legal obligations, will be punished most strictly.

The Intellectuals Must Be the Honored Members of Our People's Democracy!

Honored Parliament!

Our intelligentsia, with its great role in the country's intellectual and cultural life, joins the country's two great, closely collaborating classes, whose field of activity is the two main branches of production in our economy, industry and agriculture. Unfortunately, it still happens -- and it is the government's determination to radically change this -- that intellectual work and the intelligentsia, especially the older intelligentsia, is not adequately appreciated. They are frequently surrounded by an atmosphere of mistrust which later ends in their neglect, although at the same time we can observe a shortage of experienced, well prepared intellectuals in almost every field of our economic, cultural, and scientific life. The socialist development of our people's economy created an extraordinarily wide possibility for their activity. In spite of this fact, because of mistrust or during the course of unjustified purges, well-meaning intellectuals are often abused in our people's democracy and are deprived of the opportunity to use their knowledge in their profession for the benefit of the country. The government is putting a stop to this sort of incorrect and unpardonable treatment with a strong hand, and it is its determined

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intent to remedy the just complaints. The intellectuals must be respected members of our people's democracy and they must take their honored place appropriate to their abilities in the field of their activities, be they professors, engineers, jurists, physicians, agronomes, or others. It must be brought to everyone's attention that professional skill and knowledge is more highly respected in the people's democracy than at any time in the past. This respect must also be manifested by broad employment opportunities and material appreciation.

The exaggeration can also be found in our educational system in regard to the training of the young and new intelligentsia. With enormous sacrifices we have actually forced upon them higher education. Now we must be much more modern in this field also. Let us not build castles in the air. At the same time, we must give much more attention than hitherto to the elementary schools. We must increase our investments. We must multiply the numbers of school, classrooms, and instructors, in order to secure the most favorable conditions for the elementary education of the hope of the future, of the young Hungarians, whom we have -- it must be admitted -- so far neglected because of the exaggeration of college education. Let us give more attention, more care, and more material means to the schools of farm communities, villages, and workers' districts. This will be a much more democratic school policy.

We must demonstrate more tolerance in questions of religion. In this field the application of administrative means, which up until now has sometimes occurred, is unpardonable. The government stands in this respect on the ground of patience, which is the means of enlightenment and persuasion. The utilization of administrative or other forcible means will be denounced and will not be tolerated by the government.

The Solidification of Constitutionality is one of the Most Important Tasks of the Government

Honored Parliament!

In its every activity the government stands on the ground of law and order as provided for in the Constitution. The basis of our people's democratic state structure, of our economic and social life, is socialist lawfulness, the strict observance of the civic rights and obligations incorporated in the Constitution and of the laws of our people's republic. The correction of the grave errors committed in the past, the solidification of law and order, and the assurance of lawfulness are some of the great and responsible tasks that await the government. It

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is the task of our law enforcement organs to guard over the security and inviolability of our working people's rights. It is the duty of these organs not only to assure the fulfillment of our working people's obligations, but also to insure that every citizen of the country may freely exercise his lawful rights. Our working people may justifiably expect this from their own state. But in the work of our local councils, and police organizations, as well as that of our local courts, lawfulness, the basic principle of the people's democratic state's life and rule, has not always gained full validity. These organizations could not secure the strict adherence to lawfulness, as required by the people's democratic state and the people's interest, not only in the various fields of the economic and social life, but within their own governmental activity and jurisdiction.

The great number of civil and criminal actions, the widely applied administrative methods, the collection of compulsory deliveries, the collection of taxes, the kulak list, the multitude of excesses and abuses in the field of redistribution of land, as well as other harassments, have violated the population's sense of justice, have shaken their faith in lawfulness, have loosened the contact between the working people and our state organs, local councils.

The intolerable, coarse, indifferent and cruel treatment given to the ordinary citizens arranging their affairs by some of the bureau-crats in our offices and public institutions which are otherwise correct, just, and lawful in such a way as to make bitter the life of the people. They forget that they exist for the people and not vice versa, that modesty, attentiveness, and humane conduct are virtues that every citizen, including the government, has a right to demand from everyone in public office.

The assurance of lawfulness is one of the most urgent tasks of the government. With strict regulations -- and if these do not help, with severe punishment -- with the elimination of errors and deficiencies, we must assure within a short period of time that our law enforcement and police organization, as well as our local councils, become the pillars and protectors of the people's sense of lawfulness, and of order. They should protect the interest of our working people to an increased extent; they should stand a more vigilant guard over the security of our state; and together with the people, they should fight more vigorously against the wretched enemies of our democratic system, against whom the full power of the law must be applied. We must not give an inch, we must not permit one breath, to the enemy that attacks our progress, our independence, our liberty.

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We know that there are some in the front, when the hands of justice have seized for violations, and there are those who are themselves violated, to whom perhaps even injustice was done, because our authorities have frequently disregarded the constitutional rules that protect the rights, the personal liberty, and security of citizens. The institution of internment itself has contributed to the violation of lawfulness. Undoubtedly the fact that we have not complied with the provisions of the Constitution of the People's Republic, in that we have not brought into existence the institution of supreme public prosecution, which is the main constitutional guardian of order and lawfulness, was also a contributing cause.

For this reason, in the spirit of forgiveness, in the interest of peace and for radical remedy of just complaints, the government proposes a bill before Parliament which makes provisions for freeing those persons whose violations are not so grave as to endanger the security of the state and of the public. Simultaneously, the government terminates the institution of internment and disbands the internment camps. With this the government wants to make it possible for those who receive general clemency and those interned to return to their homes to their families and to society, so that by their labor they may become useful members. The government also wishes to bring order to the situation of those displaced and make it possible for them to choose their place of settlement in accordance with the rules of law applicable to all citizens.

Parliament must urgently bring into existence the office of the supreme prosecutor, the main assurance of lawfulness and constitutionality.

Police courts are inconsistent with the basic rules of justice of a people's democracy, as this in essence means that the investigating agency also passes judgement. The government will terminate this inheritance of the old regime through legislation.

The government assigns extraordinary importance to placing its relations with the peasantry on the solid economic and political basis of a worker-peasant alliance, and to the reestablishment of the peasantry's confidence in order and lawfulness, which was greatly shattered partly by the so-called "kulak list." Besides the fact that this list led to anti-kulak administrative regulations and to serious abuses, it also contributed to the alienation of the good relationship and lasting alliance between the state and the toiling peasantry and especially between the state and the middle peasantry. It is obvious that if we want to rid the village of unlawfulness, if we want to reestablish

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legality and a lasting alliance with the middle peasantry -- and this we must achieve by all means -- then the kulak-list must be discontinued, maintaining only those economic regulations that are aimed at the restriction of the exploitive kulaks.

The Greatest Security for the Achievement of Success is the Active Participation of Wide Masses in the Performance of the Tasks

Honored Parliament!

Those highly important regulations which we make in the field of the conversion of the people's economy, the solidification of order and law, and in raising the standard of living, and that great turn which we face in numerous areas of governmental and economic activity, have placed heavy tasks on the legislature, on the government, and on the entire state apparatus. However, these regulations do not exhaust all the things to be done by the government in the various fields of the country's life. I do not want to go into detail. The main questions covered clearly show the new road of the economic policy which the government wishes to pursue -- to progress on wider bases, together with the people, perhaps somewhat slower in the beginning but with so much more certainty, toward socialism.

The proposals that the Central Committee of the Hungarian Workers' Party made to the government in the program of all-encompassing national unity with which we can use all creative force and creative ability to serve the improvement of our country and the increased well-being of our people. These are goals which are likely to rally our working people around the government more enthusiastically than ever. This is where the great force of the government's work program lies, in the possession of which we can undertake the performance of such greater and much more responsible tasks than what we promised during election time in the proclamation of the Hungarian Independent People's Front. All those goals and tasks which we have set for our achievement are for the benefit of our fatherland. Undoubtedly the country's population will accept these with pleasure and relief. It is the government's duty to see to it that their beneficial effects and tangible results be experienced by our working people as soon as possible in the improvement of their conditions of living. Our working class, peasantry, intelligentsia, and the entire country must see and feel the far-reaching changes made by the regulations issued and measures taken by the government, with the successful effect of which we shall inflict the most serious losses on the enemies of the people.

Honored Parliament, it is obvious that the performance of the tasks

will not be easy, but even less will they be performed automatically. It must be recognized that the main assurance of success is in the active participation of the great masses of the people. But it must also be recognized that there will be some who could not or would not relinquish the anti-people spirit and methods of arbitrariness and caprice, some who would not give up the application of administrative means, and who by various means would attempt to throw obstacles in the way of the speedy and successful execution of the measures that serve the interests of the masses. The government guards vigilantly and is prepared for the immediate and radical liquidation of such ambitions and subversive attempts with the full force and weight of the state apparatus.

The enemy will try to misinterpret our new economic policy and the resultant regulations and will attempt to deceive the population with faulty, misleading propaganda. They can not argue away one thing, however, that the widest strata of the people accept this policy and adopt this policy with pleasure and approval. Therefore every inimical intrigue and base, harmful intent is doomed to failure from the very start.

The prospects of a good crop create favorable conditions for the successful execution of our measures. And if we now concentrate our attention upon the feverish work of harvesting and threshing, if we perform this national task with a greater exertion of effort, then the actualization of significant part of our economic regulations will already be secured.

Honored Parliament!

The work program which we commenced today opens a new chapter in the project of building socialism. Our every goal serves the lofty cause of peace. The new tasks and the brilliant prospects that open while working on them multiply the energy and the will of our people in their fight for peace. The increase of the economic power of our people, the improvement of our people's well-being, greatly reinforces that section of the universal peace front which our fatherland must defend. Therefore we can say with assurance that bringing into effect all those regulations which the government set as its goal transcends our nation's boundaries in its significance and becomes the joint cause of the entire peace front.

The Bureau of the World Peace Council has a magnificent demonstration of the international solidarity of peace- and liberty-loving people. The representatives who were here could see the successful

legality and a lasting alliance with the middle peasantry -- and this we must achieve by all means -- then the kulak-list must be discontinued, maintaining only those economic regulations that are aimed at the restriction of the exploitive kulaks.

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These highly important regulations which we make in the field of the conversion of the people's economy, the solidification of order and law, and in raising the standard of living, and that great turn which we face in numerous areas of governmental and economic activity, have placed heavy tasks on the legislature, on the government, and on the entire state apparatus. However, these regulations do not exhaust all the things to be done by the government in the various fields of the country's life. I do not want to go into detail. The main questions covered clearly show the new road of the economic policy which the government wishes to pursue: to progress on wider bases, together with the people, perhaps somewhat slower in the beginning but with so much more certainty, toward socialism.

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will not be easy, but even less will they be performed automatically. It must be recognized that the main assurance of success is in the active participation of the great masses of the people. But it must also be recognized that there will be some who could not or would not relinquish the anti-people spirit and methods of arbitrariness and excesses, some who would not give up the application of administrative means, and who by various means would attempt to throw obstacles in the way of the speedy and successful effectuation of the measures that serve the interests of the masses. The government guards vigilantly and is prepared for the immediate and radical liquidation of such ambitions and subversive attempts with the full force and weight of the state apparatus.

The enemy will try to misinterpret our new economic policy and the resultant regulations and will attempt to deceive the population with faulty, misleading propaganda. They can not argue away one thing, however, that the widest strata of the people accept this policy and adopt this policy with pleasure and approval. Therefore every inimical intrigue and base, harmful intent is doomed to failure from the very start.

The prospects of a good crop create favorable conditions for the successful execution of our measures. And if we now concentrate our attention upon the feverish work of harvesting and threshing, if we perform this national task with a greater exertion of effort, then the effectuation of significant part of our economic regulations will already be secured.

Honored Parliament!

The work program which we commenced today opens a new chapter in the project of building socialism. Our every goal serves the lofty cause of peace. The new tasks and the brilliant prospects that open while working on them multiplies the energy and the will of our people in their fight for peace. The increase of the economic power of our people, the improvement of our people's welfare, greatly reinforces that section of the universal peace front which our fatherland must defend. Therefore we can say with assurance that bringing into effect all those regulations which the government set as its goal transcends our nation's boundaries in its significance and becomes the joint cause of the entire peace front.

The Budapest session of World Peace Council was a magnificent expression of the international solidarity of peace- and liberty-loving people. The representatives who were here could see the peaceful

creative work of our talented and industrious people, could see the outstanding results and become convinced of our determination to remain loyal to the great cause of peace. Recently the forces of peace, democracy, and socialism have grown significantly worldwide. The results of the Italian elections of 7 June, which brought the wonderful victory of the Communist Party, of the workers' class and of the disciples of peace, show that the deepening Italian political crisis can not be solved and the insecure internal situation can not be consolidated without the cooperation of the Italian Communist Party, without the active participation of the working masses. The internal crisis of France, which lasted for long weeks, also shows the strengthening of the forces of the working class and of the Communist Party, the weakening of the camp of the aggressors and the intensification of the conflict among the imperialists. The warmongers hope to find a way out of their quandary by new adventures and desperate provocations. The criminal activities of Li Sin Han aimed to prevent a Korean truce, the refusal to hand over the prisoners-of-war to be shipped home, the base provocation in Berlin, are each a facet of the insidious maneuvers of the aggressors. The imperialist hirelings' provocation in Berlin was the ambush attack of the forces of reaction and fascism against the peace and security of nations. The provoking intrigues of the enemies of peace were aimed at preventing the relaxation of the tense international situation. Events in Berlin again show clearly that the confirmed enemies of peace are capable of the meanest provocations, and in order to reach their goal they will utilize the most depraved means. Despite this fact, the patriotic forces of the German People's Democracy blocked the way of fascism, which proves that the aggression which originates in Western Germany can be checked. The events that took place in Berlin warn us to be vigilant and warn the peace-loving people not to lose sight for one moment of the dealings of the enemy. In order for the dismal plans of the aggressors to be the victims of ignominious defeat also in the future, the honest peace-loving people must protect the cause of the maintenance and solidification of peace with a greater determination. We concentrate our forces on forcing back the enemies of peace -- this is everyone's duty to whom the lofty cause of peace is dear.

In its every activity the government relies on our people's unbreakable will for peace and its efforts for the preservation of peace are guided by the sincere friendship with the elite guard of the peace-loving people's solidarity and of world peace, with the mighty Soviet Union.

The work program of the government clearly indicates that we strive for lasting peace. In the spirit of friendship among nations we wish

to contribute to increased economic cooperation and to the security of the peaceful coexistence of peoples. At the same time, we firmly stand on the basis of national independence and inviolate sovereignty which we jealously guard. The fact that we do not stand alone, that the Soviet Union is on our side, that it helps us, that it supports us, increases our energy and enables us to be the members of such an indivisible camp as the world peace movement.

Honored Parliament!

Considering the confidence which placed me at the head of the Council of Ministers, and deeply feeling the responsibility toward the fatherland and the people, I wish to emphasize that the welfare of our people, the constant rise of the standard of living of the working class and the entire population -- which is the central task of the government's activities -- rests upon the productive work of our people. The abundance of goods necessary for the increased welfare can only be secured by an increase of production, by the fulfillment of plans, with the widely developing enthusiastic socialist competition of our workers in industry and agriculture. All eyes in the country are turned toward Parliament, and all our people await with great expectations its conferences and resolutions. I am convinced that Parliament, permeated by the feeling of responsibility toward our working people, working class, peasantry, intelligentsia, the fatherland, will implement the achievement of our beneficial goals. It is my sacred conviction, honored Parliament, that with the guidance and on the basis of the proposals of the Hungarian Workers' Party we shall advance together with the people much more steadily toward the realization of the goals of our new economic policy, to the prosperity of our fatherland, and through the welfare of our people toward our brilliant future, socialism.

THE RESOLUTION OF THE CENTRAL COMMITTEE IS A COMPASS FOR THE GOVERNMENT

[Vol II, pages 377-388]

(Remarks on the Party Members' Conference of Budapest on 11 July 1953.)

Comrades!

The resolution of the Central Committee of our Party and the change that occurred in our economic policy serves the increased satisfaction of the social and cultural needs, and the achievement of the lofty goals of raising the standard of living of our working people. They are aimed at advancement toward socialism through socialist industrialization, that this may occur through the constant improvement of the living standards of our working people and primarily of the main force of socialist construction, the working class; that the slogan "man is the main asset" may really come true. This economic policy links our ties closer with the people, with the working class, and enhances the power and influence of the Party. This economic policy, which was designed by our Central Committee, is the inexhaustible source of our Party's and our country's power.

The resolution of the Central Committee laid the foundations of the truly collective Party leadership and also made great steps toward the development of the Bolshevik methods of criticism and self-criticism and toward the achievement intra-party democracy.

The resolution of the Central Committee solidified the unity of Party leadership, which can not be subverted by internal or external enemies, which is more solid than ever, and which we guard more carefully than ever.

The resolution of the Central Committee clearly pointed out those principles which, through the elimination of errors, enable us to press forward on a wide front with the entire working people toward socialism.

The resolution of the Central Committee has an enormous significance also in the forging of the ideological unity of our Party membership, because it clearly designated the application of the teachings of Marxism-Leninism to our conditions in the current phase of our development. The precise and thorough details of the resolution dissolve any doubt as to whether we are progressing or regressing, because it indicates that our economic policy lays the foundation not of capitalism but of socialism.

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The resolution of the Central Committee places the worker-peasant alliance on much wider bases than before, it stabilizes our relationship with the middle peasantry, it places our democratic system on a more secure foundation.

The resolution of the Central Committee is a signpost for the government, whose program announced in Parliament a week ago -- both as to its principles and its practical application -- rests upon the resolution of our party's Central Committee. The unshakable solid foundations of the enormous invincible force of our Party is formed by a partylike collective leadership, by unification with the working class, by the closest contact with the wide masses of the working people and the teachings of Marxism-Leninism. This explains why our Party stood its ground during critical times, why it has always realized its goals, why it has led our people, with our working class in the lead, from victory to victory. There is no doubt but that we shall successfully solve the enormous tasks that now lie ahead of us.

Comrades!

Our Party will carry the new tasks to victory. The greatest assurance can be gained by viewing the magnificent results, the brilliant successes, which our Party has achieved during its 35 years of existence.

During the dark years of Horthy reaction and fascism it was our glorious Party that showed our people the way to liberation in the vanguard of the working class. It was our Party that, in unity with the people, and at the head of our heroic working class, defeated the reign of the exploiting "gentlemen" classes and placed all power in the hands of the working people. With the guidance of our Party we demolished the large-estate system and we uprooted the old feudalistic-bourgeois system. Through the expropriation of the large capitalists, who abused the people, and by the nationalization of the factories, banks, and large commerce, we dealt an annihilating blow to capitalism in our country. Who designed the tasks, who directed the fight, who carried our working people to victory against capitalism? Our Party. Having swept away the enemies of the people, subsequent to the fight of our Party, this country, which we built for ourselves, became truly ours. Over the ruins of the country that collapsed in the sinful fascist war, it was our Party that developed the creative force of our working class and of our entire working people and set the magnificent goal of the country's reconstruction. It was the Party that gave strength and self-confidence to our working people. From the economic ruin and the misery of inflation that followed the war, it was the Party that directed the country to the road of economic elevation and a better life.

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advancing upon which we have dispelled the horror of unemployment and the dark worries of existence from our people. We made work the solid foundation of our new society under construction.

Temporary difficulties or errors sometimes obscure our marvelous achievements, although how much work, how much toilsome effort, how much value there is in these magnificent creations which all belong to the working people! We must better appreciate our progress, especially since without doing so we can not do a good job in discovering and correcting errors.

Comrades!

It was scarcely a week ago that we made public before the forum of the country the goals of our economic policy and the regulations that the Central Committee had designed. Steps have already been taken for their execution. As the proverb says, he who gives fast gives twice. And on the basis of the resolutions of our Party's political committee, the Council of Ministers has already issued the order for cancellation of the contributions assessed to the peasantry and the production cooperatives in connection with the arrears in compulsory deliveries and for the reduction of the production cooperatives' past-due debts, as well as for the introduction of free veterinarian services. The regulation regarding the cancellation of past-due compulsory delivery obligations, according to which the debts of all those who fulfilled their compulsory delivery obligations in the current year -- whether these be individually farming peasants or production cooperatives -- must be cancelled, has already been put into effect.

The regulation to reduce the compulsory delivery obligations of the production cooperatives and of the first, second, and third type of groups and their members by 10% of the prescribed goods, under the provisions that those who leave the association must restore this allowance, will be published tomorrow. This allowance will be put into effect immediately and will mean a great assistance in the economic strengthening of the production cooperatives, the development of their production, and the improvement of the well-being of their members.

Simultaneously with the already issued orders, the Council of Ministers has also instructed the Minister of Agriculture that in the interest of the principle of voluntariness he submit within 2 weeks, at the end of the economic year, in October, to the Council of Ministers, the draft regulation that regulates the discontinuance of production cooperative membership, which precisely and in detail prescribes the conditions and methods of the discontinuance of the membership.

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The Minister of Justice has also received instructions from the Council of Ministers to urgently draft a bill dealing with amnesty, and that he prepare a bill for the discontinuance of the institution of internment and the executive order regulating the settlement of displaced persons, so that the Council of Ministers can in the month of July issue the appropriate orders and begin their practical execution.

Thus the government and the Party are not procrastinating. Regulations which precisely define the time and methods of their execution follow one another. In the practical execution of every such regulation and ordinance it is to these instructions that everyone -- the individually farming peasants, as well as the membership of the cooperatives, the kulaks as well as the displaced persons -- must adhere. It is on the basis of these instructions that the appropriate authorities designated by the government -- our law enforcement agencies, our police, and our local councils -- execute the instructions given by the government.

However, the enemy attempts to cause impatience, and more than once has tried to persuade the members of the production cooperatives to give up their membership in the cooperatives not in October, not at the end of the economic year, but now. They forget the fact that there is lawful order in this country and that the Party and the government are working in the interest of the people, and not in the interest of what the enemy would like to dictate.

There is little effect in the hostile propaganda; those who listen to it will be sorry. Every production cooperative member knows very well that there are rules and lawful regulations for giving up their membership. One may act only according to these rules and not arbitrarily. The government does not tolerate such arbitrariness as causes losses to the people's economy, as well as to the members of production cooperatives. We can not permit casting aside the interests of hundreds for the impatience and caprice of the few.

We explained a week ago in Parliament with what far-reaching measures we intend to improve agricultural production, with what great measures we intend to increase investments, and with what sort of assistance we intend to render this to the individually farming peasants through agrotechnological means, fertilizers, sowing seeds, and credit. We still hold to our promise and we shall keep it. The individually farming peasantry will not have to wait long for its fulfillment.

This does not mean, however, that we are going to ignore the production cooperatives. On the contrary, we shall give them increased

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attention. That is our goal and we shall achieve it. Let the production cooperatives become abundantly producing, highly profitable farms, the sources of well-being, which will assure a happy and carefree life for their members. The state has every means at its disposal to achieve this. The 10% reduction of the compulsory delivery obligations which the government has already ordered, and the cancellation of the punitive damages, overdue debts, and arrears in compulsory delivery, show that the government is greatly supporting the cooperatives, not to mention those large credits and investments which we have contributed and shall contribute to their economic development, to the prosperity of their membership, especially since the Party and the government are still unchangeably adhering to the viewpoint that cooperative farming is the only road to the ascension of the peasantry and to the construction of socialism.

The goals that we have set in our economic policy serve the interests of our people and our fatherland. This is why our published regulations have been accepted by the population with pleasure and relief. Now it is the government's turn to see that the beneficial effects and tangible results of our regulations and ordinances are felt by our working people as soon as possible through the significant improvement of their living conditions. Our working class, our peasantry and our intellectuals, as well as the whole country, must feel and see that far-reaching changes are brought about by the Party and the government's measures. The prospects of a good crop form a favorable basis for the successful execution of our regulations. But for this to be the case, every force in the village must be concentrated upon harvesting. This year we are harvesting a good crop of bread and feed grain, the like of which we have not seen for a long time. There has not been such a good crop of cereal grain in this country since the Liberation. To harvest this abundant crop in time and without loss is a task more important than any other. This is now the main task of the Party committees of the provinces and counties and of the village Party organizations. This is no easy task to perform, because, besides the fact that the cereal grains ripen at almost the same time the subversive activities of hostile forces have increased in the field of harvesting, in threshing, and in collecting. The daily bread of our people is at stake, and this demands that we deal with the hostile forces' damaging activities with the full force of law. With increased utilization of the harvesting machines and combines, work in two shifts, better work organization -- especially on the state farms and production cooperatives -- we must make sure that the cereal grain, once grown will also be carefully collected.

Good harvesting and good threshing is the condition for good

yields. Of this year's abundant crop it is easy to fulfill the obligations to the state; much remains for the needs of the household and even for the free market. Our compulsory delivery system is such that even with this year's magnificent crop, long since soon, no more has to be turned in. All the advantages and profits of the larger crop belong to the producers, to the peasants farming individually or in production cooperatives.

Our toiling peasantry and the membership of our production cooperatives reacted to the published regulations of the government with respect to the wide support of agricultural production and for the significant alleviation of the toiling peasantry situation with enthusiasm.

Our toiling peasantry and the membership of our production cooperatives can best show their approval of the Party's and the government's policy through deeds with the exemplary performance of the great work of harvesting and threshing, and through implementing the realization of the goals set by the punctual performance of obligations toward the state.

All those who are filled with happiness and enthusiasm by the goals of our Party and our government must rally with their full force and solidarity around our Party and government and must oppose all those who attempt to incite impatience and distrust. These attempts do not help, but slow down the execution of the beneficial regulations. This is not in the interest of the working people, but in the interest of the enemy.

I wish to call attention again to what I clearly and firmly established a week ago today. The regulations designed for the benefit of the working people prove -- and this was strongly emphasized in comrade Rekesi's report of today -- that the Party and the government are unified in their performance of tasks, and that their willingness to help knows no bounds. Our Party and our government represent the security that the tasks undertaken before the form of the country will be punctually and completely performed, that we shall keep our promises. Of this the Hungarian people had demonstrable occasions to become convinced in the past. With this knowledge I must repeatedly emphasize that he who reacts against the good will and far-reaching assistance of the Party and the government, who disregards the interests of the country and violates the laws, can only blame himself for the results. He will find himself in opposition with the laws of our people's republic, which we apply strictly against everyone who violates them. Neither can those count on receiving the privileges and rights that flow from these planned regulations. We shall not extend the effect of these regulations

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to them. They do not deserve it. He who listens not to the Party and the government but to the enemy, who does not walk the road of lawfulness but the road of unlawfulness and turns against our laws should not count on the aid of the Party and government. This is applicable to everyone and to every regulation. It also includes those who do not want to wait until October, the end of the economic year, to cancel their membership in the production cooperative, but wish to do so now amidst the summer agricultural operations, or who wish to announce their withdrawal now instead of exercising their rights according to the regulations and at the time provided by the government. This also applies to those who interpret the extension of the rights and liberties, of the assistance and allowances, that they have no type of obligation -- neither tax payments nor compulsory deliveries -- to the state, instead of performing them punctually. This applies lastly to those kulaks who react against the regulations of the government, which terminate unlawfulness and the use of force, by their anti-Party, anti-government, and anti-people's democracy attitude, with the violation of the laws, and with the use of force against our working people. These should not expect mercy either. They will experience the effects of the full power of law.

At the same time, we intend to improve the situation of our toiling peasants, who with their enthusiastic and honorable work cooperate for the achievement of our great goals by our further regulations.

Comrades!

The achievement of the principles and practical plans incorporated in the resolutions of the Central Committee, the magnitude of the tasks, demands the Party's full energies, the use of its full organization and influence, and the most active cooperation of every Communist. Communist loyalty and example is the security of success.

Besides the self-sacrificing work of the Communists, it is indispensably necessary that every member of the Party become familiar with and agree with the goals. In the achievement of the goals set, besides the organizational unity of the rank and file of the Party, the Party's ideological, spiritual unity, identity of views, in the formation of which the greatest role is played by the Central Committee's resolution, also has a decisive role and significance. This is why it is so important to talk them over well. Ultimately this is what reveals our errors, this is what sets the new tasks for the wide masses of Party members. Our Party members are able to resist the enemy's attempt to create confusion by depending upon the resolution of the Central Committee. In this respect there is a serious lag in the work of the Party organizations,

and this lag must be eliminated at once.

We must also realize that the onerous endeavors to frustrate the achievement of our goals by hampering the execution of the regulations that serve the benefit of the masses of people and by excessively speeding the demands. Therefore it is indisputably necessary that the Party and the state be prepared with its power and influence, that it assure the consistent execution of the tasks designed in the resolution of the Central Committee and in the program of the government.

It is my conviction that with these beneficial regulations we shall inflict the gravest loss of past years upon the enemy and shall better win over our working people, the entire country, for our Party and our people's democracy. With these regulations we increase the dignity of our Party and we greatly enhance the strength and solidity of the Hungarian section of the enormous peace camp.

Comrades!

Let us rally our ranks around our Party's Central Committee and together with the working people, strengthening the alliance of our working class with the toiling peasantry, which has achieved so much under our Party's leadership, we shall more certainly than ever advance further on the road of the people's democracy toward socialism.

THE UPSWING OF OUR AGRICULTURAL PRODUCTION
IS THE GREAT CAUSE OF OUR ENTIRE NATION

[Vol II, pages 389-401]

(Speech given at the production-cooperative conference of the Province of Bacs in Kecskemet on 29 September 1953.)

Honored Conference!

Please permit me to use a few minutes of the time allotted for the conference to also make some remarks in connection with the report and with a few questions to be asked after the speech.

The guiding principles of our economic policy are contained in the program of our People's Republic's government, which I made known at the 4 July session of Parliament and which rests upon the resolutions of the Hungarian Workers' Party.

The basic goal of the program is to constantly raise the population's standard of living. All of our economic regulations are made for the achievement of this. Three months ago the government's program was merely a promise. Today we already have the proof of a long series of facts that show that the government realized every point and every one of the goals of the program without hesitation, sagaciously, and consistently. Facts prove, comrades, and facts are stubborn things with which you can not argue. The facts of these 3 short months prove that the government and the Party, with their purposeful policy, are creating all the necessary conditions for the completion of the program and compliance with Party resolutions. Increased agricultural production is a decisive factor for the elevation of the population's standard of living. This is an indispensable prerequisite for the realization of the government's program. This is what the entire program is built upon, this is its fundament, this is the key problem of our further advancement. This is why and how agricultural production comes to the fore in the development of our entire people's economy. The successful completion of a great land construction program, the fulfillment of our promise made to our working people, makes the large scale and multifarious development of agricultural production, of land cultivation, and of stock raising our duty.

The improvement of our agricultural production therefore became the great cause of our entire nation. The hostile rumor which attempts to make the more gullible members of production cooperatives believe that government support is only transitory and will later be withdrawn,

is pitiable and stupid.

This is a transparent lie. The development of our agriculture and the far-reaching assistance of production cooperatives is a very great task, which demands the work of years, during which time we have to concentrate our efforts and energy resources, so that we achieve a rapid and large-scale upswing of production. The steps taken in the field of agriculture, therefore, are not of a transitory nature but are made for several years and shall be ever greater in their dimension and more effective in their results. Comrades, it is prosperity that we must, and prosperity that we shall, create in this country. Within the possibilities of developing agricultural production, we shall create a prosperous happy life, not some time in the future but soon, within one or 2 years. The fall sowing of this year can produce an abundant crop next summer. This we know very well. The development of stock breeding also has its certain time limitations. We must take those into account.

Comrades!

The elevation of the population's standard of living demands the development of all agriculture, the individually farming peasants' cultivation inclusive. Our steps taken prove that we keep our promise and that we shall also achieve this goal of our program.

But I want to call attention to the fact that this does not mean that we are going to neglect our production cooperatives. Neither the Party nor the government considers that possibility for a moment. On the contrary, we shall give increased attention to them.

Our goal -- and we shall achieve it -- is that the production cooperatives be abundant, profitable farms, the sources of prosperity, which will produce happy and carefree lives for their members.

The state uses every means in order to secure that. It does so especially since the government, as well as the Party, still unchangeably adheres to the view that cooperative production is the only successful road to the improvement of agricultural production and of the ascension of the peasantry. Our peasantry had walked the other road for several hundred years. And what did it achieve? It could not lift itself out of the morass of poverty and our agriculture was one of the poorest in Europe.

During the first spring of our liberation we Communists had to free the peasantry from the yoke of the landowners. We dissolved the large estates, in order to help the lot of our peasantry. The

small peasant plot cultivation, however, neither enables the large-scale development of production nor the prosperous life of the peasantry, and even less does it enable the elevation of our working people's standard of living.

We can remember -- after all, it was not so long ago -- that in the olden days the bulk of our toiling peasantry and even a fairly large segment of the middle peasantry, lived not on the produce of their own land, not from the work they did on their own farms, but on wages and crop sharing. They worked on others' land for others. Why? Because that pleased them? No, not at all. They did so because they had no other choice. They did so because on the few acres of land with the obsolete, old fashioned cultivation, peasant equipment, they could not secure the sustenance of their families. We know that very well; we were not born yesterday. There are many among us who have lived the bitter life of the olden days and can very well remember everything.

However, one acre of land today is still only one acre. We can perform no miracles. We must secure the increased satisfaction of the population's rising living standards. This, however, can not be achieved with small peasant production, plot cultivation. This must be admitted frankly. For this we need cooperative production, which with the voluntary alliance of many small peasant farms, secures all the possibilities and advantages of large-scale production. With associations, land can be multiplied. He who could not get along as an individual producer on a lot of a few acres receives an almost unlimited opportunity as a cooperative member. He becomes the co-owner of a large agricultural enterprise.

On the lot of a few acres, every farmer must fight in solitude the vicissitudes of climate, as well as elemental calamities. In the associations, with the force of many families and on a large scale, they can surmount every difficulty. The individual farmer takes upon himself every worry of production. If one of his cows dies, he suffers the loss for a long time. One bad crop can ruin him so that he can only get back on his feet with difficulty. Substantially this is the reason why the individual small peasant farms lag behind in productivity as well as in profitability, behind the cooperative farms, despite the far-reaching assistance, support, and great allowances given by the government.

On the small peasant farms there are narrow limits on the development of production. The cooperative is the form of production in which the development of farming has unlimited opportunities. Our entire

people's economy, as well as the elevation of the standard of living of our working people and the peasantry's social, cultural, and economic ascendancy, equally demand the many-sided and far-reaching support of cooperative production.

It was 5 years ago, comrades, that in August 1943 the speech of comrade Rakosi launched, from here, from Kecskemet, the production cooperative movement. The years past have given us extraordinarily valuable experiences and lessons which, besides the undoubtedly outstanding results and great successes, have revealed the errors and problems of the production cooperative movement, as well as all those omissions for which the leadership of the country is responsible.

To get over the initial difficulties, great exertions of effort, sagacity, and patience are necessary. The several thousand members of our cooperatives have performed pioneering work in this field. However, comrades, the lot of the pioneers is not an easy one, and therefore those who accepted the role of pioneers -- you, comrades -- deserve the admiration of our people, our government, and our party. The camp of production cooperative members grew large by their examples. In the footsteps of their self-sacrificing work there emerged the hundreds of well-operating production cooperatives which the membership found profitable. These cooperatives stand solidly and are the unshakeable support of our production cooperative movement.

There are, however, production cooperative members who are -- and frequently not without reason -- disappointed. The errors committed in certain production cooperatives take their toll. Numerous production cooperatives ignore the members' rights, the presidents are arbitrary, they do not even consult the membership in making important decisions, they carry on bad management, they squander the common property. There are few distributions, there is nothing with which to finance the members. Briefly, there are certain cooperatives which the members do not find feasible. Some members in such places become hesitant, they do not know whether they should stay in or whether they should use their right secured in the regulations and cancel their membership in the production cooperative.

I say that those who sharply oppose such conditions and are dissatisfied with such errors and troubles within the production cooperatives are right. But they are not right in wanting to leave the cooperatives for this reason. I must admit that the government is also dissatisfied with such cooperatives and with the intolerable conditions that prevail, with bad management, with oligarchical leadership, with the low production averages and returns. But knowing the troubles, it

will radically remedy them with strict measures and further far-reaching assistance. This can scarcely be doubted, comrades, as a whole series of facts prove that it is the determined intent of the government to achieve the goals it set for itself.

Nor can a well-meaning man doubt that the Party and the government, as well as myself, wish the best for our farmers. For this reason, let the hesitant ones listen to our good advice: let them stay with the cooperatives despite all the errors, troubles, and difficulties. Let them not be deviated from the correct road by temporary difficulties and troubles. Let them listen to the words of the government and the Party. They shall be convinced that it pays off to accept the initial difficulties.

The hesitant ones, those who wish to cancel their membership, would be right if everything remained as it was, if the government and the Party did not notice the serious errors, if they left the production cooperatives to their own fate, if they overlooked the troubles and difficulties and the membership's struggle with them. But this is not so. The government rushes with an aid unprecedented in the history of Hungarian agriculture, to the improvement of production, of which the government's regulations issued since the government program, but especially during the past one or 2 weeks, are ample proof.

It is with reason that the question emerges whether it is rational to leave the cooperative when the troubles and errors which were the reasons for the dissatisfaction are being radically corrected by the government. They think of cancelling their membership when, after all the struggle, we have already surmounted the difficulties.

It would be imprudent for one with a rational mind to think of such a thing. To begin the old, toilsome life which they once gave up because it was difficult, because there was no future in it? To face uncertainty and the difficulties of recommencement? This is not prudent nor does it do any good, comrades! Before a final decision it is worth while to think it over again and to cast it away.

Comrades, the hesitant ones and those who wish to cancel their membership are not right, either, when they blame the system of cooperative production for the errors and troubles, for the low distribution and the small revenue. The trouble is not in the system but in bad cultivation. This undoubtedly ruins the cooperative. Bad cultivation, however -- and those who wish to resign should not forget this -- ruins the economically weaker individual peasant farms even faster. For bad cultivation, therefore, the members of the bad cooperative

should not blame the cooperative, but themselves. Those who wish to resign will not find cultivation on their own small lots as feasible as in the production cooperative, even with more work, because the same amount of work is much more successful and profitable in the cooperative, because of the advantages of large-scale production. They may do well to think this over thoroughly before they decide to resign.

They should also seriously consider the fact that with individual farming everyone who resigns also accepts the struggles of individual existence. They must take account of the fact that the advantages and privileges that go with cooperative membership will cease with their resignation, but at the same time they are responsible for the obligations equal to their share, which is undoubtedly just and equitable but is at the same time burdensome.

Those who resign from the production cooperatives, in spite of all the above, will soon regret it. Seeing the upswing of cooperative cultivation subsequent to the government's regulations, and seeing the better, more humane life, they will beg to be reaccepted in the cooperative. Comrades, such individuals act the same way in the cooperatives as the legendary man and the train. First he would not get on the train for anything; he would rather walk. But he soon discovered that that was a disagreeable thing to do and he greatly regretted that he had missed the train. These people will also be very sorry for remaining outside the cooperatives.

As is known, resignation is regulated by the decree of the Minister of Agriculture. All those who wish to resign, therefore, must carefully follow the rules that prescribe the methods and conditions of resignation. Those who violate them, comrades, find themselves contrary to the law and will suffer the consequent punishment.

In connection with resignation, acts committed against the property of the cooperative comes under more serious judgment. Cooperative property is no common prey, it is under the protection of law. The government's program established and guarantees the security of production and of property in agriculture. There is no doubt about the fact that this means above all the security of communal cooperative property. The one who violates its security will be exposed to the full prosecution of the law within the limits permitted by law to the law enforcement and police organs.

The withdrawal of the contributed valuables and equipment can only occur within the framework and according to the procedure provided by the lawful regulations in effect. There are some, of course,

who think that they will resign, leaving behind their debts, but taking their property with them. Those wish to place their selfish individual interests above the interests of the community. We have never considered such resignations. If these elements attempt to carry away the cooperative property unlawfully, they are assured that the government will end such attempts with a strong hand.

In the disorganizing work of the hostile elements they have more than once resorted to making threats. They are trying to intimidate certain leaders of the production cooperatives. In other places they try to make the members resign and to talk them into the commission of unlawful acts by intimidation. Our authorities, as well as the members of the cooperatives, must courageously and firmly oppose such hostile elements. The government, the Party, and the appropriate organs of our people's republic stand behind the members of the production cooperatives with their full power and might and support them.

Comrades! The government's almost inextinguishable support and assistance which, we may safely say, exceeds all the expectations of the production cooperative membership, must be supplemented, completed, made effective and successful by the good work of the production cooperatives.

The weakest phase of the production cooperatives' work is the lack of an expert management of cultivation. Of course we can not yet provide every cooperative with an agronomist, with an agricultural specialist as its leader, because there are not enough of them, nor could the smaller cooperatives carry the burden. But there is also another solution for them.

There is scarcely no production cooperative which does not have a former middle peasant member who is a good farmer and whose expert knowledge or experience, or organizational capabilities, makes him fit to participate in the leadership of the production cooperative.

The trouble is that in most places they do not take advantage of this possibility. On the contrary, they push them in the background, they humiliate them, they detail them to insignificant work, and so forth. We must put an end to such methods. They cause immeasurable damages.

The former middle peasants who have expert knowledge must be appreciated, comrades. We must be glad that they are members, and we must use them in the management of farming by all means. With their farming ability they can make great contributions for the increase of

profitability and the enlargement of the shares. I repeat, we must get rid of those sentiments and views which lead to the underestimation of the middle peasantry and its elimination from leadership.

In making the production cooperative prosperous, a decisive role is played by the work performed with the care of a good farmer. The memberships' planned, organized, and disciplined work is the security of the more humane and cultured life of the membership, the security of the secure future of the families and of a carefree old age.

Honored conference!

We have reached the season for the most decisive work in agriculture. The time for the fall sowing is here. We must use all, human, and draft-animal power for the security of our bread next year, for the sowing of wheat and barley. Our production cooperatives, state farms, and individually farming peasants must concentrate all their attention on this now. On the basis of last year's experiences it seems advisable to get the seeds into the soil as soon as possible, lest the later rainy period hamper the growth, which would reduce our bread next year.

There are favorable conditions for the rapid completion of the sowing of bread crops. Because of the good quality and abundance of crops this year, sowing seeds are abundantly available for the increased production area. With a well and timely performed sowing of wheat and barley we make an enormous step forward toward the realization of our government's program. We create an abundance of bread, which is of decisive significance in the further elevation of the population's standard of living. In the interest of the timely completion of the sowing of bread crops and the utilization of every foot of land, the reaping, mowing, and collection of grain that is ripe in the fall must be accelerated.

The machine stations must accelerate the tempo of the plowing of tilths on every farm. The carting out of manure must also be accelerated. Our local councils must direct increased attention to the completion of the large-scale fall operations. They must be more active in the achievement of plans by the target date!

The insecurity that hampers the fall operations must be eliminated as soon as possible by lawful means and with strict adherence to the applicable regulations, so that thereafter the work of plowing and sowing may continue with a double force and with complete enthusiasm. Let the pusillanimous, those who recoil from the difficulties, regain

their forces; let there be an end to vacillation; let them join the ranks, so that, supported by the care of the government and the Party, they may perform their tasks for the fatherland shoulder to shoulder on the front of labor.

When at the end of the coming economic year we look back upon our work and its results, I am sure that in the victory we shall be proven correct. This victory shall be the brilliant vindication of cooperative farming.

THE TASKS OF OUR AGRARIAN SCIENTISTS AND AGRICULTURAL EXPERTS
FOR RAPID UPSWING OF AGRICULTURAL PRODUCTION

[Vol II, pages 402-428]

(Speech at the conference of outstanding experts of Agriculture in October 1953.)

Honored conference!

I cordially greet you in the name of the Council of Ministers of our People's Republic.

We convoked today's conference in order to make a decisive step in the interest of the development of our agriculture, for the solution of the tasks set in our government's program. We have explained in our program that with the far-reaching changes that are to be made in our plan for the people's economy, the constant rise of our working people's standard of living was made the main goal of the government's economic policy. Proceeding from this, the government regards as its most important task to implement the most rapid and the largest-scale improvement of production by a substantial increase in agricultural investment.

The fact that our agricultural production has lagged in its development during recent years as a result of the interaction of numerous factors, and has been, so to speak, marking time in one spot, makes very timely the discussion of the problem. Agriculture lags behind even the general development of our people's economy.

We are also urged by the fact that because of the characteristics of agricultural production, our planned regulations can bring their first results in 10 to 12 months at best.

And finally, if we do not hurry we may lose an entire year, since the agricultural year has already commenced, we are well into fall, and indeed, we are already too late with the regulations in connection with the fall sowing necessary for the increase of next year's grain production.

We have called today's conference so that we may start without a moment's delay with you, the most outstanding representatives of our agricultural scientific and practical life, this work of immense magnitude, with the aim that, placing the current problems above all others and excusing you from all other jobs you may work out within the space

of a month, according to your best abilities and with the utilization of your scientific knowledge and practical experience, those measures the effectuation of which will be the task of the government.

We are aware of the fact that the demands that the Party and government make upon you are very great, and I could say extraordinary. However, we can not avoid them because the task of raising the living standards of our people and of supplying them abundantly tolerates no delay. In our entire economic policy this is now the link of chain which we must grasp in order to secure our advancement.

The one-month deadline has great significance because of many other aspects besides the above. Your recommendations must be completed by the second half of November at the latest, so that the government may take timely steps in the preparation of the winter and spring agricultural operations. We must also consider that the financial effects of the plans and recommendations to be submitted as a result of the work must already be taken into account in the preparation of next year's budget. We must also consider that for the realization of the plans to be worked out, beyond the financial means, we must also secure the material means, by which I mean that industry must cover agriculture's needs in machines, equipment, fertilizers, blue vitriol, and other materials, for which it is prerequisite that the needs of agriculture be fitted into industry's plan for next year. These understandable circumstances dictate the tempo of your work. The deadline set by us, therefore, has a very great significance. By meeting it we may perhaps win an entire year; otherwise we may lag in the realization of our plans aimed at the development of agriculture and the increase of prosperity. The stakes are high!

Honored conference! Permit me to touch upon a few aspects in connection with the great task that lies ahead of us which may be useful in working out the plans. The aspects I refer to are related more to the direction of the work rather than to the definition of concrete, scientific, or practical questions. It must be realized that the goal set makes great demands upon you. For the development of our agriculture, for the increase of the production forces and productivity, and for the increase of returns in every field, plans, recommendations, and regulations must be worked out that assure that the upswing be rapid and large in proportion, that it encompass the entire complexity of agricultural production, and at the same time that these plans and recommendations be realistic, that they consider the problems not from narrow, technical aspects, but in their wide perspectives.

Let us briefly review these requirements. The first is speed. This

means that such plans must be prepared as assure increased returns, increased total production, and increased production of consumer goods within 2 to 3 years.

The other requirement is that the upswing be large in proportion. The recommendations therefore must aim to increase the level of production in every branch of agriculture within the given time, not in small measure but to a significant extent.

The third requirement is that the recommendations be comprehensive, that they deal not with small questions of detail but that they encompass entire complexities and that they be aimed at the unified solution of interdependent problems. The scientific and empirical results and experiences equally suggest this sort of consideration of the solutions.

The main error in the way we have handled the problems of agricultural production -- because during the past years innumerable steps have been taken -- is that the regulations were minute regulations of detail which generated a new series of problems and often contradictions. It was unsystematic, disorderly work, whose consequences we now must face. We must now discard this method. The problems of production development must be discussed, examined, and solved in their complexity and connections in a unified way, not in small details.

The various regulations and rules of detail may by themselves be correct and necessary, and I believe a great part of them have been such. Still they have not brought the desired results, partly because they were not directed to the main goal, to the rapid and large-scale increase of returns, and partly because they could bring no results separately and individually, but only together in their common effect. The effect of the divergent and detailed measures can not be calculated. This is how the situation came about which, in my opinion, is so characteristic of our agricultural regulations in the field of our agrarian policy.

Examining our agrotechnological and agricultural regulations to date, we can observe that during the long years past we have done the least for the prevention of the main trouble, for the protection of the soil, for the preservation, supplementation, and improvement of its fertility.

The fourth demand made of you in connection with your work is that the plans and recommendations to be submitted be realistic, that you take into account the possibility of carrying them out, consider the necessary requirements and the capacity of our people's economy. This

is indispensable. The realistic characteristics of the plans and recommendations must also be considered from another aspect. During the course of developing agriculture, let us not attempt to jump over entire phases of development. Let us not build castles in the air, let us not chase illusions. During the past years we have left the province of reality in this respect. We have flirted with plans aimed at changing nature, whereas this was not our next task, and in the meantime we have not given enough attention to the most decisive question, to the increase of returns.

Therefore the wings of imagination must be clipped somewhat so that we may remain within the realm of realities, so that we may indeed correctly determine those tasks which are today's decisive questions. We must therefore begin more modestly. We must advance step by step, consolidating the already achieved results with every new regulation. In order to do this, however, it is not enough to know only the next step to be taken, we must see the road upon which we must securely and firmly advance, step by step. It is your duty therefore to develop this series and sequence of the regulations that follow one another, so that the plans move forward and enable secure and firm advancement.

Finally, while developing these plans the requirement that the questions be discussed not from a narrow technical viewpoint, but from the viewpoint of the entire people's economy and in the perspectives of its development, can not be waived. During the course of the work the financial and material requirements of the plans must also be figured out. This makes the reconciliation of constructing the plans of the entire people's economy unavoidably necessary. The principle of the proportional development of the people's economy must also be kept in view. In this connection I find it necessary to call attention to certain peculiarities of the current phase. During the past years agriculture has lagged behind because of the too-rapid development of industry, and thereby we have violated the principles of proportionate development. Now we must correct this. In industry we no longer strive for the further rapid development of production, but plan a lull of one or 2 years in order to catch our breath. In other words, we endeavor to consolidate the results achieved, to correct the mistakes, to clarify the tasks, and to prepare the further advancement.

In agriculture the situation is basically different. Here we do not need to catch our breath, reduce the tempo of development, or the consolidation of the results achieved; on the contrary, we need a rapid and large-scale increase and further development of production. This is what the principle of the proportionate development of the people's economy requires. It is for this reason that during the

development of the plants, you, as well as agriculture within the people's economy, make great, but I must add, justified, demands for the development of production in the fields of investments, budgets, etc. In the course of your work, while working on your recommendations, the differing characteristics of the development of agriculture and industry must therefore be kept in view.

Honored conference!

Now, when you commence the liquidation of backwardness in agriculture, your work in making recommendations for the rapid and large-scale improvement of production, in my opinion it does not hurt to review how we stand today, what the level is from where we start the development of production.

The general level of production of our total agriculture, that is, our land cultivation and stock raising, is at about the same level as before the Liberation. Within that there are shifts with respect to the proportion of certain crops or groups of plants mainly to the benefit of industrial or oil-producing plants, primarily to the detriment of grain and potato crops, which greatly contributes to the fact that the problem of grain crops is so acute and is in first place among the unsolved problems. The average returns of our main plants have hardly changed. Our livestock has increased numerically, but in several areas the return has decreased. The average yearly milk production is about 400 liters smaller, and the average weight of hogs is smaller by 25 to 30 kilograms than the average of several years before the Liberation.

Rapid and significant results have been achieved in rice production, both in the field of increased area and increased average return.

The conclusion that our agriculture's production is low and that a production of this size can not satisfy the population's increasing needs, is therefore correct. In order to be able to search for the solution and the correct direction, it must also be understood what the causes are of our agricultural production's backwardness. The backwardness has not one but several causes, which together brought about backwardness, or rather hampered the development of production and its upswing. Backwardness undoubtedly also has historical reasons. It is known that we have liquidated the semi-feudalist large-estate system, which was the obstacle of the development of Hungarian agriculture, radically and finally with the 1945 land reform. This, however, meant that we have inherited a backward agriculture permeated with the vestiges of feudalist production conditions.

This applies not only to the small producing peasant farms, but also to the large estates, of which there were only about a dozen that were well developed, genuinely large-scale farms. The rest were large in extent but backward, primitive, and of low productivity. This undoubtedly has stamped its mark on post-Liberation agriculture.

The 1945 land reform could not change that in its essence. In the many thousands of small-scale producing peasant farms that displaced the backward large estates, the limitations on the development of production were very narrow. And although the household and economic needs and consumption of the new productive stratum had increased, production for outside consumption had decreased. But historical reasons are not the primary explanation for the backwardness of agriculture. Its consequences could have been eliminated by correct agrarian policy. The reasons for the backwardness can also be found in the economic policy of the past 5 years. During this period a radical change occurred in the country's economy: from an agrarian country we became an industrial country. The criteria of industrialization undoubtedly proved that. In order to pursue a correct policy in socialist industrialization, however, great tasks should have been set and performed with respect to the development of agricultural production. This was omitted, however.

Large-scale and rapid industrialization requires increased agricultural production and larger surpluses. At the same time, industrialization withdrew significant manpower from agriculture, which reduced the agricultural labor force on the one hand, and on the other hand increased the number of those who were unprovided for and who draw upon the state reserves in order to satisfy their needs. It is obvious, therefore, that in an industrial or industrializing country the need for the development of agricultural production, primarily for the increase of the production of consumer goods, is greater than in an agricultural country. This was not recognized in our economic policy and the increase of agricultural production did not keep in step with the development of industry. Today we recognize that this was an error which must now be corrected. This also explains why the development of agriculture had to come to the fore in our economic problems.

Neither have we consistently followed the theoretical principles in other fields of our economic policy, and this has hampered the development of agricultural production. It was 5 years ago that we embarked on the new economic policy, which is the unavoidable phase of the development toward socialism everywhere where there are great numbers of individual small scale producers. The plan was undoubtedly correct, but we have deviated from it in its practical application. The excessive

tempo of the socialist reorganization of agriculture and industrialization, neglecting the development of individual production, passing from the restriction of the kulaks to their liquidation, the rapid liquidation of private small trade and small commerce, which are important factors in the trade between the village and the city, the realization of excessive centralization in the economic order of the country -- all this meant a deviation from the correct road of the New Economic Policy. Such an economic policy sooner or later comes into unavoidable conflict with the economic requirements of the transitional phase and the rules of its development, which require the development of small scale production, the free exchange of goods, and through them, the large scale development of the production forces of agriculture. In our new economic policy we have now reached the stage where we are going to eliminate the above causes that have hampered the upswing of agricultural production, and where we shall place our new economic policy upon correct ideological and practical bases.

This is another explanation why agriculture came to the fore of our economic policy, and why it comes to the fore now. In my opinion, all these things must be kept in view during the preparation of your recommendations for the development of our agriculture.

I should like to mention one more of the economic and political factors which has hampered the increase of production in agriculture during the past few years: the neglect of the economic reinforcement of large cooperative enterprises and the low production level of the state farms. In other words, the backwardness of our large socialist enterprises where the most favorable conditions for the increase of production are in existence. I especially invite your attention to this during your preparation of the plans.

An examination of the economic and political factors which became the obstacles to the development of the agricultural production forces indicates that in the work of planning, the scientific view was neglected, ideology, the teachings of Marxism-Leninism, were pushed into the background. From this fact we must deduct the only correct conclusion for our future work: without scientific ideological bases, no planned, purposeful economic policy can be pursued today. And this of course is also applicable to agriculture.

Subsequently -- but in connection with the previous train of thought -- I wish to point out one more factor, although it falls outside the ambit of economic policy, which also has been insufficiently utilized for moving forward our production from the low standards it retained for years. This factor is the agrarian sciences, agronomy,

agrobiology, and agrotechnics. The agrarian sciences were at a relatively high level here before the Liberation. They have achieved fair results in theory and practice. In fact, in several fields they have achieved outstanding results. Many of their representatives are with us today.

Although they anticipated the economic conditions with their scientific and practical results, they were neglected. A relatively advanced agrarian scientific-theory, and yet one of the most backward agricultures of Europe, was characteristic of old Hungary. The semi-feudalist and capitalist methods of production and the system of exploitation did not make the wide application and utilization of the scientific and practical results possible.

Since then the situation has radically changed. The great problems of our agriculture demand an immediate solution. However, our agrarian science has produced no solution for these urgent problems. Not having recognized them, they could not deal with them.

The representatives of the agrarian sciences should have posed a series of questions in connection with the development of our backward agricultural production and increased yields, they should have stepped forward with their series of plans and should not have relaxed until the problems of their field of operations had been solved. Only such militant science is able to point out the backwardness and is able to give impetus to production. In this respect our agrarian science is not at the lead. It became separated from the great problems of agricultural production. It lacks sufficient initiative; it has not yet developed the prerequisite of every scientific advancement, the exchange of opinions and the argumentative spirit for the clarification of viewpoints and the solution of problems.

Undoubtedly, in the footsteps of progressive materialistic agronomy, in the footsteps of Miesurin, Viljamsz, and Lissenko, many outstanding achievements have been reached in some individual questions of production or breeding. This deserves our recognition. This, however, cannot obscure the fact that our agrarian science avoided the big and basic problems of agriculture. Among these increased yield is in foremost place. I believe that this great task, the performance of which we entrust you with now, will bring about a radical change also in this field. It brings new blood and a new spirit into our agrarian scientific life, it makes it militant, it encourages it, it prompts it to the solution of great tasks.

However, it can not be sufficiently emphasized that it is the close

contact and unity of science and practical work that brings the desired results for the people's economy. Just one or the other alone does not solve the problem. Science is the guiding light for the work of practical farmers. At the same time, the achievement of science, in the footsteps of the practical people, means more meat, fats, bread, milk, sugar, leather, wool, and this is our main goal. This is why we have invited to today's conference, which is called to enlist the best forces for the solution of these problems, the most outstanding practical farmers, together with the representatives of the sciences.

Permit me to emphasize one or two problems of agricultural production, so that, perhaps not without results, I may direct your attention to them in connection with your work.

During the past year a certain practice has gained ever wider acceptance, according to which, if production does not cover the needs because of low returns, the attempt is made to supplement the shortage with the extension of the area of production in the next economic year. The same practice has also repeated itself when an attempt was made to fulfill the increased demands for the production of certain plants by the processing industry or by foreign trade, through the regrouping of certain areas. For the planting of new crops, an adequate area could be secured only by neglecting other sorts of plants. The area had to be reduced without an increase of yield, which was followed by grave crop shortages. Its gravest consequence was the reduction of area and thereby the reduction of the amount of grain crops. Because of the low yields we have reached the stage where we lack sufficient area for growing important plants, for satisfying the increased demands. In other words, there appears an intolerable shortage of soil for planting, which was further aggravated by the problem of reserve lands. This situation manifests itself in the planning of agricultural production as an almost insurmountable obstacle. Most frequently they attempt to bridge the gap between production and demand with the adoption of unrealistic production averages.

The relative shortage that appears in the production area can be combatted by increasing production returns. This is the way to gain new area or for freeing area for the new or more important crops without a consequent decrease in the production of other crops.

This also points to the fact that increased production return is the only rational way out of our present backwardness.

The other problem that I wish to refer to is the greatest problem in agriculture, the ruination of soil. This is no new phenomenon, we

inherited it from the old Hungary. The trouble is that the ruination of soil is continued by us. Its elimination can ultimately be promoted by the adoption of scientific soil conservation.

But even until then, this question must be made the central problem of scientific and practical work, of the entire cultivation. The most attention and the greatest part of the efforts and material means must be used for the solution of this problem. The protection and regeneration of the soil, the increase of its productivity, must also be in the focus of your work and of your recommendations. This is the principle factor for the increase of returns. Without it, it is impossible even to speak of the upswing of our agricultural production.

In the preparation of the recommendations special care must be given to the questions of the production of goods, to the production of articles of non-agricultural consumption. Although this is closely linked to the general upswing of agricultural production, it is not identical with it. The measure of goods production, the possibilities and methods of its increase, must also be worked out.

Our agriculture, as well as our conditions of production, is highly diversified. To search for and apply rigid solutions would have highly damaging effects. Here I think primarily not of the natural endowments and the variegated methods of cultivation, but of the fact that there are small enterprises and large enterprises, individual and cooperative farms. These have their individual characteristics which must be observed in the development of production. The possibilities and the means necessary for the achievement of the goals are different. We must set the tasks, considering them. We must prepare the recommendations in harmony with them.

By all means, attention must be paid to the changes that have occurred in the conditions of land ownership and methods of production, as well as their connection with production. The close interdependence between the two main branches of production, land cultivation and stock raising must not be lost sight of.

The question of the expert management of production, the problems of the training of experts, of making education the condition for expert management, of regrouping and directing the forces of experts to production, and a redistribution according to the new tasks -- all these await solution.

The stimulation of production must be an important aspect of the preparation of the plans and recommendations. We must recognize that

under our conditions the performance of the tasks ultimately depend on the working people, whose individual interests must be highly considered without detriment to the general public. The harmony of the two must be worked out in the recommendations.

Honored conference!

Permit me now to emphasize one or two problems according to the individual branches of agricultural production as tasks that must be considered during the preparation of the plans and recommendations. This is rather an incomplete enumeration of the things to do without signifying any restriction in your work. Let us examine them. The main deficiencies which can be eliminated and the general aspects of the most important tasks are:

Grains

(1) Our production averages are much lower than what could have been reached with the means available. The main reason for this is incorrect soil cultivation.

The rules of correct soil cultivation must be worked out for the various cereals according to the several geographical units and types of soils.

(2) The fertilization of grains leaves much to be desired. We apply super phosphate fertilization extremely one-sidedly. Mulching is especially omitted, although this is one of the first-class levers for the increase of returns.

(3) We do not fully utilize the rules of correct crop rotation. We do not correctly select green crops.

(4) We lag behind in the utilization of improved plant seeds. Their application and utilization is low and large reserves remain from year to year. We do not comply with the 4 year tempo of change of seeds; it is shifted to 6 to 8 years.

(5) In our production of grain crops we neglect quality, for instance, the gluten content of wheat, even more than the increase of returns.

We must deal intensively with the large-scale loss of seeds that occurs at harvesting. We must decrease that to the greatest possible extent and invent the means for its decrease.

The solution of the problems of the quality and quantity of grain crops is the main task of the development of our agricultural production.

Production of Feed

The production of forage plants that form the foundation of stock breeding did not keep in step with the increase of the animal stock, and as a consequence the fodder base necessary for the supply of the animals has not been secured. It is because of this deficiency that our animal husbandry could not adequately develop in quality and that in production it is far behind the production capacity dormant in our animal stock.

(1) In the area of fodder production it must be established which plants produce the greatest amount of nutritives in the various sections per territorial unit. Agronomical methods for the production of fodder plants must be worked out.

The proportions of the various fodder crops to be grown must be determined according to the various species of animal, also considering the by-products of plant production.

(2) Our meadows and grazing grounds are in an extraordinarily bad condition. Their production is very low, because they are full of weeds, the grass is sparse, and the ditch-system has been neglected. A plan for the improvement of the meadows and grazing grounds must be worked out.

(3) For the improvement of foddering, a better utilization of fodder must be assured by chaffing, malting, leavening, and fermentation, and these processes must be widely applied.

(4) The conditions of climate and of the soil must be fully exploited for the production of fodder plants.

(5) Corn yields a very low crop because of the neglect of spading, square-drilling, and supplemental pollination. In order to eliminate the low yield, we must propagate the more advanced methods.

(6) The production of fodder crops must be further increased by irrigation. Besides irrigation plants, use must be made of the water of rivers, especially for the watering of meadows and grazing grounds.

Industrial Crops

(1) The errors committed in soil cultivation manifest themselves to an increased extent in the industrial plants. The planting of industrial plants in spring tilths became widespread results in low production and bad quality.

(2) It must be determined on a scientific basis which industrial plants are the most profitable in certain geographical areas.

(3) The cultivation and collection of industrial plants are in large part even today based on manual labor. The mechanization of the most important industrial crops must be worked out.

(4) The demand for more industrial plant seeds is to be secured by seeds improved domestically, and in every case by seeds grown domestically. Their importation should be absolutely eliminated.

Production of Potatoes and Green Crops

(1) It is very important to work out a system for supplying the needed potato tubers for planting.

(2) The mechanization of the entire complexity of potato production must be worked out, including planting, spading, filling, picking, and sorting operations.

(3) The mechanization of the large scale production of green crops must also be worked out, producing on a large scale and incorporating in the crop rotation plan those products that have a mass yield and which can be preserved over the winter (cabbage, kohlrabi, tomatoes, onions, root crops, squash). The possibilities of irrigation must also be determined.

(4) In small peasant farms and domestic gardens production must shift to the seasonal goods.

(5) The question of seed production must also be solved, so that we may have soon an export of certain sorts of seeds.

Production of Grapes and Fruits

(1) Our production area for grapes and fruits is reducing year by year. Shortage of capital exist in 15 to 20 % of our vineyards. The plans and methods of the regeneration of our grape and fruit production must be worked out in detail. The questions of species and sorts must be solved and the mechanization of the grape and fruit industries must be achieved. We must work out the methods for improving the quality of our wines and fruits to the old standard within the shortest time.

(2) Our grape and fruit production is unsatisfactory both as to quantity and quality; therefore we must develop the planting of seedling grape vines.

(3) Besides the regeneration and planning of the commercial vineyards and fruit orchards, the question of planting in the domestic gardens, in sandy areas, and in wastelands, etc., must be worked out with particular care.

(4) The question of the vineyards and fruit orchards' cultivation, fertilization, care, pruning, and spraying must also be developed, together with the methods that insure their success, and the acquirement of the necessary materials and equipment, above all, that of blue vitriol, must be secured for the satisfaction of demands.

Plant Protection

(1) Neglect in the protection of plants causes from 15 to 20 percent of the production loss. Above all, it is necessary to develop agrotechnical rules, with the wide application of which we can prevent the occurrence of diseases and of harmful insects.

(2) The detailed plan for the protection of plants must be developed, as well as that for the necessary machinery, prophylactics, and methods for their application, in order to secure the execution of these plans.

Fertilization and Improvement of Soil

(1) The problem of handling barnyard manure must be solved.

(2) Considering the great amount of manure to be transported, the mechanization of the handling of barnyard manure must be developed. The method of preservation and utilization of liquid manure must also be worked out.

(3) The most appropriate plants for green fertilization must be determined for each type of soil. These must be fitted into the crop rotation plan.

(4) The problems of soil improvement, the liming of acid soils, localization of sand, the utilization of marsh land, and the protection of soil must be worked out.

We must clarify the question of the utilization of fertilizers. It must be decided what sort of fertilizer must be used with what plants, in what quantity, at what time, and in what areas. The question of mulching especially merits attention, owing to the nitrogen deficiency of the soil.

In order to secure the increased need of agriculture for fertilizer supplies, we must promote the development domestically.

Irrigation Farming

(1) In contrast to dry farming, irrigation farming, whose agronomical problems are not yet solved, means a change in quality. It has not been determined which sort of plant irrigation is most advantageous for the people's economy. The conditions for irrigation must be determined, considering the time for growth, the type of soil, the need for water, and methods of irrigation.

The most economical methods of irrigation must be used: irrigation by ditches, surface irrigation, irrigation by spraying.

(2) We must find out in detail the conditions for the complete

exploitation of our existing water systems, both from a technical and agronomical point of view. The exploitation of local irrigation possibilities should be aimed at — the utilization of artesian wells, other wells, and mill streams for irrigation.

The preservation of water for irrigation purposes connected with fish breeding and the establishment of reserves for water fowl must be accomplished.

Production Organization

Our state farms are in great part farms of one-sided production. Their disadvantage is the great seasonality of operations: labor is insufficient in certain seasons, and in others is not adequately utilized. Therefore our agricultural enterprises must change to a many-sided production, so that by the more rational utilization of human labor and machine power their operations may be made more profitable and their present high production cost may be reduced. In order to make the enterprise more profitable, it is necessary to solve the problem of double production.

Mechanization

(1) Agriculture's need for plow-tractor types must be determined and industry must secure their production. The production of electric motors for driving the machines of inner transportation, fodder preparation, and milking must be increased.

(2) The work processes that occur at the peak of the main labor employment cycles must be mechanized.

(3) In the mechanization of animal husbandry, machines must be secured for the inner movement of fodder and for the preparation of feed (chaffing, siloing).

(4) Complex mechanization becomes necessary in the production of certain crops (corn and potatoes).

(5) Among the tasks to be solved by the machine stations, the most decisive is the more advantageous utilization of the existing machine inventory. Provisions must be made for the continuous repair of machines and for their maintenance, and to this end the supply of parts must be secured. Appropriate magazines and warehouses must be built for the protection of machines. The tractor and machine operators must be provided with apartments, brigade lodgings, protective and warm clothing, etc.

Cattle Raising

(1) The fodder base must be secured. This must be based on bulk

fodder, with attention given the utilization of waste fodder. With the continuous production of herbage, the reduction of the costs of foddering and natural storage must be achieved. After the summer, the feeding of mass fodders and of those of high liquid content must be secured by ensilage.

(2) For the improvement of breeding, control by registries must be organized primarily in the cattle-breeding areas. Cultivation and care must be improved.

(3) The care of male animals is highly neglected in the public stock farms. The greater percentage of the bulls are in bad condition, are not cared for, and the consequence is poor breeding results.

With the introduction of registries the supply of good quality breed animals must be secured.

Sheep Raising

(1) At the time of our Liberation our sheep stock was 350,000 in number. Today there are 1,600,000 head. Our sheep stock can cover only 30 % of our demand for wool. We possess the capacity for increasing our sheep stock to 3,500,000, and by its accomplishment we could cover 75 to 80 % of our wool needs.

(2) Besides summer grazing, the hitherto neglected winter foddering of sheep must also be secured.

Swine Raising

(1) Pig raising must be based on domestic fodder production. The degree of success of the utilization of fod or must be examined. Extreme limits for expanding the feeding of mass-fodder must be ascertained.

(2) It must be determined in what season the fattening of hogs is most advantageous. We must determine the proper fattening weight and when speedy fattening is the most appropriate.

Poultry Raising

(1) The Ministry of Agriculture has neglected to draw the poultry stock of the individual farmers into the breeding operations, and as a consequence the problem of the exchange of cocks and hens must be solved in order to improve the stock.

(2) The breeding of turkey and guinea fowl on large grazing grounds and unused areas, and the breeding of water fowl at the watery and on meadows, must be organized.

Animal Hygiene

Today the most important task is the prevention of the various animal diseases. The reason for the bulk of the animal deaths is the incorrect keeping, foddering, and noncompliance with the rules of hygiene.

In animal hygiene the main task is to liquidate brucellosis, to render our cattle free of tuberculosis, and to eradicate hog cholera and crysipelas.

All this is only a rough outline of the large number of problems which await your solution.

I am no expert in agronomical science, nor am I a biologist; therefore it is not my aim to go into a scientific analysis of the problems. That will be the task of the scientific cooperatives where the most prominent experts, with the cooperation of their selected associates, will give the answer to the emerging questions.

Honored conference!

I do not believe that Hungarian agriculture has ever placed more magnificent tasks before the managers and experts of production or that it has ever put their scientific and practical knowledge to a greater test than it does now with the tasks expected of you within 4 weeks.

It is an honorable and responsible task. The government, which achieves every one of the goals in its program, step by step, indefatigably and consistently, provides every means and support for the performance of these great tasks.

The condition of success is your successful work. I firmly believe that you will contribute the best of your training, knowledge, and experience wholeheartedly to the solution of this magnificent task, to the rapid and large-scale improvement of our agricultural production.

I guarantee my highest support, besides my best wishes.

THE GOVERNMENT'S ACTIVITY FOR THE LAST SIX MONTHS AND THE TASKS FOR 1954

[Vol II, Pages 429-479]

(Speech in Parliament on 23, January 1954.)

Honored Parliament:

The year 1953, which we have left behind us, having crossed the threshold of the new year, is a landmark on the great road of the country's development. The far-reaching changes which commenced in the middle of last year and which have since been developed more and more, those goals and tasks which the June resolution of the Central Committee of the Party and the government program announced on 4 July, have placed before our nation the criticism that uncovered the errors of the past in the political, economic, social, and cultural life of the country and have drawn the conclusions and lessons from them for the future, opening a new phase in our development, laying the foundations of a new policy.

Barely 6 months have passed since then. This is not a long period of time, since, with our program, we have placed the Party and government's new policy on solid foundations. And still this short period of time is sufficient for placing on the balance our promise given our people half a year ago at the same place, in Parliament, on the one side, and our subsequent activities on the other. Looking back upon the 6 months of activities of the government, we may conclude that our great efforts were not without results, although we had to undertake and solve great tasks and had to surmount extraordinary difficulties. As every far-reaching change, this also did not occur without rough spots. The new goals can not be reached in a day. I must speak with greatest appreciation of the magnificent achievement, enthusiastic self-sacrificing work, with which our industrial workers, miners, foundrymen, metalworkers, together with the technical intelligentsia, contributed to the fulfillment of the Party's resolution and the government's program. Our working people's self-sacrificing and enthusiastic work, the consistent policy of the government and its unconditional adherence to the basic principles and practical goals of the new phase, has been, and shall be in the future, the assurance that we shall perform step by step every point of the government's program, that we shall carry out the new policy with success. The government's activities so far, and its modest results in the course of carrying out its program, is only a beginning in the solution of those tasks which in their entirety, in their ultimate development, will accomplish the prosperity of our fatherland, the well-being of our people, and success in the building of socialism.

The happiness and enthusiasm which the population demonstrated regarding the government program proves how timely and necessary those far-reaching changes are which the government's new policy has started, how well they express the wishes of the people, and that they incarnate those popular ambi-

tions which promote and direct our government and social life, economic policy and cultural activity in the field of socialist construction. This is where the great force of the Party resolution and of the government program lies. It lies in the fact that with its magnetism it rallied around itself the entire population of the country, that it forged into a strong unity the constructive forces, and that thereby it formed the widest basis for national solidarity. The people and the government have never been forged in so close a unity as in our day. However, the internal and external enemies of our people's democracy attempt to frustrate, now openly and now under cover, the achievement of the government's beneficial goals. They endeavor to underestimate the potentials of the government's program or to explain it away as maneuvering, and they have been eager to dampen the government's activities with the obvious intent of undermining the respect for the government and the trust which the masses of people hold for it. As a result of the government's activities, the fate of these subversive attempts was an ignominious fiasco. The government achieved the goals of the program in a fast tempo. There was no delay in the taking of the necessary steps: the government took them in time and achieved them by the target date.

With the innumerable measures taken by the government in effectuation of its program and with the development of the economic, social, and cultural ties between the village and the city, it solidified the alliance of the workers and the peasants, the unshakable foundation of our existence as a state. The fact that not only our work performed for the execution of the tasks of the program brought results, but that at the same time we were also able to liquidate the insidious attempts to create confusion in the government's program, can be attributed to the strength of the people in carrying out these great tasks by bridging difficulties not only through the labor of their industrious hands and brains but also through their love, and trust. This is an almost inexhaustible source of power with the possession of which the government will be able to tackle any job in the future as it has been able in the past.

Honored Parliament! True to the program announced on 4, July and in its spirit, the government has performed a great part of the tasks during the past half year by decrees of the Presidential Council of the People's Republic, that have the force of law, and the resolutions of the Council of Ministers, and has commenced to work toward the goals that demand the work of a longer period.

Honored Parliament, I do not want to enumerate point by point the steps taken by the government during the past 6 months for the completion of the program. These are known not only to my fellow representatives but also to the entire population. The daily press has dealt with them in detail.

Taking everything into account, we may conclude that we have successfully grappled with the tasks in the field of economy, production, and investments assigned by the government's program for the year 1953 without any great difficulties. We have performed these tasks so well that the regrouping that commenced in the second half of 1953 in its main principles, direction, and modest achievements, can form the basis for our 1954 economic plan, which was announced to the honored Parliament yesterday by the president of the National Planning Bureau.

Facts Concerning the Elevation of the Standard of Living

As to what extent and with what results the reorganization of our people's economic plans and the conversion of our industrial production occurred, to what extent they serve, the main goal of the new phase based on the change that occurred in our economic policy -- the rise in the population's standard of living -- is most clearly reflected by the statistics of production and of the exchange of goods.

Socialist industry has fulfilled its 1953 production plan by 101.3%, and thereby exceeding the 1952 production of socialist industry by 11.8%.

The production plan and the fulfillment of the plan in 1953 is characterized by the fact that they had been divided by the new economic goals of the government program of 4 July, so that in essence there was a great difference between the tasks of the first and the second half because of the great changes brought about by the shift in economic policy. The execution of the government program is therefore not so much characterized by the fulfillment of the industrial plans for the entire past year as by the production and investment statistics of the second half-year. While during the second half-year, in contrast to the first half of 1953, investments in heavy industry increased by 35.5%, investments increased by 169.9% in light industry and 203.5% in the food industry.

The conversion of industrial production to the increased satisfaction of the population's needs in the spirit of the government's program is best demonstrated by the production statistics of the more important articles in the first and second half years of 1953, that is, by their comparison. Among our industrial products, for instance, we produced more during the second half of 1953 than during the preceding half: flannels, 40.2%; more men's shirts, 16.3%; more boots, 17.9%; more meat, 10.1%; more fat and bacon, 22.4% more butter, 28.5%; more candy, 75.2% more. The above figures need no further explanation, they show that the efforts aimed at the conversion of industrial production to satisfying the people's needs have not been without results.

The population's rising living standards can be well observed by examining the formation of the exchange of goods in small commerce. Compared with the first half-year, during the second half of 1953, the volume of trade was higher by 27% in socialist small commerce, and if we also consider the reduction of prices, this increase is even greater. There is a significant shift in the exchange of goods toward industrial and clothing articles.

Christmas purchases are especially noteworthy, as the state-owned small commercial establishments handled a volume that surpasses all previous ones. The purchase volume of the last 20 days of December exceeded by 36.6% the previously highest 1951 Christmas purchases.

The commerce of the village is taken care of mainly by the network of agricultural cooperative stores. In the increase of its volume the policy of the government -- as a result of which the burdens of the peasantry have significantly decreased and its revenue has increased, which has led to the rapid and large-scale increase of the purchasing power of the village population -- is sharply reflected. This explains why the network of agricultural cooperative stores has fulfilled its sales plans for the fourth quarter of 1953 by 113.2%. Thus its volume during the fourth quarter of 1953 was greater by 38.2% than during the comparable quarter of 1952.

But even tremendous sales volume during the last year could not keep in step with the village population's increased purchasing power.

The third factor which, besides the volume of the small state commerce and the agricultural cooperatives, highlights those economic changes which characterize the new policy of the government and indicate the improved material condition of the population, is the picture of the free market and of producers' consignments.

The arrival of goods at the Budapest producer's market was in a significantly greater amount in almost every sort of goods than in 1952 and even in 1951, when production was very good. This explains the formation of the prices at the producers market, which indicates that the average market price in November 1953 was lower by 13.3% than prices in November 1952, which fact favorably affects the food supply of the city dwellers.

Honored Parliament:

The significant increase in the exchange of goods indicates the general increase of the population's purchasing power and standard of living. But beyond that, the government has taken numerous steps directly aimed at the improvement of the workers' material and social conditions, as well as their work conditions. Since the announcement of the government's program and of the resolution of the Central Committee of the Party, upon the recommendation of the Council of Minister, the Presidential Council of the People's Republic modified the Labor Code. It increased the protection of women and miners, the rights of pregnant women and young mothers, it restricted the regulation of overtime, regulated the workers' right to resign, terminated punitive fines, provided for criminal punishment of those transgressors who violate the workers' lawful rights. Furthermore, it regulated in detail the rights and obligations of trade unions in connection with the administration of the Labor Code.

The government's regulations concerning the price policy served primarily the improvement of the workers' situation. As a consequence of the July and September price reduction, 550,000,000 forints have been saved during 4 months of 1953 by those who earn wages and salaries. Estimated for the entire year of 1954, this would mean more than 1,200,000,000 forints in savings. Through the price reduction the peasantry will be able to save throughout the year 490,000,000 forints. The government's price reducing measures therefore resulted measures therefore resulted mainly in improvements for the city dwellers.

Since the publication of the government's program the Council of Ministers has also put into effect measures for the improvement of the situation of wage and salary earners, the total amount of which will affect wages for one year in the round amount of 762,000,000 forints, embracing workers of the electric power industry, foundries, steel works, mill works, mine workers, and workers of other branches of industry.

The government has also put into effect numerous measures for the improvement of the workers' social and hygienic conditions. It raised the amount of 1953 investments for workers' safety by 60,000,000 forints and the investment budget for factory nurseries and kindergartens by 40,000,000 forints. However, the 100,000,000 forints made available have not been completely utilized, partly because of the negligence of some factory managers, and partly because of the lack of preparedness by the suppliers, although there was a great need for such. The negligence shown toward the social and health conditions of the workers can not remain unpunished, and the lag must be overcome at once.

During the month that followed the announcement of the government's program, we also began the repair of apartment buildings, for which purpose the Council of Ministers assigned 100,000,000 forints in 1953. Although the repair project had not been completed by 31 December in its entirety, with the work done we have still taken a step forward toward the improvement of the housing conditions of the workers. The government appropriated exactly twice as much for the building of apartments than during the previous year of 1952. Although there is a certain lag in the execution of the apartment building program, we made a substantial step forward last year in this area, which is also shown by fact that last year, particularly during its second half, about 9,000 apartments were built through state financing, 2,000 through the financial support of the state, 5,000 through individual financing -- thus 16,000 apartments were built, that is, 24.5% more than during the second half of 1952.

Besides the apartments completed during 1953, about 16,000 apartments already begun and under construction have been carried over to the new year.

I shall not go into the details of those measures which the government put into effect in order to improve the situation of the wage and salary earners beyond the facts already mentioned. Even our incomplete enumeration persuasively shows that the government considers it its main duty, and, as I shall demonstrate in discussion of the 1954 tasks, it will regard it as such even more in the future. The material, cultural, and social situation of the working class, as well as its standard of living, should be improved on the basis of our material and energy resources, according to the capacity of our people's economy.

Extensive Regulations for the Speedier Development of Agricultural Production

Honored Parliament:

In connection with the reorganization of the people's economic plans and planning, the government program set as one of its most important tasks the rapid termination of the disproportion between the development of industrial and agricultural production that occurred during the past few years because of excessive industrialization. For the performance of these tasks the government has taken multifarious and extensive steps. These measures aim toward increasing our peasantry's inclination to produce, increasing their interest in production, enabling the sale of the greater surpluses of goods in the free market, and improving the security of farming.

These tasks were performed by the government by increasing agricultural investments, decreasing burdens on production, and by granting large amounts of medium- and long-term loans. The direct investments made in agriculture during the second half of 1953 exceeded by 70.1% that of the first half. With the regrouping of industrial production and with the corresponding increase of investments in the production of agricultural machines, the production of certain agricultural machines and small machines increased all of a sudden. Industry sold agriculture during the second half of 1953, 50.2% more team-drawn grass cutters, 167.0% more turnip cutters and shelling machines than during the first half of the year.

In the tremendous decrease of agricultural productions' burden the allowances granted as regards the collection of compulsory deliveries had the greatest significance. For those who had completed their cereal delivery obligations of 1953, the government cancelled their arrears in delivery of the previous year. Calculated on the delivery price, this represents 235.5 million forints. This conditional cancellation undoubtedly had a stimulating effect upon the individually farming and cooperative peasantry's willingness to produce.

Steps have been taken for the cancellation of the damages and fines levied in connection with the noncompliance with delivery obligations. Under this arrangement we have cancelled debts amounting to an approximate total of 445,000,000 forints.

According to our calculations the reduction of delivery obligations approaches, in fact in certain articles even exceeds, the amount of the cancelled arrears of the previous year.

Long is the list of the measures taken, honored Parliament, with which we have achieved the significant alleviation of the peasants' burdens. Thereby we have given a substantial impetus to the development of production. The cancellation of the dues owed to the machine stations, of which we have cancelled 150.5 million forints of the individually-farming and cooperative peasants' debts, is also noteworthy. We have simultaneously reduced the machine stations' price for soil work by 24% in the case of production cooperatives and 36% in the case of individual peasants.

Within the framework of the fall quality-seed action organized by the government we have distributed 400,000 quintals of seeds for sowing at very advantageous terms of exchange, and at the same time we have supplied the individual and cooperative producers who have suffered elemental calamities with 100,000 quintals.

The Council of Ministers has secured substantially more advantageous terms for the contractual producers. Thus this method of production is more profitable and economical for them than it has been hitherto. We have raised the price of 51 plants under contract. Thereby the producers receive about 280,000,000 forints more than in the previous year.

Permitting usufructuary leases, the 50,000,000-forint production loan and the 500,000,000-forint reduction of the peasants' tax burden during the second half of the year have convinced our agrarian population of the correctness of the government's intent. Our toiling peasantry understood our ambitions, they adopted our goals, and already commenced last fall the work for the achievements. They have fulfilled the increased cereal sowing plan and they have put under cultivation all land reserves to the very last acre.

An old Hungarian proverb says "give as good as one gets." With its 4 July program and the extensive measures taken since, the government gave to the village. Now it is their turn. And the village "gives as good" with its enthusiastic work and with the promise of an abundant crop.

The economic and political ties become closer between the city and the village, the workers and the peasants, the government and the people, and the fraternal bounds being strengthened by the moral and spiritual ties become unbreakable. This is where the invincible strength of the people and the government forged in unity lies.

Honored Parliament:

Beyond the immediate steps taken for boosting agricultural production, which the government has brought into force during the past few months, the 4 July program has set as its main task such an upswing of the agricultural production as terminates the disproportion between industrial and agricultural production and creates the secure material basis for the constant improvement of the people's welfare by the rapid increase of production. As is known, in the party and government resolution published in December we laid the basis for the solution of the grandiose, and I may safely say, historic task. The lion's share of the work has been performed by our outstanding scientists, experts of theory and practice. They are the ones who deserve credit. Permit me now to express my appreciation for their successful work performed in securing our people's welfare, in boosting, one of the most important branches of our people's economy, in the economic solidification of our people's democracy, and in the successful completion of the government's program.

With the Party and government resolution concerning the development of agriculture we have laid a solid and secure foundation for the successful performance of the greatest tasks that stand before us during the present phase of development of our people's economy. The significance of the resolution is virtually immeasurable. Never has agricultural production, with its ramifications and with its complex tasks, been in the focal point of the state's care to the extent that is now.

Now and in the coming phase we shall concentrate our science, technology, material resources, the production efforts of other branches of our people's economy, the attention and helpfulness of all our experts and of the entire country, upon the improvement of production, in order to raise the population's standard of living, to supply it with an abundance of necessary goods, to improve its social and cultural conditions. This is the basic goal of the resolutions; this is what we must achieve. The resolution was bound to become the foundation for the orderly and rapid achievement of the magnificent, truly socialist goal. The resolution is realistic; some of its conditions are already assured, and the others, even if only by extraordinary efforts, will be assured in time. We cannot attain the goal set by less sacrifice, nor can we contribute more to its attainment, because the country could not carry the burden. Of this, however, it clearly follows that whatever duties are assigned by the resolutions of the Party and the government must be performed without reservation, completely, and punctually by the individual production ministries, enterprises, and institutions, as well as by the central and local organs of the executive branch of government.

The magnificence of the task -- the assurance of the welfare of the nation -- should permeate all of us -- leaders of the country, as well as representatives of the people -- so that, being conscious of our responsibility, we support this great national cause and that everyone at his own post and within his field of work be an active participant in those national efforts that are exerted for a

brighter tomorrow and the creation of a happier life. The government accepted and carries out the great duties placed on it by the resolution. It ensures all the conditions which are necessary on the part of the government and the state for the performance of the tasks. Now it is the turn of those who by their direct productive work take part in the execution of the resolution -- agricultural workers, individual farmers, production cooperative members, state farms, workers of the machine stations, and experts of agriculture.

The goals of the resolutions, and the means made available for their attainment provide the opportunity for the state farms and the production cooperatives to prove the advantages of the large-scale socialist farming by their achievements in production and profitability.

The Great Tasks of the Middle Peasantry

Great tasks await the widest productive stratum of peasantry, the middle peasantry, which is today the central factor of agricultural production. The successful execution of the Party and government resolution depends largely upon how the middle peasantry attains the goals of the production increase on its own farms and how it puts to use the enormous assistance given by the state for this purpose.

The middle peasantry's conditions of farming and ownership, the government program, as well as its resplendence relating to the development of agriculture, offer great opportunities for increased production. The middle peasants like to work, they know how to farm, and if in the villages they espouse the cause of the development of agricultural production with the concern of a good farmer, if they show a good example to and stimulate the weaker ones and those who lag behind with their advice or, if necessary, with their economic resources, if they supplement by their own contributions the far-reaching aid of the state and also increase their production by their own investments, there can be no doubt that they will successfully achieve the goals of the resolution.

The prosperity of the middle peasantry, its economic improvement, the increase of its production of goods -- parallel with the development of large scale producing production cooperatives -- are indispensable conditions for the rapid termination of our agriculture's backwardness and for increasing production. The government's series of steps taken for the assistance of agriculture and the security of production have stimulated the middle peasantry's willingness to produce. That is very good. Let them improve their farms, let them supplement and renovate their machine and other equipment, let them develop their livestock and draft animal stock to the full extent of their family's labor power until they perform the tasks of farming by their own power. Nothing restricts them in their aspirations; on the contrary, their economic enrichment is extensively supported by the state itself.

The Socialist Transformation of the Hungarian Village Can Not be Stopped

The government takes good care of the economic and organizational re-inforcement of our production cooperatives and of the improved welfare of the membership. Our cooperatives have proven, despite initial difficulties and infantile disorders that the socialist transformation of the Hungarian village has roots that can not be removed. They stood the test well last fall. It became obvious that the bulk of our production cooperatives are healthy, able to develop, and that they are the solid and secure foundation for the socialist reorganization of our agriculture, for the increase of production, and for material improvement.

In the task of developing agricultural production and acquiring an abundant crop, an outstanding role is played by the productive cooperatives, which, using the advantages of large-scale farming and extensive government support, must surge ahead in increasing returns, surpassing the individual farms in that respect. The economic and technological conditions exist for this. The result depends upon management, organization, work discipline, and the quality of the work performed.

All this conclusively shows that agricultural production by the consistent realization of the government program occupies its just place in the people's economy, that our cooperative peasants and individually farming peasants are honored and equal members, of society whose productive work is in the center of the entire country's interest and readiness to help.

Honored Parliament!

In the government program we have also set as a goal the introduction of a system of collecting compulsory deliveries that will encompass several years, in order to boost agricultural production, in order to alleviate the condition of the peasantry, and in order to develop a free market exchange to increase direct trade with the producer, which widens the direct contact between producers and consumers and will thus occupy an increasingly important position in our economic policy. As is known, the government also fulfilled this promise. The applicable law decree has been published and was put into effect as of 1 January.

The system of planning delivery obligations for several years ahead enables the scheduled development of farming and creates certainty in production. While preparing it we have taken into consideration the peculiarity of agriculture, that in land cultivation as well as in animal husbandry, one looks several years ahead. Rational soil cultivation, rotation plans, the rearing of animals, not to mention vine and fruit cultivation, require work with a foresight of several years and the planned regular management of the farms. This primary consideration in production gains full expression in the multi-year system of the collection of delivery obligations. The significantly reduced delivery obligation, besides stimulating production, also increases substantially the market supply of goods and thereby shifts the weight from the central reserves and from the basic goods of state and cooperative small commerce.

The collection system of several years is adequate for the purposes of the government program and correctly reconciles the common interests of the country, of the population, with the individual interests of the producers. This is manifested by the general satisfaction which the new system of collection elicited in the circle of the production cooperative membership and farmers.

Our Achievements in the Protection of Lawfulness

Honored Parliament!

In its 4 July program the government set high goals for itself in the field of dispensing justice, lawfulness, the security of law and order, and in remedying complaints.

The government kept its word: what was a promise on 4 July became reality in the course of a few short months. We have issued and executed a law decree concerning general amnesty by 31 October, that is, before the target date. We have discontinued the institutions of police custody and police courts, and we have lifted the restrictions that bound the displaced persons to their forced places of residence. The foreign citizens who were under police custody we have turned over to the appropriate authorities of the respective countries.

The executed regulations elicited undivided satisfaction in every strata of society and have contributed greatly to spiritual reassurance and pacification. The released persons have returned to their families and to their work, they have joined productive work, for which the appropriate state organs have given their support. Besides the favorable moral and political effects of the executed regulations, they have some undesirable consequences, as well, which demand of us increased vigilance in the fields of public order and safety.

We have established the office of the supreme prosecutor; we have developed the prosecutor's organization, which is already in operation throughout the country. We have taken substantial steps for the strengthening and security of lawfulness, although there is a lot yet to be done in this field.

There have been certain initial successes in the operation of the government program in some other areas too. We have already taken the first big steps for the overcoming of the deficiencies and the bridging of the difficulties in general school education, for the enlargement of the network of schools, for the improvement of the conditions of the instructors in the villages and farm areas and for the acquirement

of school facilities. The bulk of the tasks are yet ahead of us in the fields of the cultural life, literature, arts and sciences.

The experience gained in the course of our work performed during the last 7 months also revealed some weaknesses. We could not yet assure that the appropriate executive organs assigned carry out the government's regulations in every case according to the spirit of the resolutions' orders precisely, on time, and in conformity with superior orders. Neither could we attain a constant improvement in the following through of our regulations, that development be even in the main fields of activity. Besides our good results, there have also been some temporary regressions.

Besides being the period for the realization of the government program, the last half-year has also been the time for preparation for the tasks for the year 1954, which are no smaller and no easier.

Our Main Task in 1954: Increased Provisions to Fulfill the Population's Material and Cultural Needs

Honored Parliament!

In the year 1954, which we entered scarcely a few weeks ago, great projects await us in the development of the country. The enormous tasks set for us by the Party resolution, the government program, and for which we have laid the foundation by our activities so far, have developed to their full extent this year.

The task therefore is not to concentrate the nation's strength and the country's energy resources for the attainment of new goals, but to progress on the road which we took half a year ago with increased vigor on a wider front and more purposefully. The experiences, difficulties, and results of the half year show that we are on the right road, that we are advancing in the right direction.

Economic planning had to define the government's economic-political activity for 1954 as regards its relationships, its framework, its details. We had to eliminate the errors of the past, we had to plan with greater circumspection on a more secure and realistic basis, because we must not fall into the errors of the past again. With scientific foresight we had to make our plans, so that we might avoid any setback in the country's economic life which would unavoidably accompany the far-reaching changes necessary for the correction of errors.

On the basis of the realistic estimation of the country's energy resources, the population's capacity, our economy's state of advancement, and the production capacity of its individual branches, the main task is to make increased provisions for the satisfaction of the population's material and cultural needs. Man, with his manifold needs, stands in the center of our activities aimed at the production of material goods. In our economic planning, therefore, the fundamental principle of socialism must be in the fore. Here the main thing is that we are harmonizing the further development of the production forces with a further rise in the population's standard of living.

The task of our economic planning is the correct formation of the proportions and relationships of production, consumption, and stockpiling. In our 1954 plan we shall also complete this work.

In the preparation of the plans it was important to correctly define the development tempo of the individual branches of the people's economy. Our planning faithfully follows the guiding principle for the development of our people's economy which further broadens the basis for the economic policy for the new phase, reduces the centralization of farming and of the economic activity of the state, permits a wider play for private initiative and individual interests.

Our Excellent Working Class and Technical Intelligentsia Can Perform Every Industrial Task Superbly

Honored Parliament!

As the figures of the 1954 plan show, there are great tasks facing our industrial production: to secure the supply of goods for the consumption of the population through increased production of staple goods, to satisfy the industrial requirements of the development of agricultural production, and in order to secure the necessary import materials for the successful solution of these tasks, to perform industry's, and primarily machine industry's, export plan in good quality without omissions and by the target date.

We may look upon the tasks with confidence, because our wonderful working class, which during the course of the past years stood so many tests of strength and which with its enthusiastic self-sacrificing work, combined with its high technical knowledge, is able to carry out every task of socialist construction in industry. We may look upon the tasks of our industrial production with confidence also, because we have a technological intelligentsia that possesses a high level of technical training, the quality and usefulness of which is proven by our

achievements in industrial production. In the fulfillment of our industrial production plans the country expects a great performance also from the workers of light industry and the construction industry in line with that of the miners, smelters, and metal workers. The realization of our program depends primarily on their good work.

In the area of industrial production the extraordinary tasks which must be performed in coal mining, metallurgy, and the production of electrical power, stand far above all the others. The work of the next few months has a decisive significance in this area.

The development of socialist competition is a great aid to the performance of these tasks, as it has had an enormous significance in our successes so far in the fulfillment of production plans. The encouragement of the ever-wider developing initiative of the workers, combined with all these factors, will bring about the successful completion of the production tasks designed in the plan.

Besides furnishing the material needs for the above tasks, it is the task of our investments, a task that has an effect on the further development of our entire people's economy, to overhaul, to modernize, the principle material bases of industry: coal mining and the electric power industry. The development of these two decisive branches of industry has not kept pace with the general tempo of our industrialization, and although our demands have continuously increased, the technological development of our production has lagged behind. A great part of the irregularities that can be observed in the supply of electric power can be explained by this fact. Besides the serious damages suffered by the people's economy, this very inconveniently also affects the workers of the various other branches of industry. We shall make gigantic efforts to create order in this field.

The previous excessive tempo of industrialization did not permit the covering of the technological requirements of production. In the 1954 plan we permit industry to catch its breath and to make up for its previous lag in maintenance operations, so that the necessary repairs and plant renovations can be performed. Industry's leading technological staff, and sometimes even the Ministries themselves, underestimate the significance of these operations, whereas this question is becoming the key question of our industrial production, as for instance in the electric power industry. We must make up for the omissions of past years, and we must create the conditions for doing so now. The leaders of the Ministries must secure the performance of these important tasks through stricter regulations and increased supervision.

Adjustment of Certain Wages, Annuities, and Pensions in 1954

Honored Parliament!

The government is planning further wage regulations in 1954, in order to improve the conditions of wage and salary earners. Within the framework thereof, adjustments must be made in the wage system of those of low incomes in certain fields. The 10 % lower base rate system of the workers of certain factories in the country must be discontinued. Partly by raising the base rate and partly by assignment of higher categories, the income of the unskilled workers belonging to the lower three categories must be improved. Heavy physical labor must be classified in a higher category in every branch of industry or a 10 % premium must be provided for. Besides these arrangements, the government is also planning to bring into force certain wage regulations, in order to adjust the wages of the workers in the low-income group and to eliminate the incongruity between the wage rates of the various categories in iron industry, metallurgy, chemistry, light industry, fruit industry, construction industry, as well as in Hungarian State Railways and the post office. The wage adjustments to be effectuated in the first quarter of the year represents 334,000,000 forints. For other wage adjustments to be put into effect at a later date, but within the current year, the government has appropriated 283,000,000 forints in its budget.

Besides the wage adjustments, the government also plans to raise the amount of certain annuities and pensions as of 1 April. I do not wish to deal with these in detail -- the applicable regulation will provide for them at the time of publication -- I restrict myself to the mentioning of just a few.

We shall raise the previous OTI [Országos Tarsadalom-biztosító Intézet -- National Institute for Social Insurance], old age, and sick benefits by 29 % for beneficiaries under 65 years of age, and for those above 65, by 43 %. The increase of benefits affects about 80,000 old workers. We shall raise the old age and sick benefits of 16,000 retired miners by a monthly average of 30 %. Beyond that, along with the increase of benefits we shall adjust the benefits of the widows of workers, the minimum retirement pension, the base rate of disability benefits, the pension of skilled workers, etc. The increase in pensions and benefits represents an annual 200,000,000 forints.

Extensive regulations will also be put into effect in 1954 for the improvement of the social and cultural conditions of the workers. We have appropriated 316,000,000 forints for safeguarding the interests

of the workers. We have appropriated 328,000,000 forints for social work. In order to improve the living conditions of working mothers, in 1954 we shall increase the capacity of nurseries and kindergartens by 26,000 more places.

These few statistics show that the people's democratic system regards man as the greatest asset. Man is the beneficiary also of those efforts that are made, through the increase of agricultural production, to secure the increased satisfaction of the population's consumption needs. Therefore the government, as well as the governmental and social organs and the entire population of the country, must direct all their abilities, enthusiasm, and efforts to the successful achievement of the great national goal.

Decreased Meat and Fat Prices

There has never been such solidarity between the city and the village, between industry and agriculture, and, since the land reform, between every strata of society, as there is now on the basis of the development of the enormous program of agriculture. The worker-peasant alliance has received by this program a new substance and broader support. This is the assurance for the successful accomplishment of the 1954 agricultural production plan.

The execution of the agricultural program has already commenced with the fall operations. The disadvantageous weather conditions must be counterbalanced by increased agrotechnological measures. The available time must be utilized for winter operations and for preparations, so that the coming of spring will find our production cooperatives and individual peasants, as well as our state farms, completely prepared. The crops of the current year, our people's welfare, our country's welfare, and the improvement of our workers' living standard depends on that. We have laid the foundation for the performance of the agricultural tasks of later years. Therefore we must assure the fulfillment of our agricultural production plan by every means and under all circumstances. The government has made many provisions to improve the raising of animals and especially the fattening of hogs and, to secure a better meat and fat supply of the population. We are making great efforts to reduce meat and fat prices during March. We shall reduce the prices by about 10 to 15 %, which at the present rate of consumption will mean the saving of many million forints, primarily for the urban consumers.

The Great Role of Local Industry and Small Trade

Honored Parliament!

The complete fulfillment of the production plans of our industry and agriculture secures the stock of goods -- of staple articles and food -- which is to fully supply the population's consumption needs. I especially emphasize the great role and significance of local industry and small trade in this field. They must perform tasks which large industry can not perform. In the past, local industry did not perform its tasks, or, more correctly, did not pursue the sort of activities that would have been its duty. It did not sufficiently serve the satisfaction of the population's local needs. The situation of private small trade, within local industry, whose role has been underestimated by the local councils, was even worse.

Since the announcement of the government program which set as a goal the broadening of the activities of local industry and individual small trade, the membership of the local industrial associations has increased by several thousand persons. At the same time, the network of associations has increased by 200 affiliations. A significant improvement can be observed also in the area of small trade. Up to June the number of small tradesmen indicated a declining trend. Since then, the trade licenses issued to small tradesmen well exceeds 8,000 and there are about 5,000 applications for trade licenses under consideration of the industrial departments of the councils. Although the development is significant, it is still unsatisfactory, especially in the villages. The councils must give more attention to this work, and instead of a long bureaucratic process -- especially in the village, they should alleviate and encourage the work of small tradesmen by granting loans, space for workshops, and facilitating the purchase of raw materials.

This is especially necessary, since there are further great tasks before local industry and small trade in 1954. Local industry must perform 2.5 billion forints' worth of work. The production of ready-made goods, which during 1954 must be raised to 2 billion forints, must be encouraged. Therefore the network of tailors' and shoemakers' workshops must be developed, and also in the case of furniture production must be developed. The individual ordering of furniture must be made possible. Local industry must convert more to the production of goods marketable locally and with the utilization of local materials. It must regard as its main task the satisfaction of the population's local needs in the best possible way.

The Population's Supply of Goods Will Further Improve This Year

The work of industry, agriculture, and local industries, in their fulfillment of the plans, are the preconditions for the improvement of the population's supply of goods during 1954. In 1953 we used 58 % of the national income for the direct consumption of the population -- not counting the amount received by the population through public institutions -- and in 1954 we shall use 70 % thereof. This means that the amount of goods to be consumed by the population will be elevated by 20 % compared with last year. We shall increase the volume of trade by 25 % clothing articles, by 34.6 % in sundry industrial goods, and by 21.5 % in cultural goods.

The large-scale increase in the volume of goods for 1954, as well as the development program of agriculture -- which is the enormous plan for providing the country with foodstuffs -- gives commerce new tasks and necessitates its wide development. Simultaneously, the ministries must take effective steps in order to discontinue the serious deficiencies that can be observed in the work of commerce, above all in serving customers, the distribution of goods, transportation, and the quality of goods. The population has a right to demand a cultured commerce, polite, attentive service; that it receive good quality products for its money; and that in Budapest, as well as in the provinces, it may be able to secure its supply of goods at any time during the day. It is the main task of our commerce to fulfill these requirements. In order to secure a better supply of goods, the commercial network must be enlarged. In the workers' districts of Budapest and the industrial cities in the provinces, approximately 1,600 new stores must be opened during the year and the existing stores must be further developed. Provisions must be made to enlarge the selection of goods; therefore commerce must influence the production of goods in public demand in both quality and variety. This is the direction in which commerce should influence productive industry. Generally, it is the main task of commerce to protect the purchasers' interests, not only in its own field of operations, in the exchange of goods, but also in the planning and production in the quality and variety demanded through all the marketing stages until the goods are sold.

In taking care of the exchange of goods, besides the state-owned stores' small commerce, an important role is played by the store network of the agricultural associations, whose main role is to take care of the exchange traffic of goods between the village and the city. The year 1954 assigns great tasks also to cooperative commerce. The agricultural associations, as the purchasing and marketing associations of the toiling peasantry, must be made fit for taking care of the village

population's demand for goods. The vast masses of toiling peasants must participate in the activities of the agricultural associations. This can be assured by increasing the direct material interest of the membership, by giving purchase dividends, and by permitting the dominance of democratic principles in the life of the associations.

Agriculture's program of development assigns new roles also to cooperative commerce. Cooperative commerce must put in circulation the small machines, equipment, supplies, fertilizers, etc., necessary for production. This also requires the enlargement of the chain of stores, so that the village populace may purchase its consumption and production needs at the place of residence. Agricultural specialist shops must be established and, since the agricultural associations will put in circulation a great amount of building materials during 1954, besides the county warehouses, at least 600 storage places for construction materials must be established.

Increased attention must be given to local purchasing, both in state controlled and cooperative commerce. The excessive large-scale movement of goods, excessive transportation, which are not only an undue burden to our transportation system and delay the transportation of goods, but -- especially in the case of foods -- increase losses, which seriously damages the people's economy, must be discontinued. This, however, can only be accomplished by a forceful fight against the bureaucracy that became widely prevalent in commerce. Therefore this is one of the most important tasks of the Ministry.

The Great Tasks of Our Cultural Policy

Honored Parliament!

A great part of our work performed during the last 5 months was turned to the solution of the economic problems of the country and to the regrouping of our people's economy, which understandably followed from the government's program. The work performed hitherto permits us to give increased attention and care to our cultural tasks.

In education we must exert our greatest efforts and financial sacrifices to the development of the public elementary schools. This is faithfully reflected by our investments made within the limits of our capacities. The government also deals with the financial problems concerning instructors, above all with those of the teachers in the villages and farm areas. Besides the increased renovation of school buildings, we must also increase the number of classrooms and we must supplement their equipment. We must not only improve the physical

facilities of the public elementary schools, we must also give a new content, a truly national patriotic spirit, to the methods of teaching. We must better cherish the progressive Hungarian traditions, preserve the glorious memory of the nation's great men. We must lay the foundation for the new generation's national pride and culture in the spirit of socialist patriotism. We must strive to build a good foundation for the education of our youth through their elementary school training. The learning of our mother tongue is the most magnificent and at the same time most important task of our public education. "The nation lives in its language." It is the noblest duty of our public education system to realize this great ideal. We must achieve this, and it should be the main goal of our education that our children speak and write Hungarian correctly.

In the field of education a greater responsibility is placed on the parents than hitherto. They must more actively participate in the work of school education outside of their family life, and they must promote school discipline.

The greatest task of our cultural policy is multifarious, rational work in every field of cultural life with the means of art and literature and film art, to battle against lack of education. This is a task that can not be omitted without the danger of becoming separated from the people and our cultural treasures, the results of our cultural revolution, becoming the privilege of only a narrow upper class of society. We must secure the democratization of culture and its mass educational role. Nor is it a lesser task of our cultural policy to cherish and develop the unified national culture of the Hungarians.

The new policy of the Party and the Government, the new phase of socialist construction, creates the favorable material and spiritual conditions for the upswing of literature, art, and science. The writers' creative urges have increased, and their interest in the new problems of life and in the current economic and political questions have become greater. Their creative instincts, on the basis of their freedom and socialist realism, is a serious promise for the future.

The cultivation of Hungarian classic literature is a great task. We shall celebrate this year the 50th anniversary of the death of the pride of our literature, Mór Jókai. The fact that only a few of his volumes have been published since the Liberation is unworthy of the memory of the great writer and of the people's literary policy. We must make up for this omission as soon as possible. More novels and story books for the young must be placed in the hands of our youth and children from the Hungarian juvenile literature.

The national characteristics of the old and new Hungarian theatrical plays must be better emphasized by their more frequent presentation. Special attention must be given to the fate of Hungarian drama.

In the field of creative arts we must take great steps in order that they become the means for the education of the masses and for the beautification of their lives. In securing the conditions for creative arts, the state itself also wishes to make an increased contribution to the better development of the artistic talents of our creative artists, so that the situation of this highly important branch of art be equal to the tasks and results of the new Hungarian creative art.

The new tasks of the new phase make extraordinary demands on our scientific development. We can show praise worthy results in certain branches of science. But we cannot remain in the place we occupy in the world of science.

In physical skill in the various sports we are forging ahead to be among the greatest, and as the expression goes, we are a great sport-power. Indeed, a justified national pride fills our hearts because of the series of Olympic victories. The entire country celebrated with a yet unprecedented pride the 63 victories in London of our soccer players. At the same time, we are lagging behind in certain branches of science, above all in the technological science. We only adopt the results of sciences, instead of achieving new results. Our scientific research institutes frequently work out problems which have hardly any connection with the great tasks that lie ahead of us in connection with production, and they neglect our most urgent problems.

Although our scientific life had been somewhat more vigorous in the latter period, our international contacts have been enlarged and we have participated in numerous scientific conferences outside the countries of the socialist camp, in Stockholm, in London, and other places, where we could observe the increased appreciation of our scientific developments. But the main task is to promote the further development of our sciences and the achievement of new scientific results. Under the conditions of our people's democracy there exist favorable conditions, serious possibilities, and good traditions for this achievement. Relying on these, we must also forge ahead in the noble contest of nations in our spiritual life and in the area of scientific work. I am sure that the representatives of the sciences will acquire fame and glory for themselves as well as the country'. As far as the government is concerned, it will promote the upswing of the Hungarian sciences by greater appreciation, care, and attention, and by securing greater opportunities for scientific research. It is

up to our scientists that Hungarian science forge forward!

The government, which makes extensive material sacrifices in order to develop the possibilities for our workers' relaxation, culture, and entertainment, wishes to secure the free time necessary therefor. This is also required by the workers' private lives, family circles, child education, and parental duties. Considering that, the government will introduce soon the restricted work schedule of employees in the offices and institutions.

Significant Expenditures for the Improvement of Health and Housing Conditions

Honored Parliament!

In the field of improving health conditions -- although the government has already taken steps in this respect during the past few months -- most of the tasks still lie ahead of us. In this respect we shall take a significant step forward in 1954 by the investment of 343,000,000 forints for the improvement of hygienic conditions. We shall increase the number of hospital beds by about 10 %, we shall open several new hospitals during the year, and simultaneously we shall significantly enlarge several other hospitals. For the better care of patients we shall increase the staff of hospitals and dispensaries by 8,000.

In the improvement of public health conditions an important role is played by the communal investments, which represent 323,000,000 forints in 1954. We must use this amount mainly for the enlargement of the water and canal system of the cities or for the improvement of the existing systems. In 1954 we shall continue the renovation of the state-owned apartments, for which purpose we have appropriated 320,000,000 forints.

Besides the governmental apartment building projects, the government will institute a private small apartment building project during the year, with extensive material support and under advantageous terms of payment. During 1954 we shall provide 180,000,000 forints' worth of loans and a great amount of construction materials for this purpose to those who wish to construct.

The 1954 apartment building program exceeds last year's by 150 %. About 40,000 new apartments will be built this year by the government and private individuals. Furthermore, we shall commence the building of about 10,000 apartments, which we shall complete in 1955.

We Are Very Thrifty with the Money of the Workers

Now, honored Parliament, I turn to the brief explanation of some problems of the state budget. In my 4 July speech in Parliament, while considering the realistic valuation of our economic possibilities, I designated our task as spending only within our means. This is even more important today than half a year ago. This is the basic principle of the management of our state budget. We must be very thrifty with the money of the workers and must repeatedly examine what we are doing with it. Our 1954 state budget, the plan of which was approved by the Council of Ministers at the end of last year, is based on this principle. In this budget the reduction of the principle amount of investments is the characteristic feature of the regrouping of expenditures. The total investment expenditures represented 32.4 % of last year's budget, while this year they represent only 26.9 % thereof.

The foundation of the budget proposal was formed by the economic plan prepared according to the government's program developed on the basis of the principles designated by the Party, and it is its main goal to render financial security to the economic plan.

Accordingly, the amount to be allotted to the development of agriculture is more than double that of last year. It is, in round figures, 3.6 million forints, while the social and cultural expenditure increased by a round amount of one billion. In our budget proposal we have also considered the requirements of the military. We have provided for our people's army according to our economic means, so that it can stand its ground in the defense of our liberty, independence, and peaceful constructive work.

It is a characteristic feature of the budget proposal that an overwhelming part of the income, almost 80 % of it, is not covered by the population's taxes, but by the payments of the state-owned factories. This shows that the government secures the necessary financial means, the necessary government expenditures, not by oppressive taxes but by increasing the production and reducing the costs of its own enterprises and factories.

By the constitutional mandate the Council of Ministers submits the current budget to Parliament during the first half of the year, deviating from previous practice. This budget has been considered by Parliament during December, at a time when the people's economic plan had not yet been approved. As the preparation of the budget is the work of several months, the situation came about that the proposed budget has not been in sufficient harmony with the people's economic

plan. The situation was even more inconsistent in the report dealing with the administration of the government's budget, in the so-called Appropriation Account. This could only have been submitted to Parliament after the passing of a year or two, and was a mere formality.

The later consideration of the proposed budget makes it possible that the proposed budget be submitted to Parliament when it is in harmony with the people's economic plan, when it truly reflects the actual revenue and expenditure of last year, and is accompanied by the Appropriation Account, already checked by the State Control Center. This reason and the simple reason of a more responsible state budget management, explains the delayed discussion of the proposed budget, which, by the way, is also completely vindicated by practice in other countries. This way, in 1954, the budget submitted to Parliament is one which is based on a plan which is already approved in its every detail by the Council of Ministers. The new sequence in discussing the proposed budget increased the rationality in the people's economy and gives a greater security to the administration under the budget proposal. This is by all means correct and must be accomplished.

The Responsibility and Work of the Local Councils

Honored Parliament!

A great part of those multifarious complex regulations that affect the everyday lives of the population and which follow from the government program, from the execution of the 1954 economic plans, are executed by our local councils. It is extremely important, therefore, that our local councils carry out their tasks with the utilization of all their influence, all their contact with the masses, and the complete utilization of their official apparatus, with the weight and dignity of the state power. It is one of the most important tasks of the government to support and prepare our local councils, so that they may keep in step with the increasing tasks. For this there is an increased need, now that in the new phase of development the role, significance, and responsibility of the local councils have increased as compared with the past. The achievement of the goals of the Party resolution and government program depends on the way the councils carry them into effect, on whether the councils perform correct or incorrect work.

The new and magnificent tasks inject new vigor into the councils and bring new spirit into the work of the office. They greatly contribute to the elimination of bureaucratism from the operation of the selected organs of the council and they solidify democratism in their inner lives. Excessive state centralism, which harnesses the councils'

initiative, has already been reduced by the numerous measures taken by the government. The government laid the foundation for the independent budgeting of the councils, in order to liquidate the financial policy which restricted the activities of the councils to a narrow area. We have secured a wider area for the economic activities of the local councils, in local industry, in small trade, and in the management of communal affairs, and we shall further continue this policy. In order that this shall result, many improvements must be made in the financial and investment activities of the councils, so that they make an increasingly better use of their possibilities, of the financial means at their disposal, to the satisfaction of the population's social and cultural needs.

The government program and the Party resolutions also create foundations for the reformation of the local councils, for their conversion into popular mass organizations, for their development into solid organs of state power and management. It is the policy of the new phase to always keep in view the improvement of the population's living conditions, to turn the councils to the people and the people to the councils, to secure the unity and solidarity of the government and of the masses of workers.

In this multifarious work which encompasses almost every field of life, an outstanding and honorable role is played by the presidents of the executive committees, by their steadfastness, their love for the fatherland and the people, by their loyalty to our people's republic, by all their public actions, and by their moral and political expressions. By their work, attitude, and activities we must regain the confidence of the wide masses of people, day by day. They can only be the worthy representatives of the people's state if they never forget this for even a moment. The confidence and appreciation of the working people is a requirement without which neither the country nor a single village could be managed. Sparing no time and effort, the government's regulations and the questions that appear unclear to them must be explained to the workers. We must not give commands, but must learn to persuade the workers of the correctness of the Party's and government's policy. Every council leader must keep this in view. This is the basis for the council's and the people's mutual trust, which is the main security of successful work. Only thus can they give effect to the laws by the weight and dignity of the state power, only thus can they secure socialist lawfulness in every area of governmental life.

During the past half-year we have taken substantial steps forward, although occasionally there still occurs some violations of the law, as for instance against the peasants who left the production

cooperatives. This flagrant violation of our laws is especially condemnable, because in some places even the leaders of the council have participated in it. Their unlawful deeds can not be left unpunished. We shall wipe such elements out of the state machinery. The violators of the law shall answer for their crimes to the courts.

We shall terminate arbitrariness with a strong hand, and we shall secure the lawful rights of the peasants who left the production cooperatives. We have always strictly applied the laws and shall always apply them in the future when we have to protect the legitimate interests of the production cooperatives from the attacks made against them. But the law remains law, even when the issue is arbitrary violation of the legitimate interests of those peasants who leave the production cooperatives by the ordinary means.

The assurance of lawfulness in the government, economic, and social life places heavy tasks on the councils themselves. Lawfulness is the solid foundation of our people's republic, of our government. The unlawful act undermines our popular power, and therefore in every case we must punish it with the strictest application of the law. In their work aimed at the guarantee of lawfulness the local councils can count upon the widest support of the workers. The task is a dual one. The councils must be aware of the fact that not only the excesses committed in the application of the regulations, but also the noncompliance with the obligations of a citizen, is a violation of law. The assurance of lawfulness, therefore, also means that performance of the duties of citizenship must be demanded in every field: in the payment of taxes, in the collection of delivery obligations, and in other fields.

The government has granted great privileges in the payment of taxes and of delivery obligations by decreasing the tax burdens as well as the amount of deliveries. We have tied the privileges to the punctual performance of obligations, which we demand with increased vigor. It is not only the right but the governmental duty of the local councils to so apply the laws.

The government has established the tax levy in the amount of last year's decreased taxes. This way the peasantry can already make calculations as to what amounts it should pay by the 15th of each month, free of interest. The financial organs will notify the taxpayers by mail during the subscriptions of the next few weeks and in case some justified complaints emerge, they must be speedily remedied by the county finance department. The farmers will receive the tax forms this year by 15 May. The government has made some other modifications in the field of taxation for 1954, having considered the interest of the

people's economy. All income from bee farms are exempted from all kinds of taxes. We have reduced the taxes of farmers who keep young animals. We have reduced the tax burden of the older farmers, we have terminated the military service exemption taxes, and we have raised the age limit of those subject to some taxes to 22 years of age. These measures saved about 300,000,000 Forints for the population in 1954. According to the Party's resolution and its program, the government has done its duty. It is the peasantry's turn now to perform their civic duties in an exemplary manner.

The appropriate authorities must enforce the laws of our people's republic in other fields too. They must mete out exemplary punishment to the price manipulators who get around the price reducing regulations and who cause damage to the population by unlawful price increases or deterioration of quality. It is the duty of our prosecutors, courts, state control agencies, to assure strict compliance with the government's price policy regulations.

Economic Cooperation with our Friends, Commercial Contacts with the Capitalist Countries

Honored Parliament!

For the successful accomplishment of the government program's goals, we may thank -- besides the enormous efforts of our working people -- the great and valuable assistance which we have received from the Soviet Union and from the friendly countries, as well as the mutual economic cooperation that exists between the countries of the socialist camp. But the relaxation of international tension also made its effects felt in the development of our new policy, as it provided certain opportunities for the broadening of international economic contacts and their extension to new territories. Our foreign commerce has achieved significant results in this field. The conversion of our people's economy, the regrouping of our industry, and our striving for the fulfillment of our 1954 plans, assigned great and complex tasks to our foreign commerce, for the fulfillment of our export-import plans. However, numerous branches of our advanced people's economy provide a broad basis and a good possibility for the development of economic contacts, which may be further enhanced by the fact that, having established the good reputation of the Hungarian goods, we arrive at the market with high-quality merchandise.

We are prepared to carry on commerce on an equal basis with everyone, including the capitalist countries, and because of our economic conditions, primarily with our neighbors. There exist mutually

advantageous possibilities in this field. On our part, we find the utilization desirable. Commercial conferences have just commenced with the Soviet Union and Rumania, while they are already in process with most of the countries of the democratic camp.

We have further enlarged our commerce with the capitalist countries during the last few months. In the second half of 1953 we reached an agreement for exchange of goods with Austria, the Netherlands, Sweden, Finland, Switzerland, and Argentina. Similar negotiations are now in process with Western Germany, Italy, and Brazil. It is worthy to mention that this is the first time we have had commercial conferences with Brazil since the Liberation. At the same time, we have made payment agreements with Paraguay and have renewed them with Uruguay. Preliminary conferences aimed at payment agreements are in process with Chile. In the next few weeks goods exchange parlays will begin with Norway, Denmark, Iraq, and Indonesia. Not long ago a sizeable Egyptian government delegation visited Budapest and negotiated for the enlargement of the trade volume. It can be assumed that the occasion will arise for the recommencement of the commercial conferences with England, that were broken off in 1949. I may mention here that our various governmental organs have conducted conferences with the secretary-in-chief of the Unity and Economic Committee, Mr. Myrdal, who visited Budapest, in order to secure the more active participation of Hungary in the work of the committee.

Our fatherland is taking an ever greater part in international economic activities, so that on the basis of equal treatment and mutuality, by the development of commercial contacts, we supply our import needs and that, at the same time, we secure markets for Hungarian goods.

Our Peace-Loving People Object to the Resuscitation of German Militarism

Honored Parliament!

Our Parliamentary session convened in an eventful period, on the eve of the Berlin conference of the four great powers' foreign ministers. It convened at a time when the representatives of the four great powers were conducting important conferences dealing with the peaceful co-existence of the people, of warding off the threatening danger of war, and with the loftiest cause of the future of all progressive mankind, of peace.

The president of the Soviet Union's Council of Ministers, comrade Malenkov, stated last March: "At the present there is no such

controversial or unsolved issue which could not be solved in a peaceful way through the mutual agreement of the countries interested" (Szabad Mag., 17 March 1953). This principle is the basis of the foreign policy of the peace camp led by the Soviet Union, with which every peace-loving man agrees throughout the world.

The government of the Soviet Union, true to its consistent peace policy, declared itself willing from the very beginning to confer with the foreign ministers of the great powers and to confer about the controversial questions, so that international tension may be relaxed and thereby the solidification of peace be promoted. In spite of this fact, it took almost half a year until the three Western great powers accepted the Soviet Union's proposal. At the same time, the Western powers, despite their agreement to the convocation of the conference of foreign ministers, have further continued the establishment of the so called "European Defense Community." In essence, their policy aims at resuscitation of German militarism, which is greatly increasing the danger of a new European war.

The Soviet Government in its note of 26 November made it clear that "the regeneration of German militarism and the plans for a so-called "European army" which opens the door to the rearmament of Western Germany, as well as the establishment of foreign military bases on the territory of a good many European states, endangers the security of other European states and are inconsistent with the interests of European security" (Szabad Mag., 28 November 1953).

The Soviet Government expressed the views of all peace-loving nations when it made a proposal for the settlement of the German question and the establishment of a unified democratic peace-loving Germany.

The other decisive problem of the policy aimed at the preservation of peace is the discontinuance of the armament race. The reduction of armament and the proscription of the most dangerous sorts of weapons -- atomic, hydrogen and other weapons of mass annihilation -- are the most important prerequisites for the avoidance of the danger of war. This viewpoint of the Soviet government is not new. Since the end of World War II the Soviet Union has consistently fought for the prohibition of atomic weapons and for their international control. It has never missed an opportunity to make concrete proposals in this respect in the United Nations Organization.

The prohibition of weapons of mass destruction is the greatest desire of all peace-loving mankind. American imperialism is responsible

for the fact that this could not be accomplished. This uniform conviction of the progressive world opinion can not be disregarded even by the governments of those countries whose imperialistic war policy endangers the peace of the world and prepares to start a new war. The people of the Western countries realize that ever more clearly and give an ever increasing manifestation of their objection against the resuscitation of German militarism and against the so-called European army.

The four-power conference, which is the result of the pressure exerted by the peace-loving people and progressive world opinion, convened under such circumstances. Its conferences on the weightiest problems on the agenda of international politics also directly affect our people and our country. The Hungarian people, who were pushed into an irrational and sinful war twice within a generation by a German imperialism that strives for world domination, wars in which hundreds of thousands of our sons lost their lives and which brought to our country poverty and devastation, great suffering, and privation, are well aware of the danger that the resuscitation of German militarism means. This prompted our government to raise its objection to the making of the Bonn Treaty, as, an aggressive step aimed against the existence and independence of the Hungarian People's Republic. This again prompts our government to side against and fight against the imperialistic policy, which is the bitter enemy of the Hungarian people, and which aims toward the resuscitation and reinforcement of German militarism.

Therefore it is in the interest of our country and our people that the policy of the peace camp of 800 million people, whose banner carrier is the Soviet Union, achieve its great goals: the relaxation of international tension, the prevention of the resuscitation of German militarism, the general reduction of armaments, and the prohibition of atomic and hydrogen weapons and other weapons of mass destruction.

We must also actively participate in the worldwide struggle for these goals of progressive mankind. We must support with all our power the peace policy of the Soviet Union. In the service of the great cause of peace we appear with a more active foreign policy and let our voice be heard when the issue is the frustration of the criminal warmongers' plans, the resuscitation of German militarism, and the establishment of a unified peace-loving democratic Germany.

It is not our fault that we have not had an opportunity hitherto, and we still do not have an opportunity, to fight at the international forum, in the United Nations Organization, on the side of the defenders

of peace. We incessantly demand that the Western powers honor their promise made at the time the peace treaty was signed, and that they secure our admission to the United Nations.

But for the great cause of peace we must fight everywhere. In the subsequent month the entire world's attention will be turned toward Berlin, where the consistent peace policy of the Soviet Union and the will for peace of the masses of the world peace movement forced to the conference table the Western powers, and where the peace-loving nations of the world stand behind the proposals of the Soviet Union.

On our part we do everything within our modest power for the peaceful relations between our country and other countries, as well as for a creative cooperation based on mutual understanding and respect for one another's interests. This is the main goal of our peace policy, behind which there stands the unbending will for peace of our working people.

Honored Parliament! In this speech I wish to review the activities of the government for the last 6 months and to make known those tasks which we must perform in 1954. They are magnificent tasks, with the successful performance of which we must further advance on the road designated by the resolution of the Party and the government program, for the prosperity of our country and the welfare of our people. It is for these that I ask the honorable Parliament's effective support.

A half a year is behind us. Its results show that we are advancing on the correct road. Therefore on the basis of the experiences of the last 6 months we look forward with justified confidence and optimism to the tasks that await us, however great and responsible they may be.

The people trust us and follow us on the road upon which we advance together with our working people during our peaceful constructive work and under the leadership of our Party, with secure steps toward our magnificent goal, the victory of socialism. The people are with us, victory is with us!

THE ADMINISTRATION AND TASKS OF THE COUNCILS

[Vol II, pages 480-575]

(Speech given on the Third Congress of the Hungarian Workers Party on 26 May 1954.)

Honorable Party Congress! Dear comrades!

The experiences of the more than 5 years which have elapsed since the Second Congress of our Party made it necessary to put on the agenda and discuss the most important problems of our administration and of the local councils of the highest forum of our Party. Lenin taught us that "...the most important problem of every revolution is the problem of state power... We can neither ignore nor postpone the problems of power, because this is the basic problem which determines everything in the development of the revolution" (Lenin's Works, Vol 26, Szikra, 1962, page 394). It is the perpetual task of the revolutionary party of the liberated working class to thoroughly study the problems of state power and administration in the spirit of the teachings of Marxism-Leninism, within the concrete historical and social situation, from a practical as well as a theoretical point of view.

The utilization of those great and rich experiences is indispensable, along with the theoretical and practical experiences with which the Soviet Union has enriched the international revolutionary movement, and which the eastern and southeastern people's democracies have at their disposal in the fields of the building and administration of the states, in order to successfully solve the existing problems and tasks of our Party and working class in their great political work.

Placing the problem on the agenda and its discussion is justified by the fact that since the Liberation, during the revolutionary transformation of our country, we have created a new form of political organization of our society -- the people's democracy, a variety of the dictatorship of the proletariat as the form of state power in the transition from capitalism to socialism. Our Party must intensively study the tasks, the functions, the forms of organization, and the conditions of development of this new popular state organization. We must draw conclusions from the valuable experiences acquired during the 10 years following the Liberation by the Hungarian working class, in order for the activities and organization of our people's democratic state to be in harmony with that magnificent development which characterizes, in

the field of the building of socialism, the social, economic, and political situation of our fatherland.

We must investigate this problem, because during recent periods there have appeared serious laxities and deficiencies in the functioning of the state power, as well as in the activities of the local councils, which weakened the strength of the people's state, hampered state administration, and interfered with the building of socialism.

We have often neglected to clear up the principles in the solution of complicated problems of our state-building task, which was not the least significant cause of the problem, and we let the theoretical foundation slip into the background, which raised difficulties in arriving at a correct solution. This leads to the fact that some vital tasks of our Party are the determination of the correct guiding principles for the power and administrative organs of the state, the clarification of the principles of the problems, and the large-scale application of the Marxist-Leninist political theories in the practical work in the development of the state.

The resolutions of the Central Committee of our Party, set forth on 28 June of last year, created favorable conditions for the Party toward the consolidation of our people's democratic state, for the improvement of our statecraft and the activities of the local councils, on the basis of the guiding principles and designated objectives as determined by the Congress for eliminating the errors, for developing the foundation of our social system and the worker-peasant alliance, for strengthening the bond between the government and the people. Raising this question demonstrates the extraordinary importance of the activities of the local councils as set forth by our Party, and its concern for the work of the peasants, who are elevated from their simple status to work for the councils. Our Congress desires primarily to give them effective support by its directives and resolutions, due to the difficult tasks performed and the great courage shown by these people.

The Creation of the Local Councils Has Been an Event of Historical Importance in the Life of the Hungarian People!

Dear comrades!

Ten years ago the Hungarian people arrived at a decisive turning point in their history. In the wake of the victory achieved by the Soviet Army over the fascist powers, in the wake of military defeat, the Horthyite Hungary which fought on the side of Hitlerism-fascism

as its last satellite, collapsed, and the Hungarian people were liberated.

The events of the last 10 years -- the radical changes accomplished in the social, economic, political, and cultural life of our country, our successes in the building of socialism, the great increase of the international importance of the Soviet Union and the alien people's democracies, the results of the intense world-wide fighting for the peace of humanity, with the leadership of the Soviet Union; and on the other hand, the bellicose efforts and the policy of the United States, which supports the reactionary and anti-popular forces -- proves, more brightly than the sun, to our people the historical significance of the fact that our fatherland was liberated by the armed forces of the Soviet Union. This fact decisively determined the future development of our country. Thanks to this fact, we regained the independence of the country and the sovereignty of our nation. Furthermore, we are able to work with security toward the prosperity of our fatherland, in spite of the increasing danger of the imperialistic efforts to undermine these results. Ten years ago Hungary was able to follow the road to popular democratic development, and in this historically insignificant period of time our country reached the stage of the building of socialism. And thanks to these facts the people's democratic forces crushed the domestic reactionary and fascist forces. Thus our country escaped the grave ordeals of a civil war.

In the strengthening of our people's democratic state, in the peaceful development of our country, in the building of socialism, we have and we shall have as guarantees the fact that in the liberated eastern and southeastern countries the working classes came to power, that in these countries the people's democratic political and social order was created, and that between these people's democratic countries close and fraternal relationships and mutual assistance exist.

There were the outside forces which secured extraordinarily favorable conditions for that historical change which 10 years ago launched the development of the country on the road of democracy toward socialism. This great transformation which started 10 years ago is full proof of the truth in Lenin's words: "It is impossible to progress in our time on such a way and not progress toward socialism; it is impossible to accomplish a democratic and revolutionary transformation without coming closer to socialism."

Our liberated working class, led by the Hungarian Communist Party, assembled all the forces of our nation: the democratic, the anti-fascist, the anti-German, and the patriotic forces in an all-embracing, mighty unity in the Hungarian National Independence Front, which had

for its banner the slogan, "The Democratic Reconstruction and Ascension of Hungary." In the foundation of this new and democratic system was a historical landmark, the Provincial National Assembly, which convened on 21 December 1944 and the Provisional Government elected by the National Assembly, which immediately started the democratic reorganization of the political and economic life, as well as of the political organization of the country. Thus Hungary entered a new, historical phase of her development.

The Provisional National Assembly asserted the principle of the self-determination of the Hungarian people and proclaimed the sovereignty of the people, as well as the independence and sovereignty of the Hungarian state. Thus it guaranteed the most important reconstruction conditions of the economic and political life and political order of the country on a people's democratic foundation. A decisive factor in these developments was the fact that the Hungarian Communist Party had a most important role in the fields of the mobilization of the masses and of the political organization of the state. Important tasks fell upon the new people's power: the crushing of the former ruling classes and the reactionary fascist forces, the rallying of anti-Fascist progressive nationalist masses, the laying and strengthening of the economic foundation of the new democratic state, as well as the protection of the independence of the country and its political order from domestic and foreign enemies. Looking back at the past we can observe that the Hungarian working class, led by the Party, was able to fulfill its historical mission, to direct the destiny of the country and of its people, to win and to defend the people's democracy, in spite of the fact that the social and political situation was extremely complicated, that class warfare became more and more embittered in the fight for power, which class warfare first blazed because of the democratic land reform and later because of the socialization, and which later led to the counterrevolutionary conspiracies.

In contrast to the state power of the Horthyite system, which was unrestrained despotic rule of the oppressive well-to-do classes, the new system, relying on the people, with its broad democracy, was a decisive change in the lives of the toiling masses. This transformation was the result of the stubborn and unceasing fight between the reactionary and democratic forces, which ended with the magnificent victory of the democratic and popular forces, after triumphs, recoiling, and sometimes after temporary defeats.

According to the teachings of Marx, the destruction of the old bureaucratic machinery -- the bourgeois army, police forces, courts, the administrative and power organs of the state -- is the prerequisite

of any popular revolution. The working class can not simply appropriate it and bring it into action for its own purposes. Lenin wrote of the relation between the victorious working class and the oppressive and exploitive state machinery, that the real interest of the people, of the majority of the people, of the majority of the workers and peasants is the destruction and the breaking up of this machinery. This is the prerequisite to the alliance of the workers and peasants, without which democracy can not be permanent, without which no socialist transformation is possible. However, neither Marx nor Lenin considered their opinions on the bourgeois state machinery unalterable. Lenin pointed out the fact that under certain conditions, in certain concrete situations, the proletarian power may be forced to abandon the road of the revolutionary destruction of the existing state machinery and to follow the road of gradual transformation. After the Soviet army destroyed the Horthyite army, and police forces, it was necessary, during the years of 1945 and 1946, as a consequence of the balance of the political forces, to transform gradually the remnants of the old state machinery, the administration and the judiciary. Did we miss our road? Did we deviate from Marxism? No, we did not. The great power, the preparedness and political abilities of our Party, were best revealed when our Party did not apply Marxism-Leninism dogmatically, but applied it to the concrete Hungarian situation in a creative manner. During that extraordinarily complicated situation of class warfare, our Party became aware that the transformation of the remnants of the old state machinery means only a necessary and justified breathing space, since it became obvious that we did not have enough power for the revolutionary destruction of the remnants of the old state machinery.

As a result of the increasing power of the Communist Party, of the increasing pressure of the masses from below, of the gradual liquidation of the reactionary forces and parties, during the years from 1945 to 1950, until we created the local councils, we redesigned the state apparatus and the administration through a series of reforms. Thus we achieved the creation of the local councils, which was indeed a mighty step in the field of state organization by the Hungarian working class. Through the local councils the Hungarian working class drew the broad masses into the work of state administration. Among these masses were the toiling peasantry, who were excluded by the exploitive landlord-bourgeois classes from any field of state life during the former periods of the country's history. Those peasants, together with the working class, had been deprived of their most elementary human and civic rights. These millions of simple people justly considered the local organs of the old administration as their greatest enemies.

By the creation of the local councils the people's democracy fully

and finally liquidated the remnants of the old state machinery. Thus, with this, one of the largest obstacles also disappeared finally and permanently from the lives of our working people: the bourgeois-landlord type of state power. The creation of the local councils was a great and victorious battle in the fields of the final accounting with the past and of the liberation of the working people.

The new people's government is based from the very beginning on the working class; it rests on the broad national alliance of the workers and peasants; it brought the democratic transformation to victory; it secured the development of the transition to a higher socialist phase; thus, it created a massive basis for the building of socialism in our fatherland.

Comrades!

The valuable experiences of the past 9 years provided a good education for our Party and for our working people in the field of building a state. The 3 years since the creation of the local councils especially added much to our experience. From these experiences we now wish to discover those tasks which are necessary to radically improve the activities of state power and state administration.

The mere fact of the formation and functioning of local councils is a tremendous achievement in the work of our Party and working class in building the state, a great step forward along the road of development of the people's state.

Are there mistakes, shortcomings, weaknesses, and difficulties? Yes, there are. However, the local councils are the embodiment of the state of a new type and help to run the state without the bourgeoisie and against the bourgeoisie. Our local councils have inherent faults which they have dragged with them as heavy burdens since the time of their creation. There are also other errors which result from their activities, which are caused by the developments and by the steady changes of the situation. There are faults caused by the faulty working of these councils. All of these facts warn us that we must steadily improve the work of our local councils, eliminate everything which is bad, and we must fear neither changes nor the slanders of the enemy. Lenin pointed this out in these magnificent words when he spoke of the improvement of the activities of the councils: "In this field we have many many things which are not yet finished. We shall have to improve, to redo, to start again, and not but once. All of our steps with which we advance and promote the development of the productive forces and culture must be followed by the improvement and reconstruction

of the council system.... We have still many things to improve, and to be "shocked" by this would be the limit of stupidity (if it would not be more than stupidity)" (Lenin's Works, Vol 33, Szikra, 1953, page 97).

Observing the results of our local councils, we must not hesitate to disclose their faults. To require from classes which have been suppressed for centuries the organization of a faultless state in this new situation would be expecting a superhuman task. Lenin said: "All such faults are equal to the thousands and millions of "flawless" successes achieved by the exploiting minority when they deceived and cheated the workers. In socialist organization and construction the workers and peasants can learn only at the price of such mistakes how they must build the new life, how they must live without the capitalist. Only this way can they clear their path -- over thousands of obstacles on the road to socialism" (Lenin's Works, Vol 28, pages 60-61).

Our local councils solved extraordinary problems, they produced magnificent results in the construction of socialism, in the fields of economics, politics, and culture. In all these they had the lion's share. With their activities the local councils realized, sometimes with errors, sometimes with abuses or laxity, those governmental measures which were aimed at the construction of the foundation of socialism, socialist industrialization, the socialist reorganization of agriculture, the achievement of the cultural revolution.

Our local councils achieved these results during the historically insignificant period of 3 years. We can truly assess the heroic work of the councils, and truly appreciate those men who worked in leading or lower positions, who were untiringly devoted pioneers in the construction of our people's state, only if we take into consideration the fact that simultaneous to the construction of their own organization and management, with the creation of their own democratic working principles, and with the creation of a close relationship with their own superior and inferior organs, as well as with the broad masses of the workers, they had to also fulfill their political and administrative tasks.

The Two Phases of the Development of the People's Democracy

Honored Congress!

The only scientific political theory is the Marxist-Leninist theory, which revealed the true essence of the state, as well as the laws of its origin and development. This theory is the scientific

foundation for the state-building work of our Party. The essence of the Marxist political theory is the doctrine of the dictatorship of the proletariat. Lenin in his work State and Revolution pointed out that only those can master the essence of the Marxist political theory who understand that the dictatorship of one class is imperative not only for all class societies, not only for the proletariat, which will overthrow the bourgeoisie, but also for that historical period which separates capitalism from the classless society, from Communism. The transition from capitalism to Communism shows an extraordinary variety as to political forms. However, they must have one essential characteristic: the dictatorship of the proletariat. Marx proved that class warfare inevitably leads to the dictatorship of the proletariat. Thus Lenin was justified when he stated that those who accept only class warfare are not necessarily Marxists yet. They may still remain within the framework of bourgeois politics. Marx often emphasized the fact that the doctrine of class warfare was invented long before Marx by the bourgeoisie, which doctrine is acceptable also for the bourgeoisie. The only ones who could be considered Marxists are those who extend the acceptance of the class warfare to the acceptance of the dictatorship of the proletariat. Aside from absolutely maintaining this fundamental doctrine, Marx tied neither his own hands nor those of the leaders of the socialist revolution where the forms, methods, and means of the transformation were concerned. He anticipated that during the period of transformation many new problems would arise and the situation would often show strong changes. From this doctrine developed the teaching of Lenin that we must direct in all directions the political science, the cornerstone of which was laid by Marx and his teachings concerning the dictatorship of the proletariat, because life must not pass it by. As Lenin said, the doctrines of Marx gave us only general principles, which must be applied differently in England than in France, for example, differently in France than in Germany, and differently in Germany than in Russia.

Marx and Engels discovered and proved the tremendous importance of the political and economic superstructure in the development of society. They proved that the state is the most important part of this political superstructure, which reacts upon the economic foundation in so far as the transition from capitalism to socialism is made not by simply changing the forms of exploitation, but by abolishing every form of exploitation. Thus during the period of transition the state has a decisive role in the development of the economic foundation into a socialist course, which in turn is an indispensable condition for the development of the superstructure, primarily that of the state. For the practical development of this doctrine, for the preparation of the economic bases of socialism, the working class tries to use its new

political power, the state, during the various phases of development.

Thus with the development of the construction of socialism, the importance of the superstructure, primarily that of the policy of the Party, increases immensely.

Marx and Engels, analyzing the experiences of the revolutions of their times, reached the conclusion that between socialism and capitalism there definitely must be a transitional period, and that the form of this period can only be that of the dictatorship of the proletariat. During this period the proletariat will transform the economic basis of society. Such a transformation, which changes the economic basis of the existing classes, needs considerable time, sometimes a full epoch. The forms, the methods, and the roads of this transitional period may be different. Lenin said: "All the nations will achieve socialism; this is inevitable. However, they will achieve it differently, every one of them will endow the various forms of democracy with specific characteristics, the various forms of dictatorship of the proletariat and the various movements of socialist transition in the various fields of social life" (ibid., Vol 23, page 66).

In Hungary the peculiar form of the transition from capitalism to socialism is a variety of the dictatorship of the proletariat: the people's democracy, which also forms the political system of the transitional period in the eastern and southeastern countries of Europe, with certain peculiarities resulting from the specific situation in the countries involved. The political forms of the transitional period are immensely variable, depending on the development, specific situation, and characteristics of the countries involved. Lenin wrote: "While there are national and political differences among the peoples and countries...the international tactical units of the Communist workers' movement of the world...requires such an application of the basic doctrines of Communism (of the Soviet power and of the dictatorship of the proletariat) as adapts and accommodates and in its details correctly adjusts to the national and national-political differences... to the specific solution of the common international task" (ibid., Vol 31, page 83). Thus it must be clear that in the determination of the political form of transition from capitalism to socialism, the emphasis must not be on the differences, on the characteristics, or on the dissimilarities, but on the dictatorship of the proletariat, which is common and universal in the complete international revolutionary development.

The people's democracy does not match the functions of the dictatorship of the proletariat during both phases of its development,

although during the first, the democratic phase of the development of the revolution, the political basis of power is in essence the worker-peasant alliance, its main power is the working class, and its leader, the revolutionary Marxist Party.

During the two phases the people's democracy changes its class content. During the phase of bourgeois democratic revolution, the people's democracy as to its class content is basically a democratic, revolutionary dictatorship of the workers and peasants. During the phase of the socialist transformation the people's democracy is as to its class content a dictatorship of the proletariat.

Thus the people's democracy is equally a political system of both revolutionary phases of the transition from capitalism to socialism, in the democratic as well as on the socialist phases of revolution. This adds a peculiar characteristic to the transition from the first phase to the second.

For example, here in Hungary it was not necessary to carry out the transition with armed uprisings; it was only necessary to develop further the revolution which had already commenced. It was not necessary to overthrow the existing power, and we did not basically abolish capitalism and the bourgeoisie with a single revolutionary stroke, but through a series of gradual measures.

The two phases of the development of our people's democracy became indistinguishable during the process of historical events. The tasks intertwined, thus it is impossible to separate the two phases from each other. In certain respects we had already surpassed the framework of the bourgeois democratic revolution during the first phase, and we solved such tasks as the socialist revolution would have been qualified to handle. This was the case because the working class participated in the power from the beginning of the revolution, and in addition the Communist Party had a decisive role in the government.

The landmark between the two phases of the revolution was introduced by the unification of the two workers' parties. With this organizational and political unity of the working class it was manifested and made possible for the working class to take the power into its own hands. It consolidated the worker-peasant alliance, and within this alliance, the worker's own leading position.

The experiences of the last 9 years justify the people's democracy, which within the specific historical situation following World War II, proved its vitality and its suitability for the successful

materialization of the revolutionary tasks and magnificent aims of the working class. The decisive prerequisite of its creation and consolidation is the existence of the power of the Soviet Union, the magnificent victory which the Soviet Union achieved over the fascist aggressors and their vassals, the vast, steady and altruistic moral, economic, and political assistance which the Soviet Union gave to us, and, in addition, the changes in the international balance of power in favor of the Soviet Union and the socialist camp.

These favorable conditions made it possible for the working classes and the Marxist parties of the liberated countries to progress toward socialism on a different road than that of the Soviet: on the road of the people's democracy, thus, without a civil war, relatively more peacefully, more composedly, and with less sacrifice.

Our Party Has Proven That It Can Not Only Fight, But Also Govern

Dear Comrades!

The leading force of our people's democratic system and our entire social and political life is the Party. The Party is able to perform its monumental task successfully, because it is the vanguard of the working class, and because, hardened in the fire of class warfare, it embodies those great and valuable experiences which it acquired during long decades, during sacrificial battles fought for the overthrow of capitalism, for the construction of a socialist society. Conversely, it follows from this that the highest form of the class organization of the workers is the Party, which leads the working class and its organizations, as well as the manifold activities of the other mass organizations, and sets them to the task of accomplishing the magnificent aim of a people's democracy: the construction of socialism.

For the future of the country and its people, for the fate of socialism, our Party bears enormous responsibility, which can be met only if the management of the Party is based on an indissoluble fundamental unity which will render it capable of giving clear and correct guiding principles, with Marxist prudence, in all fields of the political and social life, equally in the fields of economics, politics, and culture. The Party, as the vanguard of the working class, after the conquest of power, extensively utilizes the new worker-peasant state as a potent tool of class warfare, for the complete liquidation of the former ruling classes and of their remnants. The Party secures, with the power of the masses from below, and with the means of power of the state from above, the consolidation and development of the worker and peasant power.

Among the many-sided activities of the Party, an important element is the fight which must be carried on for the freeing of the working class from bourgeois ideology and preconceptions, because this is the greatest obstacle to the construction of Socialism in the Human mind. Such a fight can be conducted in broad massive proportions only by the political party of the working class, armed with Marxist-Leninist scientific theories. Only this Party can exchange instinctiveness for consciousness in the ideological fields of class warfare. The ideological war against inimical influences has enormous importance in the activities of the state construction carried on by the Party. This must establish the proper relationship between the working masses and their own state; this must draw into the political activities the broadest masses of the workers, the primary depository of power, the working class, and make them active participants. This must be done, because the active participation of the working class in the exercise of power is the basic question of the people's democratic state, of the dictatorship of the proletariat.

From the very beginning the Communist Party was the vanguard in the difficult struggle for the new people's power. After the collapse, in the general lethargy, the Hungarian Communist Party was the only active force which proclaimed with confidence and faith in the creative force of the people the rebirth of Hungary.

The first sprouts of the new people's power, the national committees, were created by the leadership of the Party, formed by the initiative of the people. A series of people's committees, provided with broad power, were likewise active. Tens and hundreds of thousands of our working people were active in the land claim committees, in the production committees, in the shop committees, which in concert with the national committees solved tasks of historical importance during a short time, in the fields of construction and consolidation of the economic and political foundation of the people's democratic system.

The Party revived and directed the broad mass organization, the Hungarian National Independence Front, which is the heir to the Hungarian Front, formed in the fire of the resolute struggle against fascism. Our Party brought to life and directed the unity of the democratic forces, the Left-wing bloc, when within the coalition reactionary right-wing forces allied with outside imperialist help to defeat the democratic people's power. This bloc, after a weighty but successful struggle, ousted the representatives of the reactionary capitalist classes from Parliament and the Cabinet, step by step.

During the intensified class warfare the consolidation of our

people's democratic political power gained success, because after the Liberation our Party took into its hands the police forces, the state security authority, a number of key positions of administration, the key organization of economics -- those decisive, key positions with the help of which we were able to hinder, or at least to render difficult for the reactionary right wing forces, the using of the state apparatus against the people's democracy. The Party organized the fight against the reaction, in which we depended upon certain important key positions already in the hands of the working class, with the large-scale mobilization of the popular masses, in order to change the balance power in favor of the working class. In these fights our Party proved to our working people that it can not only fight but also govern.

The foundation for the decisive victory of the people's democratic forces was the fact that the broadest masses approved of the policy of the Party, which they considered as their own, and were willing to fight for it. The close connection between the Party and the broad masses was and will be in the future the guarantee of our success.

The magnificent results we have achieved since the year of the decisive changes, in the fields of the construction of the economic foundation of socialism, of the industrialization of the country, of the socialist reorganization of agriculture, and of political organization, further increased the successes of our Party. However, simultaneously, the resolution of the Executive Committee of the Party, on 28 June of last year, pointed out that the mistakes committed in the general policy of the Party -- with which the report of the Executive Committee to the Congress extensively deals -- were manifested also in the fields of state construction, the guidance of governmental organization by the Party, as well as in the relation between Party and State. During recent years the daily struggles for the winning over of the working class and the masses were kept in the background within the Party policy, and administrative means occupied the place of political mass work. The tasks of the Party and government organization were in many instances intertwined, with the result that the Party not only guided, but often substituted for, the executive and administrative organs of the state. This fact diminished the independence, authority, and responsibility of the executive and administrative organs, and it simultaneously raised difficulties for the Party in the actual political guidance of the governmental and council organizations. The difficulties which our government and council organizations encounter can be traced mainly to these facts. Experience proved that there is no substitute for the correct political guidance of the Party. Neither the Party's accomplishment of the tasks of government organizations, nor the Party's excessive patronization of these organizations substitutes for this.

It is absolutely necessary to confirm the June resolution of the Executive Committee concerning the mutuality of Party and state, in order to effectuate correct guidance. Only in this way can we secure the actual guidance of government and council organs by the Party.

The opinions which can be observed within the Party, which belittle the government organs and the local councils, which declare that the Party can solve all problems alone, are also incorrect, because they undermine the necessary authority of the government organs.

Precisely for those reasons, one of the tasks of major importance before our Party is the increase in all directions of the power, the organization, the authority, and mass influence of the executive and administrative organs of our people's democratic state.

The Dictatorship of the Proletariat is a Broad Class Alliance Based on the Worker-Peasant Alliance

Comrades!

The foundation of our people's democratic state is the worker-peasant alliance. The social system of our people's republic rests on the cooperation of these two classes. The leading force of this alliance, the base of the state, is the working class, which in the course of building socialism has increased in number and has become highly intent on the development of industry. Its conscientiousness has developed as a result of the educational work of the Party and trade unions.

The other pillar of this alliance is the toiling peasantry, which has also undergone profound changes in its social position as a result of the agrarian policy carried out by our people's democratic state and the socialist transformation of agriculture.

The worker-peasant alliance constitutes the social and political base of the people's democracy, which is a form of the dictatorship of the proletariat is much broader. Lenin pointed out that during the time of socialist construction the social nature of the working class, of the peasantry, and of the intelligentsia changes, the cause of a separation between them ceases to exist. Thus these social groups draw closer together with respect to economic, political, and spiritual relations, all of which establishes the formation of a broader popular unity than the worker-peasant alliance. We can not restrict the dictatorship of the proletariat to the worker-peasant alliance. Lenin pointed out: "The dictatorship of the proletariat is a special form

of class alliance between the proletariat, the vanguard of the workers, and the numerous nonproletarian strata of the workers (the petty bourgeoisie, the small proprietors, the peasantry, the intelligentsia) or the majority of these. It is an alliance against capital, an alliance aimed at the complete overthrow of capitalism, and the complete suppression of the resistance of the bourgeoisie and of any attempt on its part at restoration, an alliance aiming at the final establishment and consolidation of socialism" (ibid., Vol 29, page 387).

The dictatorship of the proletariat is a broader class alliance, dependant upon the alliance of the workers and peasants, in which the strata of the intelligentsia, petty bourgeoisie, and nonproletarians, actively participate in the construction of socialism. No construction of socialism is possible without their active collaboration.

The people's democratic state plays an important role in the inclusion of these nonproletarian strata in the class alliance of the dictatorship of the proletariat in proving to these strata that the dictatorship of the proletariat is more favorable to them than the dictatorship of the bourgeoisie, and that there is no third road.

Under the conditions of the people's democracy the People's Front is that broad, all-inclusive mass movement, the backbone of which is the worker-peasant alliance, which embraces the overwhelming majority of the population.

The People's Front is the manifestation of the people's unity and the alliance of the working people and the working class. Due to the fact that it is organized, hardened in battle, has great experience and consciousness, the working class, led by the revolutionary Marxist Party, is the leading force of this great alliance of the people. Marxism attributes great importance to the requirement that the working class, as soon as its power is consolidated, as soon as there arises a real possibility, should win over the might, petty-bourgeoisie strata of the population, among them the bulk of the peasantry. Lenin emphasized often and with great stress that only with the greatest efforts, only with the most meticulous, most careful, most prudent, and most skilled utilization of all forces, can the enemy be defeated. He also said that "we must utilize even the smallest opportunities to acquire allies with the masses behind them, even when these allies are temporary, wavering, dubious, uncertain, unreliable, or conditional. He who does not understand this doctrine understands neither Marxism nor the scientific socialism of our times in general" (ibid., Vol 31, page 60).

According to the teachings of Lenin, we must realize this basic

doctrine of Marxism, with the popular front policy of the Party, with the popular front embodying national unity. In our present situation, within the given conditions of class warfare, the creation of a broader and more comprehensive mass base than the worker-peasant alliance is greatly facilitated by the fact that as a consequence of the development of the revolution, the use of brute force is less prevalent, and presently during the first phase of socialist transition the peaceful tasks of the development of economic, social, and cultural activities becomes prominent. These are substantially the main activities of the state.

The experiences of past years prove that neither the Party nor the councils nor other mass organizations can be the comprehensive organ of such a democratic popular unity, which rests on such a broad basis and which rallies the broad masses of the petty bourgeoisie and intelligentsia around the worker-peasant alliance. This role can be fulfilled only by the Popular Front or by a movement similar to the Popular Front. The program of the Hungarian Workers' Party, declared at its first Congress, took the correct path for further strengthening the alliance of democratic forces when it declared that the Hungarian Workers' Party is working for the creation of a mass political organization of the unity of the people, the new Independence Front in place of the former rather lax coalition of democratic parties. The program statement emphasized that the Independence Front will be the single mass organization of the workers, peasantry, intelligentsia, and working common man, the close, active, and constructive alliance of all progressive and patriotic elements of Hungary. This aim, however, was not realized. The policy of the People's Front receded into the background and the Independence Front did not become a united active mass organization of the democratic and patriotic forces of the people.

The formal existence, and the activity restricted to only occasional operations, of the Independence Front, does not correspond to the important mission for which it was destined, the creation of the broadest national unity, the broadening of the democratic foundation of the dictatorship of the proletariat within our people's democratic system.

Experiences show that neither the Party nor the councils nor the other mass organizations were able, along with the People's Front, to properly embrace and attract the broad mass of workers, the bulk of the peasantry, which led to an increased laxity in contacts with the masses. However, during the present phase in the construction of socialism, which requires the mobilization of greater forces and broader political activities than during the preceding phase of the revolution, the role, the importance, and the tasks of the People's Front, have

greatly increased. The Party was compelled, in the lack of other mass organizations, to take over the duties of the People's Front, the rallying, the education, the mobilization for the great national duties of the broadest, most patriotic, democratic popular masses. This duty surpassed the strength, organization, and influence of the Party, primarily because of the political and organizational weaknesses of our rural Party organizations.

It is the task of the Party Congress to reach the proper conclusions from these facts. The strength of the Party and the government lies in their close contact with the masses. With this in mind, a new People's Independence Front must be set up on the basis of the democratic principles and have national and local organs. In determining the form of these organs, in the revitalizing of the traditional forms, the farmers' clubs, the reading clubs, the initiative of the masses must be given full rein. This new People's Front must be wider and more democratic than in the past. The realization of this aim means also that the new People's Front shall not be the unification of political parties or their fragments, but by the participation and leadership of our party, the unification of mass organizations and people's committees which embrace the broadest strata of the workers and in which participate the trade unions, the Association of Working Youth, the Democratic Association of Hungarian Women, the social organizations working in the scientific, cultural, and social fields, the National Peace Council and its committees, the various people's committees, production committees, tenant committees, the leading personalities of the political, social, and ecclesiastical life, the representatives of the intelligentsia.

In behalf of the Executive Committee of the Party, I propose that Congress instruct the new Executive Committee to be elected to prepare the rules for the conditions and form of activities and programs of the new People's Front, by the participation of the mass organizations and people's committees, as early as possible.

In the People's Front policy of the Party we must keep in mind -- if we want the new People's Front to be the most comprehensive social and political organ of the people's democracy -- that the People's Front must display increased and broader activities in the central strata of society, among the masses of the urban petty bourgeoisie, among the intelligentsia, and among the white-collar workers, who have considerable social importance, and whose winning over would be valuable for the people's democracy and is an important prerequisite for the success of the creation of a national unity.

The new People's Front must become not only a creative movement,

it must also be a militant movement. We must, in fact, create a front for the defense of our freedom, independence, and national sovereignty against the hostile efforts and undermining work of the reactionaries and the imperialists, both from within and without, a front in defense of peace and against war.

The new People's Front will become the army in this struggle, fighting for these great purposes, when it is more deeply rooted in the masses of Hungarian people. We must enrich the ideological content of the new People's Front. We must fuse together the ideas of independence and liberty, our centuries-old national traditions, which have great driving force on the masses, with the ideas of democracy and socialism. In the social and political activities of the masses of the People's Front we must put more emphasis on the ideas of patriotism and of the amity of the people. We must courageously and broadly revive the heroic acts of the resistance movement and the anti-fascist traditions of the Independence Front.

The political and administrative organs of our people's democratic system were created at that time in the name of the People's Front. Furthermore, the members of Parliament and of the local councils were elected on the ticket of the People's Front, and the government is the government of the People's Front. The People's Front is a social and political foundation upon which our state power and administration rest. This stalwart and durable social and political foundation must be further strengthened by the creation of the new People's Front and by valiantly introducing the policies of the People's Front.

The new policy of our Party, the consistent realization of the aims of the new course, the readjustment of our economic policies for the satisfaction of the needs of our working people, the ever-increasing trust and affection of our people toward our Party and government, and now the resolutions of our Party Congress, will create all the necessary conditions for the successful development of the People's Front policy. Since our first free spring, since the redistribution of the land, we have had no more favorable conditions for the unity and true friendship of the Party, government, and people. We must develop these with unremitting zeal. Accordingly, Congress should pass a resolution by which the new People's Front shall hold a national review of its masses this fall, which would be a magnificent manifestation of the power of the Hungarian People's Republic, of the unity of the Party, government, and people, as well as of the patriotic, democratic, peace-loving forces.

Our New Political Power is the Power of the People!

Honored Party Congress!

The decisive victory achieved by the working class, led by our Party, in a hard but successful struggle waged for the acquisition of complete power, and the radical turning point created by this victory, is recorded in the Constitution of our People's Republic, which declares in our basic law that "The Hungarian People's Republic is the state of the workers and of the peasants. In the Hungarian People's Republic all power belongs to the working people." These pronouncements of our Constitution represent the essence of the socialist state and also the radical differences which basically distinguish it from the old system. In the past, the role of the state was that it should, in the interest of the exploiting, oppressive, wealthy classes who formed a small minority of the population of the country, keep under their rule the working people, the overwhelming majority of the people, and to hinder with the repressive organs of the state attempts of the exploited and oppressed workers to overthrow their oppressors. In capitalist countries the state even today is but the tool of the oppressing ruling classes, where the political and repressive organs of the state, the army, the police forces, the judiciary, and the prisons are used for the oppression and restraint of the working people, for the advancement of exploitation, and where aspirations aimed at the liberation of the workers are suppressed. Thus the bourgeois state is the rule by a small minority of the millions comprising the majority, the rule of the exploiters over the workers.

In contrast with the bourgeois state, the state of the working people is the dictatorship of the proletariat, which is the weapon of the working class in the struggle for the creation of a socialist society. The dictatorship of the proletariat, one stage of which is the people's democracy, is the rule of the working class majority over the overthrown exploiting minority. Its aims are the abolishment of all exploitation and oppression, and the creation of a socialist state. Our people's democratic state is the state of the workers and peasants; it is a true people's power, which is administered by the urban and rural workers through their own elected and recallable representatives.

In the bourgeois state the elected public bodies are partially representative organs, while in our people's democratic state the elected political organs guarantee the active and permanent participation of the workers in the administration of state power. All organs of the executive level and administration receive their mandate from the working class. Therefore we do not have opposing central or local interests.

The elective, popular character of our political organs, and the inclusion of the broad masses of the workers in their activities, comprise the massive base of the democratic character of our state. This is possible only where the general population itself exercises the actual power.

In contrast to the bourgeois state, where duality of the legislative and executive power is customary, in our people's democratic state the unity of the political and administrative power is achieved with the local councils in such a way that, based on the principle of democratic centralism, the executive administrative organs are completely subordinated to the political legislative organs, which are also the representative organs of the workers, and the organs of the political power as well.

Our people's democratic state system has created immense opportunities for developing the capabilities of our working class and peasantry in building the state, acting in public affairs, and in running the state. It has released the forces which constitute the firm foundation of our people's democratic state. This explains why, in contrast to the old regime, the state which oppressed the people and which was formed and strengthened throughout centuries, our young system of councils which has been in existence for barely 3½ years had devotedly, honorably, and selflessly served the people in the cause of advancing the fatherland and the cause of socialism.

In the old regime, where the administration of state affairs was the privilege of the minority and of the wealthy, the workers were excluded from taking part in state affairs and it was said that these simple men could not comprehend them. The 3½ years of activities of our councils was enough to refute this fallacy and the humiliation and abuse of our working people. Tens and hundreds of thousands of the sons of our common people participate in the activities of the councils. Eloquent proof of their talents and aptitudes are shown in the magnificent results which they achieved in all fields of the construction of our new socialist society, in the fields of economics, politics, culture, and education. Before passing judgment on the activities of our councils, on the activities of their leaders, members, and collaborators, everyone must consider the afore-mentioned facts. Their unselfish, untiring efforts, their work for the cause of socialism, together with their results and faults, can only be appreciated.

This appreciation is expressed also by the fact that the Presidium of our People's Republic, on a motion by the Cabinet, on this day awarded decorations to more than 200 co-workers of local councils, for

their dedicated, honorable activities in behalf of the consolidation of our people's democratic state.

The Active Participation of the Working Class in the Exercise of the Power is the Decisive Question of our Socialist Development

Comrades!

The victory of the socialist revolution demanded from us the consolidation of the political power, which is one of the most effective weapons of the working class. In addition, we had to confirm the socialist character of the state machinery, in order to reorganize the economic foundations for our working people, because only in this way could we develop the socialist character of our state. Two roads were open before us for the rebuilding of the state: to develop and improve the existing state apparatus, which was in certain respects already remodeled during the democratic phase of the revolution, and to reshape it, making it more suitable for the performance of the functions of the dictatorship of the proletariat on the road to socialism. The other possible road: the radical dissolution of the existing state apparatus and the creation of state machinery of a new type, resting on the foundation of local councils. As is well known, our Party decided on the latter method. Pursuant to the resolution of 1950 concerning local councils, which is based on the Constitution of our People's Republic, we created the local councils as the local political and administrative organs of the people's democratic state.

With the creation of the local councils we constructed a state organization conforming to the demands of the people's democracy, and which is able to perform the functions of the dictatorship of the proletariat.

The local councils operate according to the principles of democratic centralism, and they represent on their own level the consolidated political power of the working people. The local councils rely directly on the population. As the broad mass organizations of the workers they mobilize the population to make it more active in the participation in social, economic, and cultural activities.

However, by the creation of the system of local councils we failed to proceed with adequate thoroughness and circumspection. In the system of local councils we have failed to apply those experiences and methods which were developed by the people's committees in the mobilization of the masses. Thus we deprived the new state apparatus, but primarily our local councils, of those resources, inherent in the

personal experience of the masses, which were acquired during the period of construction in the past. We failed to apply consistently the principles of democratic centralism, which led to the fact that our local councils had, especially in the field of economics, less independence than the former autonomes had at their disposal. In addition, we failed in the adequate preparation of the organizations of the local councils and failed to provide them with adequately prepared functionaries.

Certain other deviations from the correct principles of operation were observable also in other fields of activity of the councils. As is well known, in contrast to the capitalist states, the socialist states have important economic functions, as well. They have a decisive function in the construction of the economic foundation of the socialist state. Simultaneously, however, as the most important political superstructures, they have other enormous social, political, and cultural tasks. These tasks, however, were more or less pushed into the background within the activities of the local councils, which were unilaterally focused on economic activities. Consequently we underestimated the importance of the councils as mass organizations, we underestimated the role of the worker-peasant alliance, and in general the role of the working masses in the realm of politics, especially in the most decisive question of the revolution: in the consolidation of power and the new state system. We failed to adequately appreciate the importance of the political activities of the masses in the comprehensive activities in the construction of the foundations of socialism.

Our state-building policy was characterized by prejudiced attitudes. Concerning economics, we demanded serious accomplishments, but at the same time we neglected the day-to-day economic, communal, and social problems of the workers, primarily those of the working class. This led to a turning away of the masses, and directed the activities of the councils toward the direction of bureaucracy. This policy, together with the poor political and mass-educational performance of the councils, manifested itself in the deplorable fact that the working class, which is the possessor of the power and the leading force of the dictatorship of the proletariat, fails to display such active performance within the actual working of the local councils as is commensurate with its talent, importance, and responsibility.

The numerical representation of the working class should be in proportion to its political and social activity, especially in the political organs. The problems of control are the most decisive questions concerning our revolution. The most decisive problem in our socialist development is the active participation of the working class in the

exercise of the power.

A vital task of our Party and a prime condition for the consolidation of the dictatorship of the proletariat will be in the area of the activation and increase of activities of the working class within the political organizations. As we must search for the cause of the weakness in our councils, in the inadequate activities of the workers, we shall find guarantees for the elimination of difficulties and shortcomings in the increased activities of the working class.

The source of the difficulties with which our local councils are still struggling, as well as of the mistakes and deficiencies which are still evident, are to be found in the causes I have mentioned. These difficulties, errors, and deficiencies hindered considerably the activities of our local councils and also damaged the prestige of our people's democratic state.

The new policy of our Party, the objectives of the New Course, and the guidance of our Party Congress, will establish every necessary condition for the consolidation of political and administrative powers, as well as for the revival of the local councils. Initial results are already observable.

As a result of the economic policy of the New Course, the economic and political activities of the members of collective farms, of the toiling peasants, and especially of the peasantry with medium holdings, will increase. This increase of activities demands vigorous political, informative, and educational activities from the Party and from the local councils. These activities must be adequate to direct these increasing activities for the accomplishment of the aims of the people's democracy, for the construction of socialism, for the diminishing of the political vacillation of the peasantry, and for the inclusion of peasants, especially the peasantry with medium holdings, but the members of the collective farms as well, in the activities of the local organs of our political power and administration.

The political activity of the central stratum of the population may add increased vigor to the manifold activities of the local councils. Simultaneously, however, it is absolutely necessary that the members of collective farms, the poorer peasants, as well as the proletariat and partially proletariat strata of the rural areas are increasingly brought into the local councils, and that they be activated for all of the important fields of social, economic, and political operations.

In our people's democratic system our local councils occupy the

most important places. It is more important than anything else that they perform their duties well. Our Party must display special attention and extreme care toward the councils. We submit, therefore, to the Congress all those problems the discussion and solution of which shall present clear and precise, theoretical and practical, guidance to the members and to the organizations of our Party in the fields of state organization and of council activities.

Our Councils Must Become Local Political Organs and Mass Organizations

Comrades!

Within our people's democratic system the councils perform dual activities, political and administrative. The political functions are to direct and guide the activities of the state and of its organs. The administrative functions are to materialize and carry out the decisions of the political organs. The organization of the local council created a unity of this twofold political activity of the state. The councils, comprised of elected members, will perform the political tasks in their local relations. In this, extensive and vigorous participation of the masses must be encouraged. This clearly shows that our councils, as local political bodies, must also be broad mass organizations. In examining the more than 3-year-old activities of our local councils, we must come to the conclusion that in spite of their great and substantial results, the local councils were not always able to respond to the requirements and did not, in all respects, succeed in becoming the actual local political organs and mass organizations of our people's state.

It is a basic principle of the socialist type of state that the guidance of the councils as political organs can be carried out at the supreme level only by a political organ, namely, in our country the Parliament or Presidium. This is done directly in such a way that the guiding power itself discusses and makes decisions concerning the supreme guidance of the councils, as well as supervises the carrying out of these decisions. Which are the problems that, in connection with the performance of political power and mass organization, Parliament and/or the Presidium should deal with? These are the election and recall of council members, the dissolution of councils, the activities of the council members, the reports of and the reception time for the constituents by the council members, the territorial scheme of the council members, the organization of council meetings, the supervision of decisions and their implementation, rural meetings, the activities of the councils concerning mass organizations and their guidance, the approval of ordinances of the councils, the review, change, or perhaps

annulment of decisions passed by the councils, and, in addition, the complaints put forth by the workers must be dealt with.

In exercising the state power the fulfillment of tasks by the local councils was hampered by the fact that they were not, nor are they even today, subordinated to Parliament or the Presidium, although our constitution explicitly refers to this point. State administrative organs and, in the last instance, the Council of Ministers, are burdened with these tasks. With this we violated an important principle of socialist state organization, according to which principle the organs of the political power are superior to the administrative organs, and not vice versa. In addition, we seriously damaged the prestige of the councils, and what is even more deplorable, we restricted the authority and rights of the councils. However, in the system of the dictatorship of the proletariat, and also within the people's democracy, the councils must have the full authority and prestige transferred to them by the working class, and we must guarantee all organizational, political, and other conditions necessary for the exercise of this authority. Our people's democratic state can be consolidated only in this way, and only in this manner can we liquidate the weaknesses of our councils.

We must change the supreme guidance of the local councils as it is presently practiced, and we must consequently carry out the organizational and political consequences through our unified system. The experiences of many years have proven that it was improper to entrust the Council of Ministers with the supreme guidance of the local councils, which transferred this matter 3 years ago to the Minister of the Interior. It is an incorrect practice today to leave the guidance of the local councils within the authority of the Council of Ministers. This is only a temporary solution until the final and acceptable solution to this problem is substituted. Our recommendation is that the supreme guidance of the local councils, these political organs and mass organizations, be attended by Parliament and/or the Presidium, thus the Presidium shall occupy the position, as provided in the Constitution.

The dispositions of certain Ministries, even the dispositions of the Council of Ministers, violate the principles of activities in a socialist state, often hinder the political functioning of the local councils, when they pass directives to the elected political organs. The Ministries of Agriculture, Finance, Interior, Foreign Trade, the Ministry for City and Village Economy, and even other ministries pass stern directives in order to cause the carrying out of certain tasks. As an example of such dispositions, the case of the Office for Collection of Compulsory Deliveries of Geongrad County is characteristic.

During the first week in May this office directed the chairmen of the executive committees of the districts to carry out certain assignments related to the collection of compulsory deliveries. The office warned these chairmen that in the event they should fail to carry out the provisions, the Office would submit the case to the Executive Committee of the County Council and to the County Prosecutor's Office. It is obvious that such incorrect procedures must be terminated. In addition, those statutory rules according to which the Council of Ministers may annul or modify decisions passed by the local political organs, must be modified. This privilege must be transferred to and exercised by the Presidium. Deficiencies, anomalous procedures, and laxity within the operations of our local councils also obstruct their active participation in the political power. In the operation and in the exercise of their political functions a decisive part is due to the council meetings. However, according to present custom, these council meetings are only representative and formal manifestations. Because of the insufficient preparation of these meetings, the Council members have neither time nor the opportunity for thorough and careful analysis of the operations of the executive organs. Moreover, not infrequently the council members are hindered in the performance of their functions by their superiors in their place of work. This points to an unpardonable underestimation of the councils' performance. In a number of localities the council meetings are even today not collective manifestations. In their operations neither collective leadership nor the collective responsibilities of the council members are asserted. The problems of the council as an elected organ or a mass organization are seldom on the agenda. Problems directly affecting the workers, as problems of commerce or of education, for example, and also social cases, are pushed into the background at the council meetings. On the one hand, these affairs -- on the other hand, the formal and empty character of the meeting, together with agendas dealing only with the obligations of the people -- caused the fact that members of the councils are neither active enough nor participate sufficiently in the activities of the council. These facts are clearly shown by the records of attendance of the council meetings.

These deficiencies arise mainly from a series of violations of Council democracy. It occurs often that the executive committee unjustifiably and illegally replaces a large part of the elected council members, sometimes even the larger part. The executive committee of the city of Kecskemet illegally exchanged more than 50 of the 101 elected council members. This case demonstrates the fact that sometimes even the executive committees fail to account for their activities to the council meeting. Such a flagrant case was revealed last year in Bokes county.

Council democracy is often violated also in cases where council members move, when they settle in other localities, in cases of recall or cooptation. New council members are arbitrarily appointed or old council members are degraded as substitutes. Often the appointed council member will not be elected for months, or the executive committee has a chairman or secretary who was not even elected by the council.

In order to manage the tasks of the state power well, it is essential that council meetings be well organized and prepared, and that on the basis of collective labor and responsibility, the activity of the council members be well supervised. It is absolutely necessary that the prestige and superiority of the council meeting be guaranteed to the executive committee. The council meeting is the supreme manifestation of the local political power, to which the executive committee must be subordinated. Moreover, the complete carrying out of the decisions of the council meeting must also be guaranteed.

In addition to the collective work of the council members at the council meeting, they have other tasks as well. They must develop better and closer connections between the councils and the masses. Therefore periodic reports to the people and consulting hours are established. However, apart from few exceptions, neither the councils nor the council members have paid adequate attention to this problem. The periodic reports to the people, which would arouse the broadest interest in the population, are neither compulsory nor systematic. In many cases no such reports are made to the people. In a number of localities a certain percentage, in other places, the most educated council members, are scheduled to render such reports. However, they provide them with neither the aspects nor the principles of the case. Such reports are useless tasks; they arouse neither the interest of the population nor serve the development of connections between councils and workers. Such reports permit neither control by the constituents from below, nor their initiative to show itself. It occurs sometimes that a council member is unable to deliver a report because he is inactive in the council. If the delegates of the people fail to perform instructive, educational, social, and political activities, the masses will have no connection with the local disposition of state affairs. Therefore more care and attention must be given to the reports to and consulting hours for the people. They must be organized, prepared, and arranged with more responsibility by the competent councils and council members.

The vital force of the local councils lies in extending their

contact with the masses. An extremely important means of developing their activities along these lines is the standing committees of the local councils. In this field we have many unsolved problems. One of the greatest deficiencies of the local council is that scarcely half of the standing committees perform any functions. Therefore it seems reasonable to review what kind of standing committees should function in the various branches. The deficiencies in the functioning of the standing committees arose from the fact that with the establishment of the standing committees, Council democracy, which provides that members of the standing committees are to be elected from among the council members, was often violated. In spite of this rule, it often happened that a member of the standing committee was not a member of the council, or was appointed by the executive committee rather than being elected. In such situations the standing committee becomes dependent on the administration, and participates, on account of work among the masses, in bureaucratic operations. They have even been entrusted with the delivery of documents. This inevitably led to bureaucratism, and even brings discredit to the standing committees. Therefore we must not be alarmed if the standing committees fail to deal with laxities, abuses, and illegalities, or even take part in them. We must also abolish the incorrect and injurious practice, according to which certain ministries deal with the standing committees as if they were their own branch offices and transfer to the standing committees their own official duties. We must also provide for systematically informing the standing committees. It must not happen that standing committees or their membership remain uninformed on certain important measures or instructions concerning their own area of operations. One of the most important conditions for the consolidation of the councils is the development of the activities of the standing committees. Our councils must not forget the principle that the standing committee is the elected organ of the council, which performs its duty on behalf of and for the council. At the same time, we have to regulate the most important practical and theoretical problems of the standing committees. As the supreme organ of state power, the Presidium has the duty of preparing the relevant guiding principles, on the basis of which popular bulletins can be published.

Connections with the large mass organizations is a very important factor in the activities of the local councils. Favorable conditions for well organized collaboration exist only where the leaders or delegates of the mass organization, e.g., trade unions, the Association of Democratic Youth, the Democratic Association of Hungarian Women, etc., are members of the executive committee of the local council, and vice versa, the local council is represented by its members in the local management of these mass organizations. Nevertheless, this leaves

much to be desired. Leaders of the mass organizations often belittle the work to be performed in the council. The secretary of the Association of Democratic Youth of Budapest, a member of the executive committee, attended only three such meetings during the last 18 months, for example.

Adequate collaboration is often hampered by the councils themselves, when they call on members of the mass organizations not for political, educational, or instructive work, but require the performance of administrative duties by them. Many councils wrongly required members of the Democratic Association of Hungarian Women to deliver demands for payments and to participate in the collection of taxes or in the collection of compulsory deliveries of produce. In Budapest the district councils receive substantial assistance from these women's organizations, especially in regard to social control and their help to the elected tenants committees.

In general, the organization of the Association of Democratic Youth does not display significant activities in assistance of the councils. However, we can find scattered favorable examples. Moreover, connections between the councils and the youth organizations are in general lax. They fail to collaborate adequately, even in their mutual tasks.

We must place the connection between the local councils and the mass organizations on a greater foundation. Leaders of the local councils, as well as of the mass organizations, must realize that only close collaboration between councils and mass organizations can guarantee the necessary condition of the exercise of state power: the active participation of the largest working masses in administering state matters.

Local councils have the characteristics of political organs and mass organizations. This is accentuated by the very important fact that councils are bodies elected by the people, and that their elected members are subject to recall. The principles of election and recall have a great significance, on the one hand, concerning the connections between the council and the masses, and on the other hand in regard to the responsibility of the council members toward their constituents. This principle prevails in localities where elections are held according to territorial principles. This permits the constituent to supervise the activities of the council member and, through this, also the activities of the local council, which increases the responsibility of the council member for his activities within the council. Because of

the differing principles of our election system, mutuality between council members and constituents can not be maintained. Because of the lack of direct elections, the workers can not always consider the elected council member as their own delegate. At the same time, the indirect, nonterritorial elections serve to hinder the exercise of the right of recall. In order to consolidate the councils and broaden our democratism, we shall have to turn to a system of elections according to which council members will be elected on a territorial and personal basis, which will strengthen their connections with their constituents, increase their responsibility for the activities of the council, and make their recall possible.

Whether the councils as political organs perform adequate or unsatisfactory work depends on the guidance of the supreme state power. Therefore the new tasks which will, in connection with the activities of the councils, devolve to Parliament and the Presidium, will require the good organization of their activities in this respect, and will increase the standards of legislative action. Accordingly, increased activities must be demanded of the representatives with respect to the exercise of state power, the application of laws, and the control of the administration.

Representatives must also assist in their own electoral districts in the improvement of the activities of the councils, participate in council meetings, and cultivate the connection between Parliament and the councils. Reports to the people by the representatives must be systematized; representatives must receive the greatest possible assistance from our authorities and their proposals must be heard. The representatives must, with the exercise of their duties as legislators, win public esteem and prestige among the broad masses of the working people.

On the Administrative Activities of Our Councils

Comrades!

In addition to the performance of the functions of the state power, another most important and comprehensive range of activities of the local councils is in administration. Within the organization of our local councils the executive committees are the heads of administration. Their guidance is within the exclusive jurisdiction of the Council of Ministers, which exercises control and supervision over their activities. In principle this practice, as well as that provision of the law pertaining to councils, according to which the individual ministers also may exercise this right, is incorrect. This obviously must be modified. Supreme guidance is at present provided by the Council of

Ministers, exercising the right through its Secretariat of Local Councils. This is, however, not an acceptable solution, because an administrative office can not be the supreme guiding organ of the executive committees of the elected councils. The Council of Ministers may not assign this duty and jurisdiction, which is also manifested by the fact that the Council of Ministers deals in its meetings with the most important problems of the executive committees. The Councils of Ministers must issue the general policies concerning the relation between the executive committees and the special organs of administration. Only the Council of Ministers may decide on the modification or annulment of the decisions of the executive committee of a county, decide upon the agenda, and only the Council of Ministers may adjudicate in disciplinary cases involving functionaries of the executive committee of a county, etc. Only this form of supreme guidance may confer weight and prestige on the executive committees, which is necessary in controlling the various special organs of administration.

The supervision over the executive committees is the duty of the Council of Ministers. Therefore from its section concerned with the councils we have to create an appropriate organ for the supervision of and assistance to the activities of the executive committees. However, neither this organ nor that which is active within the Office of the Presidium may have the legal status of an authority, which means that decisions of merit may be passed only by the elected body directing its activities.

The role and jurisdiction of the executive committees of the councils are not clearly defined. The basis for their good work is the close collaboration of three organs. These three are the council as an organ of the state power, the executive committee as an organ of the administration, and the division or directorate as a special executive organ, each of which has its peculiar duty and function. Certain disturbing circumstances, however, render this collaboration difficult.

According to the principle of collective leadership, the activities of the executive committee are performed as a body. Consequently, members of the executive committee are jointly and severally, but also separately and individually, responsible for the activities of the executive committee. And according to the principle of dual responsibility, they are responsible to the council which elected them, to the superior executive committee, as well as to the Council of Ministers. The dual responsibility of the executive committees does not mean that the executive committees may modify, or refuse to carry out, the decree of a minister, although the ministers may not issue orders

to the executive councils. Simultaneously, it appears to be expedient to confer upon the executive committees of the counties the right to submit to the Council of Ministers certain disputed cases with the individual ministers, however, without suspension of the duty to carry out the order.

The development of the collective leading role of the executive committees is hindered by the fact that within the executive committees the number of exempted official members is ever increasing. Simultaneously, the nonfunctionary members of the executive committees, who do not receive duties, who play only passive roles, and participate at best only at the meetings, are pushed into the background. Thus the nonfunctionary members do not feel any responsibility toward the activities of the executive committee, which has the consequence that in the decisions passed, mostly the opinions of the active functionaries are expressed. This practice contains the danger of estrangement from the workers and their interests. The inclusion of the so-called "outside" nonfunctionary council members in the activities of the executive committee is one of the effective methods in the development of close connections with the masses. The realization of this goal is primarily the duty of the chairman of the executive committee and of his deputies.

Within the local councils the administrative tasks are divided into groups. Such territorial administrative branches are the divisions, directorates, and groups organized within the apparatus of the councils. Nationally the individual branches of the administration are held together in and directed by the individual ministries, which, as the supreme organs of the particular branches, are responsible for all of their activities. However, there is no appropriate harmony and cooperation between the ministries and the divisions and directorates of the local councils. The responsibility of neither the ministry nor the council divisions or directorates is adequately asserted. In order to guarantee the unity of the council system, we must regulate the jurisdiction of the divisions and directorates of the executive committees of the local councils, and we must regulate their relations with the executive committee as well as with to the ministry concerned. The councils and the executive committees thereof, which are organs directly elected by the workers in the particular territory, can not be unconcerned with the manner of carrying out the administration. Therefore the divisions of the council system are not only the local organs of the superior branch organs, of the ministries, they are also the administrative organs of the executive committees. Thus the divisions are under dual subordination. They are, on the one hand, subordinated to the superior branch organ, ultimately to the competent minister;

on the other hand, they are subordinated to the local organ of state power, to the executive committee. This dual responsibility, on the one hand, guarantees the assertion of guidance by the elected local organs of state power, and on the other hand assures the centralization of administration for the solution of problems of national significance.

Therefore in administration of the socialist type, the dual responsibility is an obligatory principle of organization everywhere where local circumstances must be taken into consideration. Consequently we have to carry out this principle. We must terminate the situation according to which the divisions operate as official organs of the executive committees, and as official organizations form bureaucratic units. They have no independence or separate responsibility, and their rights and duties are merged with the rights and duties of the executive committees. In order to eliminate this, we have to emphasize the true nature of the divisions which, operating under dual supervision, are provided with broad independent authority and responsibility. The divisions perform their administrative duties on the basis of instruction by, and under the control and supervision of, the Ministry and the executive committee.

In the interest of consolidation of the councils and the entire administration, we must provide for the assumption of one-man responsibility by the chiefs of the divisions and directorates in their own branches, within the jurisdictional territory of the council. They should be responsible for the solution of administrative problems to the minister, as well as to the executive committee.

In the socialist type of administrations the expression of the principle of democratic centralism is found. This is proven by the fact that the central and local organs of the administration are organic components of the state apparatus, that no conflicting interest exists or is possible between them, and that differences exist only so far as the extent of their jurisdictions and their subordination or superiority is concerned. This means that the executive committee operates under the guidance and supervision of the superior executive committee and of the council which elected it. However, the law as to councils also authorizes the individual ministries to supervise and to oversee the executive committees. We must modify this provision of law.

In order to consolidate the councils and to apply the principle of dual responsibility properly, we have to eliminate these incorrect opinions: (a) that the apparatus of the councils is unified local

authorities in which branch administrative organs have no independent jurisdiction, and (b) that the local councils hinder the executive activities of the ministries within the individual administrative branches, that therefore the most important administrative branches of the local councils should be removed from the organization of the councils. Such incorrect opinions must be changed. We must strengthen the organization and the activities of the councils, in order to form a unified state administration.

The chief organizational principle of a socialist type of state is democratic centralism, which must also be applied in our people's democratic state system. We have not consistently applied this principle in the practical workings of the councils. Our central state apparatus is overcentralized, and at the same time, oversized, and this is precisely the reason why it is overcomplicated and excessively bureaucratic. The organization of our industry, agriculture, commerce, and public health is just as overcomplicated, and is even more oversized and cumbersome than the administrative organization itself. These two facts have an extremely harmful effect on the local councils; they retard initiative and activities; they paralyze the activities of the working masses.

The reorganization of the administration and the activities of the local councils in accordance with the principles of socialist construction demand a complete reconstruction of the economic organization; the harmony of the latter with political and administrative organs; the termination of overcentralization; the rationalization, simplification, and reduction of the whole of the state and economic apparatus.

It is necessary to regulate relations between the organs of state administration, the economic entities, and the local councils. Related provisions of the law pertaining to the councils have not yet been implemented. Collaboration between these organs does not rest on a firm foundation, and there are too many jurisdictional trespasses and collisions. The central state administrative and economic organs, ministries, establishments, and directorates pour a multitude of tasks onto the local councils. These superior authorities consider the local councils their own organizations, serving the dispatch of their personal directives, and the organization of the implementation thereof.

Since their creation, the local councils have received an extremely large number of new tasks, but simultaneous with an ever increasing centralism. This led to the adverse situation in which, although the central administrative organs formally entrusted the local councils

with many tasks, the independent activity of local councils, owing to the extreme centralization, not only failed to develop, but considerably diminished. To decide even the smallest case, the council, the executive committee, or the division have no jurisdiction. The situation deteriorated so far that, for example, in the city of Budapest the district magistrate had more power before the creation of the council system than the city council has at the present time. These facts considerably discourage at least a part of the council members, who, like the executive committees, are generally unable to satisfy the justified requests of their constituents. Nor is the assistance of the resort ministers sufficient. The ministries often reach over the heads of the councils and directly interfere in the workings of such establishments and institutions as are under the supervision of the local council. Vice versa, these establishments also turn directly to the resort ministries.

We must regulate this problem with appropriate statutory measures in such a manner that the dual state power and administrative functions of the councils be more effectual, and that we may eliminate the troubles and anomalies from our state administration. First of all, the operations of the Council of Ministers concerning the local councils, and the similar operations of the individual ministries, must be radically altered. In the past the Council of Ministers was engaged mostly with economic problems. In numerous cases it passed extremely detailed decisions. However, the Council of Ministers dealt in only a few cases of comprehensive character affecting the function of the administration. Moreover, only a few of the resolutions of the Council of Ministers concerning the activities of economic and administrative organs provided adequate guidance for the executive committees of the counties for the carrying out of basic tasks within their jurisdiction. The greatest deficiency within the operations of the Council of Ministers, concerning the supreme guidance of administration, is the fact that it failed to review systematically the operations of the executive committees of the councils. Thus the Council of Ministers itself failed in guidance for further improvement.

The heads of the ministries did not adequately appreciate the role of the executive committees of the local councils. They often violated the independence of the executive committees, and by overreaching the executive committees of the counties, they violated the autonomy. The ministries and the central authorities displayed great impatience in connection with the operations of the councils. They feel that the council organization is outside of their jurisdiction; therefore they strive to withdraw their own organs from the organization of the councils. They did not attach any importance to the consolidation

and development of the council organization, but if they were unable to remove their special apparatus from the organization of the councils, they nevertheless strived to withdraw more jurisdiction from the official apparatus of the executive committees of the county councils. Such attempts were disclosed by the Ministries of Agriculture and Finance. This is the primary explanation for the fact that the supervisory and instructive activities of certain ministries are deficient, that a great number of inadequately prepared instructors visit the divisions of the executive committees. For example, between 12 and 18 April 1954 fourteen instructors visited the division of education of Somogy County from the Ministry of Education, and during the same period the county instructor also spent a week at the same division. The ministries and central authorities do not feel appropriate responsibility toward the section of working cadres of the council organizations, for providing adequate personnel. This deficiency is shown in the fact that in the Division of People's Education of the executive committee of the Budapest City Council -- at the center of the cultural life of our country -- the position of division chief has been vacant for 2 years.

In order to eliminate the gross deficiencies which are displayed in the supreme guidance of administration, the activities of the Council of Ministers must be improved. It is imperative that the Council of Ministers deal with the problems of administration, build more direct cooperation with the executive committees of the county councils, systematically review the activities of these executive committees, in order that supervision and control, as well as the actual guidance, be more effective. It should provide more guiding principles for these committees. And the individual ministries should insure that the decisions of the executive committees be carried out by the subordinated special branches, so long as the decisions are within the jurisdiction of the ministry concerned.

Comrades!

The effectiveness of the activities of our state apparatus depends absolutely upon the strength of the rural and urban local organs and on the directing council organizations, because these organizations provide for the direct solution of the problems. Therefore it is extremely important that the district councils have responsible, able, and adequately proportioned administrative organizations.

In general, in the Soviet Union and in the people's democracies the districts have a similarly proportioned organization. For the various branches of the administration special divisions are organized.

This organization provides the district executive committees with adequately prepared staffs. On the other hand, it enables the ministries, through their divisions in the counties, to guide, supervise, and control, from the bottom, the apparatus under their guidance.

The organizational structure of our administrative apparatus in the district does not conform to this principle. In general, not all branches of administration are provided with special divisions. They have special divisions, as a rule, only for finance, agriculture, and for the handling of compulsory deliveries. The other tasks are performed by groups with one of the deputy chairmen acting as chief. The increasing number of duties, the experiences which create the weaknesses of the councils of villages or districts, demand from us, in order to assist the village councils, that we lighten their work loads and strengthen the executive committees of the districts and their apparatus at the expense of the oversized county apparatus. We must strive to provide the district, in every branch of administration, with adequate organizations.

In addition to the solution of the organizational problems of the district councils, it is very important to strengthen their political status. The most important aspect of this problem is the improvement of the political guiding activities of the district Party committees. The Central Committee of our Party designated these tasks as the primary duties of the Party committees of the districts, with the provision that the county Party committees must be strengthened with politically well developed and cultured cadres. The improvement of political guidance is the most important condition for the political consolidation of the district councils. This is at present our decisive task.

The source of many mistakes was that within the operations of the councils, by the practical application of general organizational or political principles, local conditions were not respected, these principles being mechanically applied. However, it must be considered that not only in the various regions, but also in the various sections of the council organization, in the counties, districts, villages, and cities, the same problems appear differently and require different solutions. The same problems appear differently to the council organs of counties and districts which perform supervisory activities than to the councils of the cities and villages who are in close contact with the population.

Honored Party Congress!

Enormous tasks have developed in our local councils in the fields

of economics, culture, and education. However, the councils will be faced with even greater problems during the New Course for the construction of socialism. But our local councils have been unable to solve their tasks in a satisfactory manner because of being economically hampered.

It is now our duty to qualify the councils for the performance of their great tasks by eliminating everything which hinders their progress. The prerequisite of this, before anything else, is the increase of the independence at every level of the economic and financial activities of the councils, and the creation of adequate organizational and professional conditions. In the interest of achieving this standard, we must change the situation that exists in the counties, as well as in the provinces. However, we can expect success only if, in providing them with broader autonomy, the councils and the executive committees -- the elected organs themselves -- take the diverse economic and financial activities of the administration into their own hands, and, in addition, administer adequately with increased supervision of these activities, apply stern measures for economizing with the financial means of the state, which is one of the main principles of socialist economy, and eliminate wastefulness. So far the economic activities of our local councils have been extremely hampered by the rigidity of their budget system, by the fact that their investment plans and others depended largely on the ministries, and that the quotas of the councils as to investments and materials were often arbitrarily changed by the ministries.

The economic and financial activities of the local councils are fixed by their budgets. Therefore we must provide our councils with the opportunity, even at the time of the preparation of their budgets, to provide the financial means for their own economic and other activities. These opportunities are presently hardly provided. The autonomous financial economy of the councils is greatly hampered by excessive centralization and rigid restraints. Thus in the preparation of the budget there is no encouragement of initiative from below and the local interest is pushed into the background, thus hindering the successful work of the councils. Moreover, the budget system is extremely complicated. It is sufficient to say that the budgetary forecast of a village is divided into 28 categories, and within each category the designation of budgetary appropriations is divided into 23 headings. The directive for the preparation of the budgets for 1954 authorized the councils, in justified cases, to appropriate credit even above their quota. However, this authorization failed to bring practical results in every case. In the preparation of the budgets for 1954 ~~the~~ the councils received somewhat increased power. Thus it was possible

to increase their economic autonomy. However, no basic change has occurred there yet. The villages may use only about 10 percent of their quotas for local projects, in accordance with the initiative of the population, in line with the ideas of the standing committees and of the council meetings. This is partial explanation for the fact that for the discussion of their budgets the standing committees and councils hold only formal meetings, and the situation is exactly the same concerning the carrying out of the provisions of the budget. The procedure for permission for supplementary credits, necessary for projects arising in the course of the year, is complicated and bureaucratic. Formerly the situation was even worse, because the permission was within the exclusive jurisdiction of the Ministry of Finance. This situation has improved inasmuch as since the end of last year supplementary credits, up to 50,000 forints, may be granted by the chairman of the executive committee in the districts. However, the budgeting of the villages is rendered difficult, since the councils of the districts have no right to grant such supplementary credits. Thus the villages must, in the application for a supplementary credit of the smallest amount, turn to the council of the county. For example, if in a communal nursery the quota of cleaning equipment is not sufficient, the grant of a supplementary credit, even if it is for the insignificant sum of 100 or 200 forints, requires the following steps: the request of the nursery is filed with the village council; from here it goes to the Division of Finance of the district council, which forwards it to the Division of Finance of the county council; then the request finally reaches the Ministry of Finance, where it will be approved or perhaps denied.

Many -- and we can say justified -- complaints were raised by the populace concerning the bookkeeping and registering of taxes, which are done at present at the seats of the districts. In order to redress these complaints, the Minister of Finance ordered that the tax commissioners keep records in every village on the payments of taxes. Thus in the future every village council will have tax records which will include the dates of tax assessments and payments.

Local councils have no easier situation in the management of economic establishments, for they have no adequate managing organization. There is no adequate management by the local councils at present. The following case reveals that the council is not the master of its own establishments: Pursuant to the Labor Code, the Chief Medical Officer ordered that the Repair Establishment of the XIV District of Budapest had to grant to certain workers bonuses for health reasons. The bonuses were granted in a very complicated procedure. After reviews and initialing by the District Council, the Trust, and the

Division of Industry of the Capital of Budapest, the document went to the appropriate minister, who finally approved it. One of the consequences of overcentralization is that the ministries, without asking the local councils, transfer establishment from or to their own jurisdictions. Usually neglected and deficit-producing establishments are transferred to the councils, while well-operating establishments are placed under the direct supervision of the ministries. The organization of local industries on this basis neither serves nor assists the managements of the local councils.

The number of personnel of our local councils is inadequately regulated. The Central Committee on Personnel fixes the number of personnel as to departments and does not permit any deviation from this quota. The chairman of the local council is not authorized to transfer personnel from one department to another, even when absolutely necessary. Thus we must deal with such an intolerable situation as this, for example: If the Council of the District of Baranya wants to appoint a charwoman, the permission of the Central Personnel Committee is required. This latter sits in Budapest. Thus to receive permission for the appointment of the most insignificant personnel requires weeks, sometimes even months.

The executive committees of local councils obviously achieved certain results during the past years concerning the development and the planned and economical operation of their establishments. However, we must point out that the executive committees of the local councils failed to adequately engage in the management of the trusts and establishments within their jurisdiction. Only the executive committee of the Council of the Capital of Budapest produced significant results.

In general, the executive committees of the district and city councils deal with the problems of their establishments only when they discuss the reports of their Planning Division or of their Division of Finance, and then only from the point of view of the fulfillment of the plan, or concerning financial results. It is a rare occasion when they discuss, together with the assessment of the operations of the division, the management problems of the establishment or other problems concerning local economic policies.

Until recently, the organization of establishments under the management of the local councils was characterized by overcentralization. Considerable centralization occurred even with such establishments. As after the creation of the local councils were under the management of the inferior village or city councils. This we can observe in small-scale commerce and in the food industry, under the management of the

communities. That tendency is also undesirable according to which a part of the establishments are gradually transferred from the local councils into the jurisdiction of trusts which are under the direct supervision of the ministries.

So that the operations of establishments under the management of the local councils be better planned, and that they better serve local interests, we must radically change the methods of management of these establishments of local interest. We must avoid unnecessary overcentralization, and, in general, we must transfer to the management of the local councils those establishments which serve the local population. However, it is also necessary for the local councils to improve the management of their establishments and deal more efficiently with the over-all economic problems of these establishments. At the same time, the competent ministries must grant more autonomy and jurisdiction to the local councils in the management of their own establishments. Moreover, within the framework of the national plan, the local councils must have broader possibilities for the preparation of their own plans.

One of the most important duties of the executive committees of the local councils -- if they intend to be the real masters of their territory and if they are concerned with the interests of the population -- is to give increased attention to the local planning, to give broad publicity to the plan, and to mobilize the worker for the fulfillment of the plan.

It is absolutely necessary to regulate the relations of the councils with the establishments and trusts which are not under their management. In this respect neither the jurisdiction nor the rights are adequately regulated or spelled out in the statutes. General regulations were issued only concerning the food industry. However, these regulations are also incomplete. The establishments, trusts, and other secondary economic units often disrespect the rights of the local councils, and in many cases they are unwilling to even carry out the orders issued by the councils acting as administrative authorities. In order to eliminate such occurrences, and in the interest of the consolidation of the state power and the local organs of state administration, it is absolutely necessary to authorize the councils to supervise and demand accounts from those economic and cultural organs which provide for the requirements of the broad masses of the population within the jurisdictional territory of the council. The executive committees of the local councils must participate in the preparation of the plans for the development of these establishments, provided that such a planned development has a substantial effect in their jurisdictional

territory. At the same time, the ministries must check to see that their economic organs, the trusts and establishments, carry out completely the decisions of the local councils concerning them.

Our local councils can become the real masters of their territories only if we unfasten their chains and develop their autonomy concerning planning, financial matters, investments, quotas of materials, the creation of good local conditions for the performance of tasks of national significance, as well as the satisfaction of the economic and cultural requirements of the population.

No successful communal policy is conceivable without these conditions. However, a good communal policy and a close and direct contact with the population is one of the most effective means for the mobilization of the masses and for the disclosure and utilization of local reserves.

If we eliminate overcentralization and relax the economic and financial restrictions on the councils, their connections with the workers will be strengthened and the confidence of, and assistance by, the broad masses of the workers, which they offer to the councils by their participation in state matters, will be increased. This is absolutely necessary for the fulfillment of the enormous tasks of the New Course, which are aimed primarily at improving the living standards of the population and at the increased satisfaction of their requirements. With the creation of the autonomy of the councils, we shall free the initiative and creative power of the workers, with the consequence that the social, economic, and cultural life will flourish.

The great source of power, latent in the councils, is displayed by the fact that in spite of present restrictions, they achieved substantial successes in a number of economic fields. The executive committee of Hajdu-Bihar County found out, on the basis of the report of its Division of Industry, that the plan prepared by the Ministry of Light Industry is not applicable to the local conditions. Thus the plan will not serve the interests of the local population. The executive committee turned to the Minister of Light Industry, who, after a local survey, accepted the proposals of the executive committee and modified the plan for the light industries of the county accordingly.

The executive committee of Borsod County prepared appropriate plans on the basis of a survey by its divisions of Planning and Industry, for the distribution of the products of the local building industry and prepared practical measures. The result: the provision of the populace with building facilities became greatly improved.

I could bring up endless examples to illustrate the good and competent performances of the councils. One of the greatest benefits which we can provide is to relax their chains. The other field where we must offer far-reaching assistance is in the struggle against bureaucracy.

The struggle against bureaucracy, for simplification, and a reduction in the costs of the state apparatus, the struggle to bring the state apparatus closer to the masses, is a particularly important task of our Party and government. Our aims concerning economics, politics, and culture require more accomplishments from the state apparatus than before. We can not achieve our aims without the simplification and improvement of the state apparatus, without reduction in its costs. Every link of the chain of state apparatus must solve precisely the problems before it, must struggle against bureaucratic delays and against the opposition appearing here and there. The struggle against bureaucracy is not new; however, it has improved the state apparatus very little; it is still oversized, expensive, and bureaucratic.

The reason for the speedy growth of bureaucracy should be sought not in the local councils but rather in the work of the higher organs of state administration. There are too many decisions of the Council of Ministers, which make thorough preparation and review difficult. Consequently, in many cases the modification of the previous decisions became necessary. The great volume of the decisions causes them to be belatedly issued and there is little time for their implementation. These deficiencies can be observed in an even greater extent in the work of the individual ministries. During the first quarter of 1954 the Ministry of Finance issued 387 directives. This was surpassed by the Ministry of Domestic and Foreign Trade, which sent 472 directives of a general nature, plus circular letters, during the first quarter of this year, to the Division of Commerce of the Council of Svolnok County. These are in addition to the decrees and directives published in the Gazette of Commerce. The crowning example was furnished by the Ministry of Agriculture, which from 1 January to 5 May 1954 sent to the Division of Agriculture of Svolnok County 1,328 separate documents, while approximately the same number were sent to the divisions of the surrounding districts.

Within the deluge of documents, the Ministries often issue contradictory directives and regulate innumerable problems needlessly. However, they care little about issuing the necessary directives for the implementation of their decrees. Directives of implementation are often issued belatedly and are carelessly prepared, which makes the work of the inferior organs more difficult. Sometimes no implementing directive is ever issued. However, the competent ministry has little

concern about what the local council will do. On 29 March 1954 the Council of Ministers issued its resolution on the improvement of rural commerce and certain organizational problems. The carrying out of the provisions of this resolution is obviously the duty of the Minister of Domestic and Foreign Trade, which, however, failed to issue the implementing directive. Thus the deficiencies which the resolution was to eliminate are still in existence. The deluge of papers with which the higher administrative organs flood the council apparatus simply paralyzes the operations of the village councils. Although the village councils are the weakest links in our council system, the great mass of dispositions converge there, and they have to carry out every resolution, decree, and directive. Often the organs of the counties and districts transfer the documents to the village councils, by simply changing the address and signature, thus causing these village councils more difficulty. We should not be surprised that these overburdened councils have no possibility of processing the deluge of directives received, much less of supervising their implementation.

Some of the most important tasks of our Party and state bodies in the struggle against bureaucracy is to improve the system of control for the carrying out of higher decrees, to simplify office work, to coordinate the administrative system with the system of our people's economy and with the demands which economic developments make on the state apparatus.

We can perform the improvement of the state and council apparatus and the elimination of bureaucratic distortions therefrom, by the correct organization of the performance of their duties. The basic and greatest deficiency of our council apparatus is that they carry out badly, and often distortedly, the decisions of the government. The systematic supervision of the carrying out of Party and governmental decisions is not only one of the means of the struggle against bureaucratism and procrastination, it is also one of the most important means of guaranteeing the appropriate class standard for the operations of the councils. Lenin held that supervision is extremely important; we can say that he held it all important. "To supervise the men and to supervise the accomplishments; that, and exclusively that, is the essence of our job and of our entire policy" (ibid., Vol 33, page 218). One of the most important conditions for carrying out Lenin's instructions, and that the supervision of accomplishments become an effective means toward the improvement of the council apparatus, is the inclusion of the broad masses into the supervision of accomplishments, and thus to show the new strata of workers and peasants how to perform state administration. Any kind of "struggle" which is not supported by the spontaneous activities of the working class, which attempts to

substitute the supervision by the workers and peasants with the activities of another apparatus, will fail in the true improvement of the state apparatus.

In the improvement of the state apparatus and in the elimination of bureaucratism, the Communists working within the state apparatus have outstanding roles. Those Communists who fail to learn the duties of state administration, whose work is negligent, and who fail to penetrate the essence of their work, even if they are performing leading and directive operations, are not in the forefront in the struggle for the political line of the Party, in which the strengthening of our state, the improvement of our state administration, and the elimination of bureaucratism occupy important places. These Communists harm, rather than help, the cause of socialist construction. However, we can solve these problems with the leadership of such Communists as are real masters of their fields, who comprehend the selection of men and the supervision of their work, who train themselves in the fields of production they occupy, and who are able to work and undertake responsibilities.

For the prevention of bureaucratism and the overloading of our local councils, we must consistently carry out the principle that only the competent superior organ may issue directives. One of the greatest obstacles in the work of our local councils is that they receive too many and too complicated directives, mostly negligently composed. It is exemplary of this fact that during the year 1953 the Ministry of Domestic and Foreign Trade, as well as its supervisory organs for commerce, sent approximately 4,500 directives and other documents to the Division of Commerce of the executive committee of the county council of Fehér County. Of these, the number of directives and documents sent directly by the Ministry of Domestic and Foreign Trade was no less than 2,856. However, the division received precious little assistance concerning the carrying out of these directives. Another form of bureaucratism is that the ministries and other secondary organizations demand unnecessary and frequent reports from the council. A real deluge of paper arises, in which they drown. Our decisive task is the struggle with this deluge of documents, this is now on our agenda when we define our tasks against bureaucratism and for the improvement of the operation of our state administration.

We must simplify the administration of the councils, for example, their method of bookkeeping, which is too complicated and renders administration too difficult. The situation is aggravated by the fact that in the villages, for every column of every title of every branch of administration separate sheets for receipts and expenses must be kept, the number of which generally goes up to 120 or 130. In the

field of statistics, registration and bookkeeping, maximalism must be eliminated, and by the elimination of unnecessary administration we must reorganize state apparatus to be much cheaper than it is today. By the correct selection of personnel, we must increase the professional level in the apparatus of local councils, especially with the young intelligentsia just coming out of the colleges and universities. These measures will assist considerably in the stabilization of the council apparatus and will eliminate heavy fluctuation in personnel.

The Task of Our Party: To Guide and Supervise the Operations of the Councils

Dear comrades!

In order to eliminate weaknesses and deficiencies in the operation of the councils, and in order to carry out the decisions which this Party Congress will make for the improvement of the council's operations, we must radically change the operation of the Party organizations concerning the guidance and supervision of the councils. One of the reasons why the connections between Party organizations and councils are unsatisfactory lies in the fact that a considerable part of our Party committees and even many Party functionaries are not in line with the role of state power and state apparatus concerning the construction of socialism. Our Party propaganda failed to instruct the Party members and Party functionaries on this problem. However, we can improve the operations of the councils only if the functionaries representing Party policy at the heads of district or county Party organizations or in higher state functions know the state organization of the people's democracy, its basic principles, and its rules of operation. We do not have this yet, but this is our aim to be achieved.

The development of the local councils was retarded by the fact that Party committees of the counties and districts did not, and even today do not, consider the councils as political organs and mass organizations. These Party organizations did not claim the requirements according to which the councils could operate as political organs or as comprehensive mass organizations. The councils were not trained to be autonomous and they were considered as administrative machinery, which could be directly mobilized by the Party for the performance of certain tasks of the state.

The Party organizations have guided and guide today the council and the apparatus through one person, through the chairman of the executive committee. This incorrect method of guidance and connection will be altered by the acceptance of the new rules of organization,

which propose the formation of Communist Party groups within the councils. Thus the guidance by the Party of the council will be placed on a proper foundation and in line with the Party's convictions. The formation of these Communist Party groups will have great political significance concerning the future operations of the councils. We may say with good reason that this will be the greatest guarantee of their consolidation. It will promote the development of the councils as political organs and mass organizations, it will increase the activity of the Communists working with the council and their responsibility, it will inspire the standing committees, and it will strengthen criticism and self-criticism in the council.

Difficulties were raised also by the fact that Party organizations, in general, belittle the work performed within the councils, and that they offer little political assistance to the councils. Instead, they perform state tasks by themselves and set the councils apart, although the duties of the party organizations lie not in implementation but in guidance and supervision. The Party committees of the counties and districts, as well as the Party organization of the villages, must supervise more systematically and more effectively, the operations of the executive committees of the council. At the same time, we have to improve the political work of the Party organizations operating within the council apparatus and define the struggle against bureaucracy as to their primary objective.

The fact that our rural Party organizations have not grown in proportion to the tasks confronting them, but have actually become weaker in some places, has greatly affected the work of our village councils. We can understand the real significance of the dangerous nature of this fact when we take into consideration the increase of class warfare in rural areas.

How can we explain the fact that our rural Party organizations have fallen behind in their tasks? First of all, of course, there is the weakness of Party work in rural areas. In our rural Party organizations the functionaries are often deficient in independent thinking and training. They are not at the head of the masses, but are often lost within them. Lenin pointed out that Communists, if they want to keep their leading roles, must tower at least a head above the masses, which means that they have to display more knowledge, greater experience, and a broader intellectual horizon.

Our rural Party organizations are still unable to develop a stratum of the toiling peasantry which is able to assist the Party organization in the performance of its tasks, which could create close

collaboration between the Party organization and the broad masses of the rural population. The construction of socialism in the rural areas depends on whether we can advance with the broadest masses, with the whole of the toiling peasantry.

The main cause of the weaknesses or backwardness of our rural Party organization is the lack of close connections with the peasant masses. This is shown also in the relation between the Party organizations and the councils. Besides the weak rural Party organizations, our rural councils are also weak, which seriously endangers the socialist reorganization of our agriculture, the leading of our toiling peasantry toward the road of cooperative farming. Consequently we must strengthen our rural Party organizations, increase their influence, and broaden their mass base, because this is an important link in our socialist advancement which we must seize, in order to secure the success of our forward march on the entire front.

Above all of our rural tasks is the consolidation and strengthening of the leading role of our Party organizations, which can be performed only by a close and lasting connection with the non-Party peasant masses. Without this it will be impossible to strengthen the local organs of our people's democratic state power, the consolidation of our councils.

Another cause of the weakness and irresolution of the local councils is in the attitude of the Communist members of the councils, that is, their peremptory manners and belittling of the non-Party masses. Stalin said that a Communist should treat a non-Party person as an equal, should not lord over him, but listen to the opinion of the non-Party persons. Moreover, the Communist should not only teach them, but should learn from them as well.

To the tasks of the Communist members of the councils also belongs the guidance of manifold economic activities. But to be able to manage, one has to acquire a full knowledge of the facts. This is now the task of the Communists in rural areas. The Central Committee of our Party put a serious task before our rural Party functionaries -- that they must learn quickly and well the basic fundamentals of farming, and within one or 2 years must pass examinations on these fundamentals. Only in this manner will they be able to guide and supervise the economic activities of the local councils.

Another serious weakness and obstacle to their mass influence in the activities of our local councils lies in the fact that Communist council members still fail to set good examples, still fail to be at

the top, still fail to show initiative in the manifold activities of the local councils.

The deficiencies in the activities of the local councils result from the lack of criticism and self-criticism, which at the same time points to the deficiencies of the political and educational activities of the Party organizations. The Communist or non-Party members of the local councils do not consider criticism and self-criticism necessary yet, do not yet consider it as an organic part of their activities. Criticism coming from below falls on deaf ears.

The leaders of the local councils become more and more accustomed to working without supervision and criticism from the masses, which inevitably leads to the belittling of the masses, to the elimination of criticism and self-criticism of the activities of the local councils. Thus initiative from below, signals as to mistakes or problems, are pushed into the background. More than a few of the leaders of the local councils only seldom associate with the masses, because there are questions asked which they can not leave unanswered. However, we must also point out that the local councils receive unjust criticism fairly often. Certain ministries, especially the ministries for the collection of compulsory deliveries and of agriculture -- instead of constructively criticizing -- abused the local councils, which did not assist in the creation of a spirit of correct and just criticism.

We may pass the best decisions, we may carry out the best measures for the solution of the problems of the councils and administration, but they will create only the prerequisites. The solution of the problems depends on the cadres, who decide everything. It is unquestionable that the errors and deficiencies which can be found in the activities of the local councils there definitely contributed the fact that as a result of the council elections in 1950, the composition of the local councils and executive committees was not adequately formed. The Party and the state were not well prepared for the guidance of the councils; they failed to train leaders for the councils in sufficient quality or quantity, especially for the village councils. Moreover this was done only partially even after the elections. The fact that a great number of hostile elements were concealed in the council apparatus rendered the cadre situation of the councils more difficult. In addition, during the purge of the councils, great numbers of honest workers were incorrectly stigmatized, while others were relieved because they recoiled before often excessive tasks, both of which created uncertainty, expressed in a great fluctuation within the apparatus.

The cadre policy of our councils is rather narrowminded, in spite of the fact that the activities of the councils are extremely varied and manifold, embracing almost all fields of life. The general development, the construction of socialism, the increasing demands of the masses, increased the requirements made of the activities of the councils, particularly as regards their leaders. This fact shifts a dual duty on the cadre policies of our councils. We must far more effectively provide for the political and professional training, for the development of the independence and the skill in leadership, for the broadening of the general education, of all collaborators of the councils. At the same time, we must include in the activities of the councils the intelligentsia and the youth from colleges and universities. We must leave room for the development of their abilities in their own professional fields. In the rural areas we are hardly able to increase the level of the activities of the councils, without including the forces of the rural intelligentsia. The circle of intelligentsia active in the rural areas is constantly enlarging. We must consider as our most important duty the placement, through the activities of the local councils, into the service of our People's democratic system that great and valuable force which is represented by the teachers, agronomes, physicians, engineers, and other strata of the rural intelligentsia. The higher the political training, the Marxist-Leninist preparedness of a functionary active in Party or state work, the better and more effective the results of his work will be; and vice versa, the lower his training and preparedness, the more likely are troubles and failures in his work. A very important field in the consolidation of the councils and of the improvement of their activity and procedure is the on-the-job additional training of the co-workers of the council apparatus.

We must give increased attention to the training of cadres provided for in the Council Academy, in the 5-month schools of administration, and within the postgraduate 2-year professional training course. Within the framework of state education we must exercise increased care that in addition to professional training, the level of the general education of employees of the councils be broadened. The competent ministries must, by increasing the professional training in their own field, effectively assist in the training of cadres for the councils.

The employees of the councils perform enthusiastic, devoted activities. They serve the state of the people with honor and loyalty. We can mention their difficult and responsible activities only with great praise and appreciation. Provided that we increase their professional training, and ensure adequate political educational work, we shall

strengthen their convictions; they will be able to perform any tasks that the Party or the government should ask them to carry out. Their attitudes toward their work and work discipline also improved. During the last quarter, only half as many disciplinary offenses were committed as during the same period of the previous year.

We must make every effort, and this must also be the duty of every functionary, to increase their ideological education, in order that they be able to penetrate into the meaning of the principles of the decisions of the Party, that they be able to orient themselves independently with the basic problems of the government of our country and of the construction of socialism, that they be able to solve without serious errors the important problems of state administration, which are fairly complicated during the present phase. The head of a council can perform the local tasks with responsibility if the general line of Party and governmental policy is understood and accepted. Moreover, if this policy is not narrowed down to the local tasks of the councils, but is applied to the national political, economic, and social activities, it becomes an active factor of the public life and leadership of the state.

It is necessary to have more self-confidence, more eagerness to act, and more initiative. The leaders of the councils must realize that in the post in which they have been placed by the confidence of the people or by higher state or Party organs, they must live up to their duties, carry out their tasks, and obey the decrees of the government, the laws, and the decisions of the Party. Leaders of the local councils and primarily the chairmen of the executive committees of the counties must create close, direct, and durable connections with the people, within the full activities and organization of the council.

They must constantly give attention to the repercussions of governmental measures designed for the benefit of the people, how these measures are accepted, what kind of comments are voiced, what is approved and what is objected to. They must not mistake criticism from below, comments, or suggestions for the malicious, fault-finders of hostile elements. Only in this way can they perform their tasks and from day to day, over and over again, win the confidence of the broad masses for their activities and measures.

The 3½ years which are behind our councils have not passed in vain. The old cadres acquired enlightening experiences, and the new cadres grew up along side of them. They served our people in the field of state activities, with the guidance of our Party.

The Tasks of Our Councils

Dear comrades!

The new and magnificent tasks arising from the goals of the New Course, the economic, administrative, and cultural tasks which will be performed in almost every field, will be performed through the activities of the local councils or with their assistance. The realization of the aims of Party decisions or of the programs of the government depends on the good or bad activity of the council, whether these good and correct decisions will be carried out as well and as properly as they are intended. The attention of our local councils, of their leaders and personnel, must be concentrated on the decisive tasks which are, during the coming phase, in the foreground of the policy of our Party: the raising of living standards, the increased satisfaction of the material and cultural needs of the people, the socialist reorganization of agriculture, the strengthening of the discipline toward the state, the strengthening of the fulfillment of civic obligations, and an increased struggle against the class enemy.

In the interest of raising the standard of living of the population, local councils must concentrate on intensifying the development of local industries and resources. In order to improve the supply of the population with mass consumer goods, the local councils must give more attention to the work of the local industrial cooperatives and individual handicraftsmen and to better supplies of goods by the retail trade network. Considerable attention must be given to the work of repair shops and communal services, so that the needs of the people can be satisfied in all respects. The communal activities of the councils must be broadened; communal services, as well as social and cultural institutions, must be developed; individual initiative must be promoted; and in the fields of communal policy the activities of the masses must be developed through increased efforts by the standing committees in carrying out the plans envisaged on the basis of the budgets.

According to the decision of the Executive Committee of our Party on 31 October of last year, the pivotal problem of the further construction of socialism in Hungary, the decisive link in our entire development and of our Second Five-Year Plan, is the development of agricultural production. This is an aim which we can realize only through the united efforts of our Party and our people. The carrying out of the measures aimed at the development of agriculture, the application of decisions pertaining to local conditions, is the duty of the county, district, and village councils.

To achieve this aim, the councils must be greatly assisted by their people's educational organizations, through propaganda campaigns, and through the mobilization of the masses. Our local councils must greatly encourage the proposals and initiative of the workers. They must unearth and utilize all local possibilities and reserves, they must develop work competitions. Through the organization and activities of the production committees we are able to place the best forces of the villages at work in the field of the development of agricultural production. Our village councils have achieved excellent results in this field. They mobilized the forces of the masses, in order, to carry out the Party and government decisions. The new policy of our Party added great momentum to the work, which offered broad opportunities to our councils for the creation of close cooperation and mutual confidence with the local population, with the toiling peasantry. Our local councils must, by the utilization of these extremely favorable conditions, perform the manifold agricultural tasks with energy and vigor.

The successful attainment of the goal in this provision of the Party and government decision concerning the development of agricultural production requires the strengthening of the leadership of agriculture on all levels of the councils. Therefore county, district, and village councils should be reinforced with qualified personnel or by the regrouping of such personnel.

In addition to the development of agricultural production, our local councils must be concentrated also on the socialist reorganization of agriculture. An important task within the activities of the councils is the economic and organizational consolidation and development of our collective farms.

The district councils, especially, have the important tasks of assisting the collective farms, increasing their profitability, and defending them against subversive aggression by the enemy. The necessity for the defense of the properties of the cooperatives and the necessity for the increase of labor discipline must be publicized. The autonomy of the cooperatives must not be violated. The executive committees of the district councils must offer increased assistance to them in the preparation and coordination of their production, financial, and budgetary plans. Members of the local councils must keep permanent and active connections with the production cooperatives, and must feel responsible for their activities.

Socialist lawfulness is the firm basis on which the activities of our political and administrative organs rest. Socialist lawfulness is

based on guaranteeing civil rights and on the exact requirements of state discipline and of the fulfillment of civic duties. Socialist lawfulness is the expression of the will of the broadest masses of the people, under the leadership of the working class, and is a very effective means for the construction of socialism, for the defense of the people's democratic system. Socialist lawfulness must be manifested by the fact that every state or social organ, official, and citizen abides by and assures the enforcement of the laws and other statutory rules. In our people's democracy these provisions have their guarantees. One of them is the widespread participation of the working masses in the activities of the state, in the exercise of power as well as in administration.

The other guarantee, in our country and in the people's democratic countries generally, lies in the fact that the laws and statutory rules are not regulations imposed upon the people from without, but express the will of the overwhelming majority of the population and correspond to the interests of the workers, since the legislative power is also exercised directly by the people through its central and local organs. Every employee of the state, and especially the personnel of the local councils, must keep this in mind. This must be the firm foundation which prevents any kind of wavering concerning legality. Thus, there will be no recurrence of the dilemma; the leaders of our local councils allegedly found themselves when they failed to realize who had committed excesses or who are simply opportunists. As if, there could be only laxities or excesses committee in carrying out the law. They do not think that the law can be carried out well and correctly. This must be kept in mind before all else concerning the activities of the local councils, the more so because this is an important aspect of socialist legality. In these respects serious laxities can be observed concerning the activities of the leaders and employees of the local councils. Lax state discipline and socialist legality are not compatible. And this is the root of all troubles. If the leaders and workers in the local councils fail to fulfill their legal duties, they will be unable to induce others to obey the laws. And if there are serious deficiencies, this is the explanation! Laxity in state discipline is the weakest element of our entire council apparatus. Can the council stand on the firm foundation of socialist legality, where, for example, in the village of Tiszabördel in Szabolcs County, all members of the council are in arrears? Or in the District of Tiszafüred, where in five villages out of eight the chairmen of the executive committees were in arrears in the first quarter of this year? Neither of the council members of Szolnok County present exemplary behavior concerning the observance of the laws. In the District of Szolnok 587 members of the executive committees are imposed with compulsory

deliveries. About 259 of them have yet failed to fulfill their obligations to the state. Can there be legality there, where discipline is so lax? There can not! There can only be illegality, either in the form of laxity or in the form of excesses. Only strict state discipline can protect the leaders and personnel of our local councils from errors, laxity, and excesses. We have no wonder drugs against this. Therefore within the activities of our local councils and other state organs, the most important task before them is the strengthening of state discipline. This is the decisive link within our entire field of state activities, and accomplishing this, we shall be able to eliminate all weaknesses and increase the prestige of our state power.

It is the primary duty of the local councils to obey and cause the enforcement of the laws concerning rights and obligations, in all fields of the political, social, and economic life. Experience shows that serious uncertainty exists in our local councils concerning legality, concerning the application and enforcement of the law, especially in regard to demands for the fulfillment of obligations to the state. They interpret legality only unilaterally, they strive to secure all legal rights, but fail to demand the fulfillment of legal obligations. They fail to apply the provisions of the laws and they fail to apply punishment for omissions, which is clearly shown by the arrears in taxes and compulsory deliveries. Leaders, functionaries, and personnel alike must realize that not only the excesses committed during the application of the law are violations of the laws, but also omissions concerning the nonfulfillment of civic obligations, against which no less rigor must be applied than against excesses. After the uncertainties, it is now time to accept responsibilities in the defense of lawfulness and in the strengthening of the prestige of the state.

It must be stressed that the demands for enforcement of the laws will not weaken or deteriorate the relations and connections of the councils with the working masses. On the contrary, it will strengthen the councils, it will improve their relations with the people, and it will increase the prestige of the state.

Weak, lax, and uncertain state organs have no prestige in connection with the working masses, and this will help to undermine our council organizations. The just and strict application of the laws -- not laxity -- will bring the masses of the working people and the masses of the rural peasantry on the side of the councils. The sense of justice of the people demands this of the leaders and personnel of the councils. Nothing can shake the confidence in the councils and the confidence in their just and legal activities more than the shirking before illegalities shown by our council organizations and by their

personnel, as well as when they close their eyes to defaults in the fulfillment of obligations.

One of the important requirements of the strengthening of state discipline, and a prerequisite of the just and strict application of the law, is that the leaders and personnel of the councils, as well as the interested populace, realize that edicts have the force of law -- the resolutions of the Cabinet, as well as the statutes issued by the ministries within their authority. In the interest of these requirements we should wage a broad propaganda campaign among the population for the purpose of providing an explanation of the statutory rules affecting the workers. Mastery of the statutory rules and directives affecting the activities of the councils must be made compulsory for the leaders and employees of the councils, through intensive studies and preparation. Oral explanations of the statutory rules must be systematized at small meetings.

Even in the fever of the peaceful activities of construction, our local councils must not forget that they are the organs of the dictatorship of the proletariat, that they are the weapons of the working class in the struggle against the enemies of the people. We must keep in mind the fact that "the decline of the old system will not result from the weakening of the state, but from the maximal strengthening of the state, which is absolutely necessary in order to liquidate the remnants of the dying classes and to organize our defenses against the capitalist remnants," said Stalin (Questions of Leninism, Szikra, 1953, page 485). The councils, as local organs of state power, leading the patriotic democratic popular forces, must vigorously stand guard over our people's democratic system and its achievements. The class enemy, the former figures of the Horthy regime, the lackeys of the oppressing regime, the kulak and capitalist elements, are still conducting undermining and ruinous activities. Toward the class enemy the councils, as organs of state power, must act with the might and severity of the dictatorship of the proletariat and socialist lawfulness, which thwarts and suppresses the attacks and undermining activities of the enemies of the people. The task which accrues above all to our local councils is firm resistance in the defense of our people's democratic system.

Honored comrades!

The broad democracy of our local councils is manifested by the fact that they are elected by secret ballots of the workers themselves. The foundation of the mutual relations between the councils and the constituents is that confidence with which the people elevated their

own delegates to the offices, into the leading positions of power and administration. To serve honestly in the interest of the constituents is the first duty of every council member. The elections of the local councils took place in October 1950. The term of office of the council members is drawing to a close in October of this year, according to the provisions of the Constitution. Our councils, their leaders and members, must again appear before the people and give an account of their work. The judgment of our working people will render the verdict over their work. The election of the local councils is a great event in the lives of our people. Its preparation involves widespread and varied activities of propaganda and organization, activities of a social and political character, the accomplishment of which must be the foremost task of our local councils during the coming months. We must be prepared for the elections, the results of carrying out the Party and government decisions, the results of the strengthening of state discipline and the fulfillment of obligations toward the state, the resulting strength of the council organizations. We must be victorious in the name of the People's Front!

In spite of a number of shortcomings, our local councils have, during the 3½ years of their existence, advanced a great deal in the development of the state. As a result of the Congress, a new chapter has opened in the development of our council system, the first important stage of which will be the elections of the local councils. Our councils, freed of errors and deficiencies and richer with experience, will more successfully develop their activities in state administration. The new policy of the New Course places magnificent tasks before our administration, before our local councils. Our working people rally around our councils, giving them strength. Our councils are building on the firm foundation of the worker-peasant alliance. The greatest task now before our Party is the strengthening of the state organs of our people's democratic system in every direction, and the stabilization of the worker-peasant power. This is the cornerstone of the entire policy of our Party.

The resolutions of our Party Congress will offer the guiding principles which are to be consistently accomplished within the activities of the councils. In these fields extraordinary tasks are awaiting the leaders and personnel of the local councils. They must keep in mind the fact that through the improvement of the activities of the local councils we shall advance mightily toward the victory of socialism.

Our people's power is strong, because its vanguard is the battle-hardened working class and its foundation is the inexhaustible strength of the working people. But above all, the strength of our state lies

in the fact that it is led by the revolutionary Marxist-Leninist Party. This is the greatest guarantee that the state power of our people's democracy, together with all the activities of our local councils, serve, always loyally and unfaltering, the sacred cause of the fatherland, the people, and socialism.

THE TASKS OF HUNGARIAN SCIENCE

[Vol II, pages 576-579]

(Introductory speech held at the grand session of the Hungarian Academy of Sciences on 14 June 1954.)

Honored Academy!

It was barely 2 weeks ago that the Third Congress of the Hungarian Workers' Party completed its work. Its guiding principles, its resolutions, mark the goals for the years ahead which we must reach, the tasks which we must perform in every area of our economic, political, and cultural life. Our Party, having accumulated all the great and valuable experiences of the work and struggle of the 10 years since the Liberation, and drawing upon those of the Soviet Union and the friendly people's democratic countries, which have enriched the camp of the builders of socialism, gave ideological and practical guidance and a clear perspective to the future development of the Hungarian people's democracy. The third Congress of our Party clarified the important ideological questions of the transition and the problems of the operation of the economic rules of socialism with the scientific method of Marxism-Leninism and accordingly set the Party's and the government's main task -- the constant and consistent elevation of the population's material well-being and cultural standard. These main aspects have been considered in the guiding principles of the Second Five-Year Plan, through the fulfillment of which -- as is also established by the report of the Central Committee -- our formerly backward agriculture has caught up with socialistic industry, socialist production has become dominant in the people's economy, and the basic economic principle of socialism have gained general validity in our people's economy. With all this we lay the foundations of socialism in our country.

There is no doubt but that the goals and the guiding principles of the Party Congress gave a perspective to the Hungarian Academy of Sciences, to our entire scientific life, and to every branch of science, in having determined those short-range and long-range tasks upon which our scientific activity must be concentrated.

The Party Congress gave to scientific activity thereby a valuable ideological content, and it is the task of the Academy of Sciences to better utilize and exploit it and to apply the resolutions and guiding principles in the field of sciences.

Honored Academy!

While the Party Congress represents an enormous step in the determination and guidance of the ideological content of scientific activity, we also make further steps in securing the financial prerequisites for our scientific work. Parliament will begin to discuss the 1954 state budget tomorrow, and within the framework of the budget, scientific work is given more consideration than in previous years. The material means provided for in the government's budget for scientific research work, -- in which the Academy of Sciences, with its multifarious activities, occupies a leading position -- will secure the accomplishment of those magnificent tasks which the construction of socialism sets for the various branches of science.

During the period of the First Five-Year Plan the government appropriated 1.7 billion forints for purposes of scientific research work, 800 million of which was appropriated for investments. The budget of the Academy of Sciences has increased from the 1950 figure of 26 million to the 1954 figure of 138 million forints. Of this, the research institutes' share has increased during the last 4 years from 3.5 million to 51 million forints.

In accordance with the main task that lies ahead of the Academy, the budget furnishes for the purposes of agricultural scientific research work, in comparison with the 1953 figure of 3.4 million forints, 8 million forints this year. A close to 4-million-forint appropriation secures scientific research work in connection with technological development.

This year is the first time that the budget of the Academy provides money for the research work that is carried on in the university departments and clinics and other institutions. It furnishes a very significant sum: 10 million forints. About 60.4 million forints is appropriated for the training of postgraduate students doing research work. About 11.5 million forints will be used for academician, doctoral, and candidate degrees, and a further 3.3 million forints is provided by the government for prizes and scholarships. These are facts that are tangible proof of the self-sacrifice with which our working people furnish the financial basis for the development of science. Nor does the government give less attention to the security of our scientists' financial condition, which is newly evidenced by the provision of pensions for scientists and their dependents. The great social appreciation and support of scientific research work is expressed by the Kossuth prize, the highest honor, which our People's Republic has awarded to 79 scientists so far, among whom two have

received the Kossuth prize twice. At the suggestion of the government, the Presidential Council of the People's Republic, in appreciation of their excellent work in the promotion of research work and the development of sciences, grants various state honors to numerous worthy representatives of the sciences on the occasion of the grand meeting of the Hungarian Academy of Science.

The Party Congress and the Parliamentary session, the Party's ideological guidance and the government's financial support, show that our scientific life has never been so much in the center of the interest and care of society, that science has never been appreciated as greatly, that scientific work has never played such an outstanding role in the social, economic, and cultural life of the country as today, in the period of socialist construction. This is magnificently proven by those outstanding scientific achievements which not only in our country but throughout the world have gained recognition and appreciation for Hungarian science and its outstanding representatives, who, following the traditions of our great scientists, have increased the fame of our Academy of Sciences, with newer, more valuable discoveries.

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[The above is the translation of pages 576-579 of the original speech, which extends from page 576 to page 598 in the original.]

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