

Political trials against the leaders of cooperatives in the 1970s

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Introduction

In the end of the 1960s and the beginning of the 1970s, on their visit to Hungary, politicians, diplomats and tourists from both the East and the West were equally amazed by the abundant food supply in various shops and markets. The reason that they were amazed was that in the countries of the Eastern block, it was in agricultural produce that shortages were most dramatically revealed. In Hungary, however, the mere food supply of the population was no longer a problem. The fulfilment of more subtle needs had become possible.

Abundance of food was not the only reason why the 1970s had become the Golden Age of 'consumers' socialism'.¹ The bulk of Hungarian households were mechanized; washing machines, refrigerators and televisions came into general use in these years.² Housing conditions also improved significantly. Due to a housing programme, all of the one million flats projected in 1960 had been completed by 1975. These rapid, large-scale building projects continued in the years between 1976 and 1980, leading to a completion of a further 453,000 new flats. People in the countryside went on to build two or three room flats which were mainly by self-built. These new flats had not only water and electricity installed, but also flush toilets and bathrooms.³ Wealthier people could even purchase cars, building-plots and weekend-houses. The number of tourists to and from the country grew.

The New Economic Mechanism, introduced on January 1st 1968, played a decisive role in bringing about the results of consumers' socialism listed above.⁴ The main purpose of the reforms had been to decrease the problems of the planned economy and to enhance its efficiency. In order to attain this, the authorities intended to reduce the

role of central planning on the one hand and to increase the self-determination of the individual enterprises on the other. One-year and five-year plans had still been conceived. However, the regulations on quantity, quality and resources of production had no longer been compulsorily imposed on enterprises. They had changed from compulsory and immediate directives to indirect economic regulators (e.g. taxes, loans, non-refundable support). Enterprises had grown more independent in the fields of both production and investment.

Certain elements of the market economy (e.g. prices, profit, taxes, loans) had thus been dovetailed into the framework of the planned economy. These elements, however, could only emerge within certain limits, as clearly shown in the following two examples. For fear of inflation, prices had not been fully set free, which led to three different types of pricing systems: fixed prices, prices fluctuating within the frame of official limitations, and free prices. The avoidance of unemployment had influenced the reorganization of enterprises; a certain part of the profit they had made had to be drawn off in order to support enterprises showing a deficit.

Having considered all these limitations, we may still declare that the Hungarian economy had developed dynamically after 1968. National income grew by 6,8% a year in the period between 1966 and 1970, surpassing the value of 4,1% of the first half of the 1960s, and it went on to grow by 6,3% in the years between 1971 and 1975. Within economy itself, it was the agrarian sector that adjusted itself to the New Economic Mechanism most rapidly.⁵ It is therefore no wonder that this sector showed spectacular development. The cultivation of corn and maize, and based on this, the per capita produce of meat, eggs, vegetables and fruit in Hungary became one of the most outstanding cases on a world-wide scale.⁶

A significant factor of the outstanding yields in agriculture was among others the special division of labour between household and collective farming.⁷ While collective farms had brought remarkable results in the field cultivation of plants and in mechanized farming in general, household plots did very well in labour intensive cultivation (e.g. the cultivation of vegetables and fruit) as well as in the production of certain animal products (eggs, pork, etc.).⁸

The rapid growth of agrarian produce had ensured a balanced increase in the consumption of foodstuffs on the one hand; on the other, it had allowed a spectacular improvement in the living conditions of

farmers. In addition to this, it helped rectify the foreign trade balance, due to a growth of agrarian exports. Not only farmers, but the entire society did benefit. Considering all this, the comprehensive assault on this highly successful sector in the first half of the 70s seems baffling. Agricultural cooperatives had to suffer a number of economic and administrative aggravations; later their managers even had to face criminal procedures.

What makes the crisis evolving in the beginning of the 1970s even more remarkable is the fact that the relationship between the state and the agrarian population was an entirely different one in the 1960s. Although collectivisation ended in 1961, the yields in agriculture had not been satisfactory for some years and the country stood in need of imports. The leadership of the MSZMP found itself in a very difficult position due to its policy of living standards announced after 1956. In order to increase agrarian produce – lacking the adequate amount of mechanization and investment – they depended on the diligence of the peasantry, as well as the construction and means of production of the household plots. The state had been compelled to make concessions; they had to tolerate the cooperatives' initiatives coming from the ground up that had made cooperative members interested in produce of greater quantity and better quality. Since these concessions contrasted with the original Stalinist kolkhoz-model in several ways, the state only tolerated them in practice.⁹ They were legalised only at the time of preparation for economic reforms in 1966–1967.

The harmonization of interests of state and agricultural cooperatives, the 'dialogue' that had been characteristic of the 1960s gave place to confrontation from the beginning of the 1970s onward. The assault on cooperatives was part of a broader process which saw the economic reform process slacken in 1972 and the dogmatic forces gain strength within the party leadership. Many aspects of the political and economic change of the early 1970s have been explored in previous publications.¹⁰ Nevertheless, the change in the relationship between the state and the agrarian population has not been studied before.

This applies first of all to the legal and criminal proceedings against leaders of cooperatives, since the relevant sources have not been available. The opening of the archives in the 90s provided the long-awaited opportunity to explore the subject in depth. The author of the present study attempts to summarize the irrational process that led to the defamation of the leaders of some of the most successful

agricultural cooperatives.¹¹ I shall present the show trials against these leaders within the framework of the onslaught against agricultural cooperatives unfolding in the early 70s. In the first part of my study I shall explore the scenes of this attack, that is, the way the campaign against cooperatives appeared in ideology, administrative measures and the field of economic regulators. In the second part I shall concentrate on the characteristics of the series of show trials. Keeping track of all these is only possible within the framework of an interdisciplinary approach, in which economic, sociological and legal aspects may have their place beside historical ones.

1. Ideological, economic and administrative dimensions of the assault against agricultural cooperatives

According to a wide-spread notion in the historical literature, the slackening of the reform process ensued in late 1972 and the anti-cooperative campaign during the period between 1973 and 1978. In contrast, my archive research confirms that both processes started earlier, yet with the telltale signs largely kept hidden.

Significant antecedents of the change in 1972 could be discerned as early 1970. The tenth party congress, held in November 1970 provides a good example. János Kádár, Secretary General of the MSZMP, emphasized in his speech:

„The people taking measures on a political level shall reckon with the economic impact of their decisions; on the other hand, people dealing with economic questions shall consider the given political circumstances. *The assertion of economic viewpoints may not, however, doubt the Marxist axiom of the primacy of the political level.*”¹² (italics Zs. V.)

Studying the congress speeches and the debates taking place in the sessions of Political and Central Committees, one might retrace the groups making up the Hungarian anti-reform forces. In the 1950s and the 1960s it was heavy industry that got the greatest part of investment, due to its proclaimed primacy.¹³ The large factories of iron and steel metallurgy and machine industry had become privileged, that led to the rise of a strong lobby of factory managers. This lobby also referred to the axiom, that, in building socialism, it was the working class that deserved the leading part. All this had ensured them privi-

leges not only in the securing of resources but also in each and every question of political supremacy.

The heavy industry lobby received strong support from the leadership of the trade unions, as well as non-expert members of central and county economic party commissions. The leading personalities of the anti-reform forces were Béla Biszku, Zoltán Komócsin and Sándor Gáspár.¹⁴

Authors exploring the reasons of the slackening of the reform process used to emphasize that large-scale industrial works overindulged by permanent subventions of the state saw their former privileges in danger after the introduction of the New Economic Mechanism. Based on my research I think, however, that factory managers had not resented the reform process from the start. This notion is supported by two facts. The first one is that the reforms had not included the reorganization of companies, and the second is that the income of company managers increased rapidly due to the new profit-sharing system introduced in 1968.¹⁵

This group's aversion to the reform only appeared later, in 1970. That was the time when they realised how the measures planned as the second step of the reform process would affect them. Following the decision brought by the Economic Policy Department of the Central Committee of the MSZMP in 1969, a detailed plan of company reorganisation had been completed by 1970; in fact, within the course of that year, the corporation of about 70 to 80 factories, trade companies and transport services had been revised.¹⁶ The second part of the reform process would have had large monopolies and trusts split in pieces with the intention of establishing efficient small and medium-sized companies. Besides company reorganisation new sorts of demands had been set up; the emphasis had been shifted from political reliability to professional skills.

The aversion of large enterprise managers to the reforms had grown even stronger after the change of the profit-sharing system in 1970. While profits could have risen up to 80% of their annual income after 1968, this ratio fell to as little as 20% to 25% in 1970.¹⁷ On top of it, this restriction did not apply to leaders of cooperatives. This had upset company managers in spite of the fact that their average income had still exceeded that of the leaders of cooperatives.

Company managers had also been bothered by the lobby of the agrarian sector that had gained strength in the meantime and expressed its interests with growing explicitness. They had criticised the ex-

tremely high prices and poor quality of machines and implements produced for agriculture, as well as the wide gap between the prices of agricultural and industrial products.¹⁸ These arguments appeared particularly sharp in the preparation of the fourth Five-Year Plan starting in 1971. Behind the scenes, a fierce battle started over the distribution of investments in 1970.¹⁹ The heavy industry-lobby disapproved of the agrarian sector obtaining a record proportion (18%) of all investment in the course of the preceding five-year period and they wanted to maintain their former privileged conditions at all costs.

Since an open clash of interests was out of the question in the one-party system, conflicts appeared in the domain of ideology. The number of ideological debates in newspapers had grown significantly from 1970 onward.²⁰ After the introduction of the reform process, an expanding stratum of society accepted the notion that the existence of groups with different interests is also characteristic of the socialist society. According to the former socialist principle, individual, group (also: company, cooperative) interests should be subordinate to 'social interest' (i.e. the interest of the society). The primacy of social interest had been emphasized again. Some people even meant that if individual and group interests had been construed to the detriment of the whole society, the state should take a strong line.

A further sign of the ideology-based preparation for counter-attack was the debate around proprietorship. Although the reforms of 1968 acknowledged cooperative property as equal to state property, the press started the discussion whether they should really be considered as such. Cooperative property had been criticised first of all because of its household plots and subsidiary enterprises. These debates were particularly important because in the socialist regime, the modification of certain axioms indicates the reorganisation of preferences of state power.

These ideological discussions had, in fact, already been preparing the ground for the measures taken against the cooperatives. Anti-reform forces – referring to the interests of the working-class – kept objecting to the income of cooperative members touching the one of workers. In the second half of the 1960s, due to the produce of the household plots and the upswing of subsidiary enterprises, the level of income of farmers had increased to the level of the working class income, and by 1971, it had surpassed that.²¹ This new situation had shown that, as an unfavourable by-effect of the reform process, the various social groups could not assert their interests with the same ef-

iciency. The group that came off most badly were the factory workers who lived in towns and, thus, had no opportunity to obtain supplement wages. This group had felt that the reform process had brought them no advantages whatsoever. In addition, they had also been bothered by the fact that some of their colleagues who had been commuting could get additional money by joining household farming through their family connections. The discontent of the urban working class had been intensified, sometimes even dramatized by the managers of large-scale industrial works, local party organisations and the trade unions.²²

Not even this, however, would have been sufficient for an assault on cooperatives. The growth of the agrarian sector brought significant profit to the population, due to a rapid and balanced increase of consumption, and also to the government, since agrarian exports improved the foreign trade balance greatly. The decisive factor had been the change of international opinion on the reform process. Following the events in Czechoslovakia in 1968, the stifling of the local reform process by force of arms, Hungary had not only been left alone with the reforms, but the general view of the New Economic Mechanism had become unfavourable in the entire Eastern block. The party leadership in the USSR as well as other socialist countries found it highly perilous that market orientation had gained strength in the Hungarian economy.²³

It would not be easy to retrace the way pressure from the outside worked, but we might suppose that it showed favour to all those showing an aversion to the reform process right from the start. To them, the events in Czechoslovakia were proof that such processes had been dangerous. This had also served as a recurring reference point of criticism.

The following quotation shows us some aspects of the critique. Accepting the invitation of the Secretary General of the SZKP (*a Szovjetunió Kommunista Pártja* = Communist Party of the USSR), János Kádár paid a visit to Moscow in February 1972. Here is how he informed the members of the Political Committee about this top secret meeting:

„In one phase of our discussion comrade Brezhnev [...] launched a long argumentation in which he expressed his deep concern about certain negative features of the Hungarian economy and some phenomena with tendencies he found perilous.[...]

They observe a process that has implements, financial resources, as well as precious manpower gradually passed over from the highly important state-owned sector to the much looser cooperative and private one.

They also see a change in terms of earned income. The income of a relatively small proportion of the population increases rapidly while that of the much greater mass of the working class increases only very little or not at all. Prices run high and certain consumer goods are available for wealthier people only. This generates discontent and may lead to serious social or even political tensions in the future.

Concerning the situation mentioned, comrade Brezhnev made it clear to me, that by saying this, he merely expresses his fraternal concern. There are several different opinions on our reform process, but this is, as he said, our business. He does not consider the situation itself tragic, although there are some upsetting phenomena. He is also aware that the party, the government and the trade unions are dealing with the situation and there had already been some reparatory measures taken. He finds the Central Committee should do more in this domain. Generally spoken, central leadership – including the government – should take a firmer hand on the process and the measures needed so that unfavourable tendencies might be reversed more easily.”²⁴

Following direct and indirect criticism showing up in various shapes and forms, the party leadership in Hungary kept reaffirming that they had not planned any substantial reorganisation, that the reforms accomplished had not brought forth an economic system differing from the ones of other socialist countries and that there was no such thing as the 'Hungarian model'.

The inner opposition took advantage of the political pressure coming not only from Moscow but also from the GDR, Czechoslovakia, Bulgaria, and the Central Committee of the MSZMP slackened the New Economic Mechanism in its session held on November 14th–15th 1972.²⁵ Although it was not totally revoked, the measures taken in the following months indicated that the government halted the reform process.²⁶

On March 1st 1973 the wages of workers and managers of state-owned factories and state-owned construction industry were raised with a reference to the interests of the working class. In terms of re-centralisation, the fifty biggest state-owned companies had been replaced under direct central supervision. The following figures indicate the degree of centralisation very well; the fifty biggest companies had provided about half of total production, more than 60% of the exports

and had been employing some 700,000 people. As a significant step of reaffirming central administration, the Government had set up the National Planning Board with the main task of enhancing the efficiency of the planning. As a rather symbolic measure, they extended the scope of the authority of the Central Planning Board and promoted its President to the rank of Vice Prime Minister.²⁷

In summary we might point out that the basic institutions of the 1968 reform – the abolition of obligatory directives, the market orientation of companies and the administration through economic regulators – had not been revoked, but the reparatory measures initiated served as a reinforcement of centralized planning and administration. To make things worse, restrictive measures had been taken primarily against the cooperative sector of agriculture, due to the strong pressure coming from the heavy-industry lobby. The industrial sector could enforce its will on agriculture.

The documents of the Economic Committee of the Central Committee of the MSZMP, which was the main economic board of the party, as well as previous legislation, offer a good opportunity to retrace the aggravation of the system of economic regulators and the extension of the scope of administrative restrictions. The units affected the most by these measures were the subsidiary enterprises.²⁸ The cooperatives – grasping the opportunity offered by the law of 1967 on cooperatives – had extended their scope according to their own requirements as well as the demands of the market. They had also become engaged in the construction industry, in food processing, transportation and marketing, in fact, taking advantage of the general shortage, even in the machine, light and chemical industries. Their main products had formerly been goods in short supply.²⁹

These were exactly the domains the industry lobby attempted to oust its new rivals from. As one of the first limitations, the cooperatives had been prohibited from ancillary transactions outside their own territory. In the end of 1971, the government disclosed a list of activities not authorized for cooperatives, and another with activities allowed only by explicit permission of the responsible minister.³⁰ The cooperatives near Budapest were particularly affected. As part of a significant, national restriction, cooperatives were only authorized to engage in activities of the machine, chemical and light industries on the basis of a valid contract with a state-owned company or other institution.³¹

Beside the administrative restrictions mentioned above, a further sign of the change of economic environment was the increasing curtailment of income from cooperatives. This tendency could be discerned as early as 1970. While the Economic Committee of the MSZMP made a decision concerning the year 1970 which proclaimed 'neither a rise in income, nor a reduction of it through the impact of the modification of the agrarian price and tax system', the actual measures of income regulation showed a perfectly different picture.³² Let us consider a few examples. The proportion of subsidization in cooperative investment had been reduced.³³ The state purchase price of wine and fruit had been reduced, since these goods had been produced eminently by household farms. New forms of taxes had been initiated and the social insurance rates of cooperatives had been doubled. Taxes had been used as a measure of restriction and sanctioned not only in the case of subsidiary enterprises, but also in the case of household plots.

The pressure of taxation was continued in the following years.³⁴ Those subsidiary activities the government had found favourable were granted special tax benefits for development. On the contrary, they had put a tax out of proportion on other sorts of activity, e.g. industrial ones. Those cooperatives with returns of more than 30% of the total originating from production of the machine, chemical and light industries, had been subjected to very high taxes.³⁵

The restrictive measures had been justified with the notion that subsidiary enterprises distorted the development of cooperatives, and distracted the members' attention from actual produce which led to negligence. They also argued that these enterprises represented unfair competition with the industrial sector, luring away skilled manpower due to higher wages, and that food processing destroyed the responsibility of the food industry.

2. The trials against the leaders of cooperatives

As we have seen, the exploration of the various scenes of the assault on cooperatives is only possible through an interdisciplinary approach. This is even more so in the case of criminal procedures against leaders of the cooperatives (the so-called president trials)³⁶, since these required the study of a great number of diverse resources. The material of a single trial is rather complex itself, containing piles of documents from the police, the attorney's department and the court.

The examination of the legal aspects is only complete, however, if we integrate these police and court cases with the functioning of the one-party system as a whole.

In the search for precedents of these trials I ran into People's Control Committees (PCC) almost every time. This is by no means an accident. These committees had been the only organisations that had the opportunity to control every single aspect of cooperative activity. This situation took shape in 1967, when, in the preparation phase of the reform process, cooperatives were allowed more independence than ever before. Following this, the supervision of cooperatives had become significantly different from the one of state-owned companies. Concerning the latter, the state had also had the possibility to exercise its property rights. This means that, in the case of cooperatives, the state's rights had been limited to legal supervision which had not included intervention in the economic decisions and activity of the cooperative. Only organisations of people's control had been entitled to do this.

Organisations of people's control were set up in 1957 with the intention of supporting government bodies in 'restoring national security and order, protecting people's property and detecting abuses'.³⁷ In these organisations only a few controllers got a salary and most of them worked voluntarily. Following an inspection, the PCCs were entitled to take disciplinary measures against 'damages'; in more severe cases they had even been obliged to lay information at the police or the attorney's department.

The PCCs had continued to develop on the district and the county level being coordinated by the Central People's Control Committee (CPCC). On the face of it, the CPCC was responsible to the government; in reality it was responsible to the party leadership. In terms of the intertwining of jurisdictional, legislative and executive power, the attorney general was present at every CPCC session, and the responsible attorney was present at the local PCC sessions.

The change of political opinion on agricultural cooperatives is easy to retrace in the investigations conducted by PCCs. In the course of the 1970s, the number of investigations held concerning cooperatives had increased. The president of the CPCC referred to this tendency as early as the beginning of 1970: „One crucial question in this country is to set things right in agricultural cooperatives”.³⁸

The list below shows the subjects that elicited the greatest number of investigations: the situation and the tendencies of subsidiary activi-

ties; the extent, the reasons and economic impact of labour turnover; secondary employment and other subsidiary occupation as well as the conformity of labour contracts; the economic cooperation between household farms and cooperatives; the cooperation and union between the various cooperatives; the protection of social property within the cooperatives; the assertion of the socialist principles of distribution.³⁹

All of the subjects listed above were part of the agenda of either the Political Committee or the Economic Committee, which leaves no doubt that the initiative for these had come from the highest level of political leadership. Certainly, the execution of this change in national political opinion implied significant regional variance. The PCCs worked most diligently in the county Szabolcs–Szatmár, the homeland of Béla Biszku, one of the prominent leaders of the anti-reform forces. In other parts of the country, e.g. in Borsod–Abaúj–Zemplén and Nógrád it was the local heavy-industry lobby, or in Győr-Sopron and Csongrád the dogmatic local administration that initiated plenty of investigations.⁴⁰

The local differences deserve our attention for several reasons. First, they obviously go against the stereotype that central regulations in a one-party system are omnipotent. In practice, the aforementioned resolutions had been significantly modified. Second, they reveal an important feature of the anti-cooperative campaign. The summaries of PCC investigations show clearly that the phenomena unveiled at the cooperatives were by no means just single cases but rather common on the national level. One of the problems was that the accountancy and the management of cooperatives had not been adequately organised. Further, the PCCs had found out that the chief accountants of the cooperatives were not qualified for their work after the new accountancy act enacted on January 1st 1968. What is more, they had never received any central guidance after the tackling of practical problems.⁴¹ On the other hand, due to the dynamic growth of cooperative farming, there had been some new legal ways taking shape that legislation could not keep up with. The everyday practice of farming in cooperatives was not usually regulated by law.

This phase-shift was nothing new. In the 1960s it arose from the local initiatives that favoured membership of cooperatives coming into collision with the original Stalinist kolkhoz-model. Kádár and his group did not dare directly oppose the basic principles of this model, so they tolerated, later on even supported these local measures without

officially legalising them. This – as we have already mentioned – came about only as late as 1967, when the new act on cooperatives took effect.

While in the 1960s this conflict was solved by adjusting legal regulation to the practice of farming, after changed opinion on reform; from the beginning of the 1970s, this duality offered more and more points of attack. As we have seen, almost every single cooperative in the country was involved, so it was dependent on the attitude of local administrators whether to commence proceedings or not.

From the beginning of the 1970s onward, a cultivation number of the investigations conducted by PCCs had ended with denunciation.⁴² Back in the 1960s, the PCCs preferred other measures, for instance, disciplinary procedures, damage compensation, etc. These measures were predominantly taken at the request of party committees on a county or a district level. It is also interesting that, in this period, about one third of all denunciations initiated by PCCs had not gone through to court, while in the 1970s, this ratio fell to a minimum, due to strong collaboration between the attorney's department and the PCCs.

The process of the intertwining of the PCCs and jurisdiction grew even stronger after the modification of criminal law. The former regulation, saying that certain criminal procedures could only have been launched by the initiation of the responsible minister or the president of the CPCC, had been repealed. From January 1st 1972 onward, the PCC in charge and its president had been entitled to initiate procedures as well. Here is a comment on the expansion of the scope of district and county PCC-presidents by the president of the CPCC:

„From now on it is up to our comrades, the presidents how they make use of this improved, more effective weapon against the ones who violate the fundamental rules of the socialist economy and viciously prefer their personal material interests to the common good.“⁴³

The monthly reports coming from local organisations sent to the presidential office of the CPCC give us a clear picture about how this 'improved, more effective weapon' was used.⁴⁴ In the beginning of the political change in 1972, the number of centrally planned investigations grew beside the ones initiated on a local level. It was remarkable that there were investigations launched in 1972 in counties and districts where such procedures had never before been conducted.

In 1973, the number of the PCC investigations conducted in certain subjects at cooperatives showed an abrupt increase. It seemed that, following the wider investigations of previous years on the district and county level, from 1973 onward they had concentrated mainly on setting an example in certain cooperatives. There had been a wide scale of starting-points, ranging from subsidiary enterprises (construction companies, meat production, flower shops, brick-works, sand- and gravel pits) to document administration and financial reliability, the situation of loan administration or even premiums, the use of the office car of cooperative leaders, as well as the amount of expenses of official display. Considering all this, it is little wonder that the number of cases concerning cooperatives registered at PCCs reached its peak in 1974; afterwards it decreased significantly.⁴⁵ We shall discuss the reasons later.

The procedures against cooperative leaders can be classified according to the subjects of the PCC-investigation. The most common ones were abuse of subsidiary activity, illicit or inappropriate management of state support, and, violation of storage contracts. There were also many cases concerning inaccurate balance, forging of documents and bribery.

The PCC investigations also show us the recurring counts of indictment in the cooperative-trials. The leaders had been accused of economic crimes, being considered much more serious after the modification of criminal law in 1971.

The Political Committee in the summer of 1971 laid down the guidelines of the reorganisation of jurisdiction, judiciary bodies and the attorney's department.⁴⁶ In the process of reframing the penal code they paid special attention to the category of economic crimes. Regulations of prodigality, crimes against the conformity of investment and bribery had been revised. To prosecute these crimes more effectively, they repealed the former rule saying that the prosecution of certain economic crimes could only be launched on the basis of a report of the supervising institution (e.g. the responsible minister).

All these changes had been justified by the increased protection of social property.⁴⁷ Social property included the property of the state, the cooperatives, national organisations and associations. Since cooperative leaders had mainly been accused of crimes against social property (e.g. theft, peculation, fraud, defalcation), the relevant regulations

of the revised penal code, taking effect on January 1st, 1972, are definitely worth studying.⁴⁸

Adjudicating crimes against social property, two factors were of great importance; one was the extent of damage caused, the other was perpetrator's status, i.e. whether the person had been in a leading post or not. The first aspect was itself doubtful, since the law had not defined the minimum amount of damage. According to the Hungarian Supreme Court, 'excessive damage' meant damage greater than 200,000 forints, whereas 'significant damage' meant damage over 50,000 forints. In truth, these amounts of money were only rough estimates; consideration of concrete cases was up to the judicial practice.

In judicial practice another guideline had been explicitly presented, stating that the protection of social property particularly concerned those people fulfilling leading, controlling and administrative duties. Consequently, if such a person committed a crime against social property, he/she had to expect even more severe punishment. Therefore, the decisive factor of the punishment inflicted was not the extent of damage caused but rather the abuse of authority.

The crimes against social property committed by the economic administration had been judged with particular rigour.⁴⁹ This is also indicated by the regulation saying that leaders who did not prevent crimes against social property might be prosecuted as well. Concretely, the penal code ranked misprision as punishable. This meant reception of information on a crime deliberately committed against social property or the preparation of such a crime and failure to report it to the responsible authorities.

Among crimes against social property, fraudulence deserves special attention. This could be committed by a person who had been charged with the management of a piece of social property. This includes practically everyone who had controlled, supervised, dealt or worked with social property as part of his job. The infringement of this duty of management was the crime in question, although only in cases where social property had been damaged. Not only people who committed this infringement with the intention of causing social damage had been considered guilty, but also those who had submitted to social property being defrauded.

Having considered the crimes against social property, we shall now turn to the ones violating the course of the economy. A good example of the modifications initiated is the regulations concerning prodigal-

ity.⁵⁰ These had been motivated by the argument that socialist production had to serve social interests and any kind of management opposing these interests should be prosecuted not only by means of the law of labour but also by those of criminal law. Due to the justification given by the Minister of Justice, an employee committed prodigality if he, entitled to take individual measures, violated the rules of reasonable administration severely and/or repeatedly caused significant economic loss. Neither 'reasonable administration', nor 'significant economic loss' had been precisely defined, leaving the subjective estimation of judges a fairly wide scope.

We can find a comparably vague definition of irresponsible indebtedness, a special case of prodigality. This meant that the financial obligations undertaken had significantly exceeded the pecuniary resources available. The reason they found irresponsible indebtedness so perilous was that it had indirectly interfered with the interests of other companies or organisations, even the economy itself.⁵¹ This is further proof of the significance of ideological debates mentioned in the first part of this study since their argumentation had been taken over by criminal law.

The arguments for the reframing of the regulations concerning the deception of economic bodies were similar to the ones used in the case of prodigality. What they established was essentially an enabling act that had only defined deception and the serious economic damage caused but had not given full details about the obligations that had had to be violated to meet the criteria of deception of economic bodies. This was only inferred by other rules of law or the order of management.

Similarly, it was another enabling act that had regulated the blocking of economic control and data collection. The penal code had not defined the bodies that had been entitled to effect economic, financial or price-control; neither had it determined the accountancy records these bodies were obliged to keep. The penal code had merely set up a framework in order to ensure that derelictions of duty, as well as obstruction of control, might be prosecuted. There was a comparable situation to this concerning crimes against the conformity of investment and financial affairs.

Concerning other crimes against the economic system, we can find further definitions that had drawn quite a vague line between actions indictable by criminal law, actions only indictable by other means of the law (e.g. disciplinary procedures, proceedings in petty offences) or

not indictable at all. In the course of the trials, reference to article No. 224 of the penal code had often been made. This article proclaims that those persons who neglect their duty of a) the production, b) use, c) trade, d) reporting, e) putting at disposal, f) stocking, or g) administration of economic products causing significant economic loss, are punishable by criminal law. The justification of the Minister of Justice even added, that 'economic loss' had not necessarily meant a certain amount of money; it was sufficient that a neglect of duty had had unfavourable effects on the economy.

From the definitions quoted above we might draw the conclusion, that due to the modifications mentioned, a number of uncertain concepts (e. g.: prodigality vs. reasonable economy, significant economic loss, dishonestly attained/justified profit, etc.) had been added to the penal code, which had left the estimation of the individual cases to the subjective decision of the judge. The Minister of Justice himself declared after the introduction of the modifications that the actual content of these general categories, meaning the boundary between actions to be prosecuted and those not to be prosecuted had to take shape in judicial practice according to socialist principles.⁵²

The analysis of the modifications of the penal code had, thus, revealed the ways through which the subjective estimation of the judges, and, consequently, political intervention could gain ground almost without limitation. The great influence of the party leadership on jurisdiction is clearly indicated by the conferences of district attorneys and judges on the county and the national level. The following, often quoted phrases show the guidelines very well: 'Law is the will of the class in power. Therefore, law and morality should go hand in hand. Law should conform more to politics, to party decisions'.⁵³

In the following I shall sum up the intertwining of politics and jurisdiction and its execution in practice in Hungary. I determined that the number of cooperative-trials is somewhere between 70 and 100. The documents of these trials represent special kinds of sources. Their examination requires special caution and much time, since judicial decisions might well be explored but the documents of the investigations led by the police and the attorney's department might only be examined by permission of the people concerned or their families. Obtaining the authorizations is neither fast nor easy, considering that these trials had spread over the area of the whole country.

I have managed to find quite a few cases that could be tracked down from the PCC investigations right to the court trial.⁵⁴ The materials of a single trial go as far as several thousands of pages, including testimonies, identification parades, records of interrogations, experts' reports, summaries made by the police and the attorney's department, bills of indictment, judgments of courts of the first instance as well as the ones of the appeal court, as well as appeals and requests. In the analysis of these documents it is extremely important to adopt a critical attitude. The individual testimonies put down to the record should be contrasted, the circumstances should be well considered, their verity should be checked applying other sources, e.g. interviews. These trials were based on the assumption that certain tendencies of cooperative farming were dangerous to the socialist system; therefore, this practice should be condemned and its representatives punished. The purpose of all this was to set examples and intimidate people.

What do the cooperatives concerned have in common? They were all prosperous, quite often well-known throughout the country. They were all cooperatives which took great advantage of the opportunities of the New Economic Mechanism. Back in the 1960s, their performance was highly appreciated, which was even represented by the numerous badges of honour they had been rewarded. The leaders of these companies were all men with a spirit of enterprise, open to new ways and ideas. They started work during the process of collectivisation or shortly after that, so it was under their leadership that cooperatives, organized in the beginning of the 1960s, became efficient companies.⁵⁵

Within the circle of economic managers, cooperative leaders were a special group. In opposition to managers of state companies, they had been elected and not simply nominated. After 1967 there had actually been secret votes. The staff of cooperative leaders had been a unique group with mass support, largely developed by 'natural selection'.

Leaders of cooperatives had to withstand all demands not only towards party leaders on a district and county level, but also towards the membership of their cooperative. This situation was the source of numerous conflicts, especially when the president supported the interests of the members against the will of the local political leaders. In the beginning of the 70s, when the anti-cooperative campaign began, many local politicians felt it was time to strike back. It was not the highest ranks of national politics alone that commenced these proce-

dures; subjective aspects played another significant part. There had been, for instance, certain districts, where the attitude of the regional secretary had led to more “president trials” than in the whole county.⁵⁶ It was because of this that there had been such procedures started as late as the second half of the 1970s on a local level, when national policy had already taken another turn.

Other experts, such as the agricultural chief engineer, the financial manager as well as common cooperative members had been accused. Another characteristic group of the accused consisted of employees of councils, banks and state-owned companies having business connections to cooperatives. Most of these people had been accused of bribery. One common feature of these trials, thus, was the great number (sometimes as many as nineteen!) of defendants. There were often many witnesses present, too; up to 120 in a single case.⁵⁷

There were certain cooperative leaders that had been proved innocent, and others, who had actually participated in economic abuses. Yet even in these cases, certain features of the investigation as well as the trial leave us no doubt that these had been show trials. One of the conspicuous characteristics was that every single trial featured much the same counts of indictment, mainly crimes against social property (fraud causing excessive damage, defalcation, theft). As I have already mentioned, economic managers had been judged with a particular severity. To make accusations easier, the obligation of denunciation had been extended to all kinds of economic crimes. A single cooperative member’s confession about the cooperative leader being aware of some kind of abuse was sufficient for commencing procedures. Failing to report it would have made him an accomplice.

Documents reveal that the evidence against leaders of the cooperatives was largely given by members already in remand. The interviews showed that the police did not use force, but compelled them to make false confessions by extortion or by promising them various benefits. Some had been threatened with remand for a longer time while others had been told they could go back to their families if they confessed. An effective way of extortion was proclaiming ‘the others had already confessed everything’. These were often the ways the accusations had been extended to the leaders of the cooperative. It is important, however, to add that many of these confessions had been withdrawn when it actually came to the trial.

In cases of prodigality or fraudulence there was no need to involve the cooperative members since the perpetrators of these crimes could only have been economic leaders. Being in remand, on the other hand, was of great importance. Records of remands were kept as long as one and a half years or, in some cases, even four years. As justification it was said that the social danger represented by these crimes as well as the severity of the sentence made it very probable for the defendants to attempt to escape or take cover. Considering that these people were the leaders of some of the best known cooperatives in the country, we may suggest that these were not the main motives. Rather, they hoped that imprisonment, stress and the tension of isolation would sooner or later make the defendant collapse, making a full confession and facilitating the procedures. Here is how a leader of a cooperative near Budapest recalled this atmosphere:

„Recalling the interrogations; they certainly knew how to keep people stressed. A true criminal would probably have but laughed at the whole situation, but I had never experienced such a thing before. After dictating me a text they had found important, they put it in front of me and told me to sign it. To be honest, I had not even read it. They had not hurt me physically, but all this defencelessness [...] that atmosphere is something you cannot describe. This was something they had known very well, to create this atmosphere. I would not say these policemen had been uncivilized. They had never hurt me, [...] but the atmosphere they had created you cannot describe. Ingenuous or unstable people could never take it.”⁵⁸

Drawing up the indictment took much time, which made the period between the time of arrest and the start of the proceedings grow quite long. The bill of indictment had been composed following predetermined conceptions. The main one said that cooperative farming, and, as a result of that, the quick growth of the income of farmers, could not have taken place in a 'legal manner'. The prevailing political atmosphere is very well characterised by a contemporary sociologist: 'If a cooperative brings poor results that is suspicious. If it brings good results, it is even more suspicious.'⁵⁹ Following this preconception, the indictment was formed quite quickly, but collecting the evidence was a much slower process. This was why they had tried to get the defendants to make a full confession. Many cooperative leaders told me about the measures taken in the course of an investigation. Some-

times it was the lawyer designated by the court who had tried to convince them, in some other cases it was the undercover fellow prisoner.

There had been numerous examples of injustice also in the judicial proceedings. Witnesses for the defence had barely been produced. Nevertheless, what is far more serious is that by modifying the penal code, they created subtle ways for the influence of judicial subjectivity, and consequently, that of higher politics, to prove effectual.

To better understand the enforcement of national policy, let us see an example from one of the earliest cases. Since the court in the first instance had not yet sensed the new guidelines accurately, the attorney general had to make a clear rectification in his appeal: 'The county court was clearly mistaken by considering the defendants' actions to be in the interest of the membership of the cooperative, thus mitigating circumstances. This is an obvious misinterpretation, not only in a judicial, but also in an economic sense. Highlighting group interests by dishonest means is far from being an isolated phenomenon in our country.⁶⁰ And let us now see a passage from the sentence of the Supreme Court that clearly indicates the attorney general's influence:

„The principal defendant, as well as the persons accused of the second and third order had, in their functioning, intended to grant the cooperative profit in unauthorized ways by means that are unacceptable in the system of a social economy, [...]. Acting on alleged or temporary interests of the cooperative at the expense of the people's economy as a whole by misleading the administrative bodies is a serious peril to society even if the perpetrators are not – as in the given case – led by their personal financial interests.”⁶¹

Another peculiarity of the trial mentioned above is that in 1970, when the actions represented in the indictment took place, it was the old penal code that was still in force. By the time the proceedings started, the modified penal code had already been introduced. The prohibition of retrospective effect is, as everyone knows, one of the basic principles of criminal law (*nullum crimen/nulla poena sine lege praevia*). This means that the judgement of a crime must be based on the law prevailing at the time of its commission.⁶² The only exemption from this rule is when the effective law allows a milder judgement than the former law. One of the major characteristics of the new penal code taking effect on January 1st 1972 was exactly an aggravation of the relevant parts of the code. Despite all this, this was the law that

had been applied in these cases. What is even more startling is that there had not been a single protest raised against this judicial practice by the representatives of the administration of justice.

Exploring the fabricated elements of the trials against cooperative leaders, one cannot evade the role of the press. The anti-cooperative campaign was easy to discern in the contemporary organs of press as well as in the public announcements of politicians. As part of this campaign, many cooperative leaders had been discredited in the public long before they had been proved guilty. Beside public newspapers (*Népszabadság*, *Népszava*, *Esti Hírlap*), local papers had joined in the defamation of cooperative leaders. Let us see one among the countless examples:

„Some of the employees had warned the cooperative president that if he kept on running the cooperative as before, he would end up sitting in the prisoner’s box. Managing director A.K., however, did not believe them. “An oversized administration and a rigid system” – he said – “would only decrease the efficiency of management”. We can see clearly now that bribery was one of the major factors of efficiency; the enterprise of this criminal gang had been prospering for quite a long time. The leaders of this cooperative who – according to the indictment – had caused our economy a loss of nearly one million forints, awaited the trial in remand.”⁶³

One more remark is due: this trial had ended with the cooperative president being acquitted.

As a further special feature of the trials that kept dragging on for years, we may add that the courts of the first instance had usually imposed severe punishment on the defendants, up to ten years of prison. Later the Supreme Court, an instance far away from local political bodies, had significantly reduced the penalties.⁶⁴ In many cases the defendants had already served their final prison sentence in remand.

For those cooperative leaders who had been party members, punishment had not ended with the sentence of the court; they had to answer to the party for their deeds, even if they had been proven innocent. According to the opinion of the party leadership, even these people had a moral responsibility. There was a special organisation to conduct punishments within the party, the KEB (*Központi Ellenőrző Bizottság*, in English Central Control Commission), which is still *terra incognita* to researchers.

The main tasks of the KEB were the investigations of disciplinary procedures, accusations and appeals on the one hand, and the analysis of the experiences of party discipline on the other.⁶⁵ The KEB had to inform other leading party organisations about the experiences gathered. Within the period relevant to our study, the Political Committee discussed the comprehensive report of the KEB on April 6th 1972.⁶⁶ Due to the resolution adopted, party disciplinary procedures became progressively more stringent and steady; in certain regards they had even gone beyond juristic means.

In the course of my research I have managed to unveil some more 'subtle' kinds of pressure and intimidation in the so-called 'soft dictatorship'. As it showed, the importance of the KEB and its subordinate bodies had progressively grown from the beginning of the 1970s onward. Contradicting the party rules which said that the KEB had to be elected by the party congress and had to be responsible to the party congress as well, it soon turned out that its entire function depended in fact on the Political Committee and its decisions. This is also confirmed by the fact, that the head of the KEB had regularly taken part in both Central Committee and Political Committee sessions without being a member of either.⁶⁷

The functioning of the KEB went far further than the mere control of the moral conditions of the party membership. With frequent disciplinary procedures and expulsions it had created an atmosphere of permanent threat. They had, in fact, enforced perfect alignment with centrally brought decisions. What is more, they had become entwined with the bodies of people's control and the attorney's department on various levels, having information sent back and forth in both directions. The KEB had actually enabled the assertion of the altered conception of the New Economic Mechanism through the PCCs, the attorney's department and the courts with special regard to the decisions concerning the agricultural sector.

Conclusion

Aggravations, the withdrawal of resources, the increased outward intervention in their functioning, the enforced fusion of cooperatives as well as the ongoing slander of successful cooperative leaders was followed by unfavourable consequences that appeared within a few years. The spectacular decline in household produce in 1973 and the loss in subsidiary activity within the cooperatives affected the food

supply very badly. Since the legitimacy of the Kádár-regime had largely depended on the fulfilment of the policy of living standards, the party leadership started to gradually revoke the former restrictive measures from the middle of the 1970s onward, they had slackened the aggravations. These measures were motivated not only by the aforementioned social and political considerations, but also by the impact of the oil crisis.⁶⁸ Due to a sudden rearrangement of the pricing conditions of the international market, the national budget was in need of agrarian exports as a certain way of obtaining foreign currency.

The decision of the Political Committee of the MSZMP, brought in February 1976, as well as a number of subsequent governmental and departmental orders on the situation and the possible extension of household plots showed a return of pragmatic policy.⁶⁹ The session of the Central Committee held on March 15th 1978, which had been entirely devoted to the problems of agricultural policy, was of even greater significance.⁷⁰

There is one contribution to this discussion that I would like to accentuate: the one made by Lajos Fehér, one of the creators of the Hungarian agricultural model. He was a man who had always felt responsible for the situation of agriculture and farmers, no matter what position he held at the given time. He sharply criticized the political trials against the leaders of the cooperatives: „[...] for about five or six years a so-called criminal campaign has been waged against agricultural cooperatives. There has been a great number of newspaper articles indicating that the cooperatives had become a regular breeding ground of economic crimes and abuses”.⁷¹ He mentioned an investigation by representatives of the Department of Justice and the Ministry of the Interior on crimes against social property during the period between 1968 and 1975. As the investigation had shown, the proportion of such crimes was 20% concerning the entire national economy and only 11% concerning agricultural cooperatives. The investigation had also shown that three-quarters of all crimes against cooperatives had been committed by persons outside the cooperative (e.g. sales clerks) and not cooperative members. At the end of his speech Lajos Fehér made a suggestion that the Central Committee should set up a special committee in order to investigate who had been responsible for the anti-cooperative campaign. He also suggested that this committee should initiate the rehabilitation of the defamed leaders of cooperatives.

None of the members of the session responded to this contribution. The committee proposed by Lajos Fehér had never been set up. Nobody had ever investigated the financial loss the campaign against cooperatives had caused the economy, nor the moral damage of cooperative leaders and their families as well as the entire agricultural sector had to suffer as a result of the show trials.

The assault on agricultural cooperatives also shows a basic limitation of the New Economic Mechanism. The reform had been based on the idea that economy, politics and ideology were separable. When it turned out that the changes initiated would overstep the bounds of the economy and set off a process of social reorganisation inconsistent with the prevailing ideological principles, dogmatic forces intervened in the reform process. It did not matter that cooperatives had, in the meantime, become the most successful sector of agriculture, nor did it count that the cooperatives had in fact been striving for efficiency, more profit and market orientation – the assault had, in any case, been launched.

To make things even worse, this restorative process came about exactly during a period when the challenges of the world economy – the abrupt price jump following the oil crisis – would have required efficiency more than ever. The slackening of the reform process, and consequently, the assault on agricultural cooperatives had impaired the adaptability of the entire national economy.

Notes

¹ For more on this period in English, See: Berend, T. I. & Ránki, Gy., *The Hungarian Economy in the Twentieth Century*. Sydney & London 1985; Izsák, L., *A Political History of Hungary 1944–1990*. Budapest 2002; Romsics, I., *Hungary in the Twentieth Century*. Budapest 1999; Swain, N., *Hungary. The Rise and Fall of Feasible Socialism*. London & New York 1992; Tőkés, L. R., *Hungary's Negotiated Revolution. Economic Reform, Social Change and Political Succession, 1957–1990*. Cambridge 1996.

² Magyarország népessége és gazdasága. Múlt és jelen. Budapest 1996, 200.

³ A lakosság jövedelme és fogyasztása 1970–1987. Budapest 1988.

⁴ For more detailed information on the New Economic Mechanism, see: Berend T., I., *A magyar gazdasági reform útja*. Budapest 1988, 264–306; Hare, P. G., Radice, H. K., Swain, N. (eds), *Hungary: A Decade of Economic Reform*. London 1981; *A magyar közgazdasági gondolat fejlődése, 1954–1978. A szoci-*

- alista gazdaság mechanizmusának kutatása. Ed. by Szamuely, L., Budapest 1986, 9–56.; Pető, I., 'A gazdaságirányítási mechanizmus és a reform megítélésének változásai a hatvanas évek közepén', *Medvetánc*, 1986/4 – 1987/1, 63–100.; Vígvári, A., 'A magyar gazdasági reformfolyamat néhány kérdéséről', *Múltunk*, 1991/4, 103–125.
- ⁵ Varga, Zs., 'Agriculture and the New Economic Mechanism', in Anssi Halmesvirta (ed), *Hungarologische Beiträge 14. Kádár's Hungary – Kekkonen's Finland*. Jyväskylä: Jyväskylä University 2002, 201–217.
- ⁶ Lőkös, L., 'Tendenciák és párhuzamokj a külföld és Magyarország agrárfejlesztésén', in Orosz I., Für L., Romány P. (eds), *Magyarország agrártörténete. Agrártörténeti tanulmányok*. Budapest 1996, 742–759.
- ⁷ Cooperative members fulfilling the annual amount of work had been entitled to have a household plot of 1 kh (=2471 acres). Before 1967 this had applied to only one cooperative member in a family, after 1967, this restriction was revoked. The main functions of household plots were subsistence farming, as well as the securing of an additional income source.
- ⁸ Juhász, J., *A háztáji gazdálkodás mezőgazdaságunkban*. Budapest 1980.
- ⁹ Varga, Zs., *Politika, paraszti érdekvégyesítés és szövetkezetek Magyarországon 1956–1967*. Budapest 2001, 82–103.
- ¹⁰ Berend, T. I., 'A magyar reform sorsfordulója az 1970-es években', *Valóság* 1 (1988); Földes, Gy., *Hatalom és mozgalom (1956–1989)*. Budapest 1989, 97–126; Huszár, T., *Kádár János politikai életrajza (1957. november–1989. június)*. Budapest 2003; Szakács, S., 'A reform kérdése és a termelés', *Agrártörténeti Szemle* 1–4 (1989); Szamuely, L., 'Szándékok és korlátok' (Töprengés Berend T. Iván tanulmányának olvasása közben.) *Valóság* 5 (1988).
- ¹¹ The research leading to this article was supported by the Hungarian Scientific Fund (F 32854).
- ¹² Kádár, J., *A szocialista Magyarországért*. Budapest 1972, 342.
- ¹³ Pető, I. & Szakács, S, *A hazai gazdaság négy évtizedének története 1945–1985. I. (Az újjáépítés és a tervutasításos irányítás időszaka 1945–1968)*. Budapest 1985. 155–156, 168–169, 198–199.
- ¹⁴ At this time, Béla Biszku was the 'second man' in the party leadership, Zoltán Komócsin was the Secretary of Foreign Affairs in the Central Committee of the party and Sándor Gáspár was the head of the SZOT (Szakszervezetek Országos Tanácsa = Central Council of the Hungarian Trade Unions).
- ¹⁵ In the distribution of enterprisal profit there had been three different categories: top managers could receive 80%, managers 50%, workers and employees 15% of their annual income as profit. Top managers had received 10 to 12 times more profit than workers.
- ¹⁶ MOL, M-KS-288. f. 15/164. ő.e. Előterjesztés a Gazdaságpolitikai Bizottság részére a nagyvállalati szervezet továbbfejlesztéséről.
- ¹⁷ *A Magyar Szocialista Munkáspárt határozatai és dokumentumai, 1967–1970*. Budapest 1974, 373–375.

- ¹⁸ Lajos Fehér in many of his speeches paid attention to these problems. See: Fehér, L., *Agrár- és szövetkezeti politikánk 1965–1969*. Budapest 1970.
- ¹⁹ Ungvárszki, Á, *Gazdaságpolitikai ciklusok Magyarországon, 1948–1988*. Budapest 1989, 49–60.
- ²⁰ These debates can very well be retraced in the reviews *Társadalmi Szemle*, *Pártélet*, as well as the daily paper *Népszabadság*.
- ²¹ MOL, M-KS 288.f. 15/ 168. ő.e.; 188. ő.e.; 203. ő.e.; 224. ő.e.;
- ²² All this can very well be retraced from the documents of the Party Committee of Budapest from 1970 to 1972, since a significant part of the large factories was located in Budapest. Budapest Főváros Levéltára (=Budapest City Archive, hereafter: BFL, XXXV (1) a/3/101. ő.e.; 106. ő.e.; 107. ő.e.; 110. ő.e.; 111. ő.e.
- ²³ Földes, Gy., *Kötélhúzás felsőfokon. Kádár és Brezsnyev*, in: *Ki volt Kádár?* Budapest 2001, 109–111; Tőkés, R, *A kialakított forradalom*. Budapest 1998, 107–112.
- ²⁴ MOL, M-KS-288. f. 5/575. ő.e. Jegyzőkönyv a Politikai Bizottság 1972. február 22-én tartott üléséről.
- ²⁵ MOL, M-KS-288. f. 4/119-120. ő.e. Jegyzőkönyv a Központi Bizottság 1972. november 14–15-én tartott üléséről.
- ²⁶ Some of the politicians committed to the reform process were: Rezső Nyers (Secretary of the Central Committee, Economic Affairs), Lajos Fehér (Vice Prime Minister), Jenő Fock (Prime Minister). These politicians were shelved only later, in 1974–1975.
- ²⁷ Berend T. I., *A magyar gazdasági reform útja*. Budapest 1988, 328–331.
- ²⁸ MOL, M-KS 288. f. 5/563. ő.e. A KB Gazdaságpolitikai Osztály jelentése a PB részére a termelőszövetkezetek nem mezőgazdasági jellegű tevékenységéről. (3. September 1971.)
- ²⁹ Zsuffa, E., *A termelőszövetkezetek kiegészítő tevékenységének továbbfejlesztése*. Budapest 1972, 26–49.
- ³⁰ 41/1971. (XII. 14.) sz. Korm. rendelet a szövetkezetek gazdasági tevékenységének köréről, in *Törvények és rendeletek hivatalos gyűjteménye*, 1971. Budapest 1972, 64–66.
- ³¹ 1048/1971. (XII. 14.) sz. Korm. határozat a mezőgazdasági termelőszövetkezetek nem mezőgazdasági jellegű tevékenységéről, in *Törvények és rendeletek hivatalos gyűjteménye*, 82–85.
- ³² MOL, M-KS 288. f. 15/167. ő. e. Jegyzőkönyv a Gazdaságpolitikai Bizottság 1969. október 6-i üléséről.
- ³³ MOL, M-KS 288. f. 5/563. ő.e. Előterjesztés a Politikai Bizottság részére: Az 1972. évi népgazdasági terv és a költségvetés irányelvei (November 1971).
- ³⁴ MOL, M-KS 288. f. 5/563. ő.e. A Politikai Bizottság 1971. szeptemberi határozata a termelőszövetkezetek nem mezőgazdasági jellegű tevékenysége állami szabályozásának alapelveiről.
- ³⁵ MOL, M-KS 288. f. 15/. ő. e. 204. ő.e.; 224. ő.e.
- ³⁶ This is the expression I am going to use for the sake of simplicity.
- ³⁷ *A magyar állam szervei, 1950–1970*. Budapest, 1993. p. 373.

- ³⁸ MOL, XVII-2-a 5. tétel 9. d. Jegyzőkönyv az 1970. január 30-i KNEB-ülésről.
- ³⁹ KNEB, XVII-2-a 22. tétel I. sorozat 2.d. 1970–1977. Havi tájékoztatók a népi ellenőrzés szervei által indított téma és célvizsgálatokról.
- ⁴⁰ KNEB, XVII-2-a 19. tétel Területi népi ellenőrzési bizottságok iratai.
- ⁴¹ MOL, XVII-2-a KNEB 5. tétel 9. d. Jelentés: A közös vagyon védelmének helyzete az ügyvitel, számvitel és az elszámolások területén a mezőgazdasági termelészövetkezetekben. (19. January 1970.)
- ⁴² MOL, XVII-2-a KNEB 7. tétel I. s. 25. d. Jelentés a népi ellenőrzés szervei által 1972-ben kezdeményezett fegyelmező jellegű büntetésekről. (16 January 1973.)
- ⁴³ MOL, XVII-2-a 6. tétel III. sorozat 3. d. A megyei elnökök számára tartott értekezlet anyaga. (14 December 1971.) pp. 13–14.
- ⁴⁴ KNEB, XVII-2-a 22. tétel I. sorozat 2.d. 1970–1977. Havi tájékoztatók a népi ellenőrzés szervei által indított téma és célvizsgálatokról.
- ⁴⁵ Ibid.
- ⁴⁶ MOL, M-KS 288. f. 5/522. ő. e. Jegyzőkönyv a Politikai Bizottság 1970. július 14-i üléséről.
- ⁴⁷ MOL, M-KS 288. f. 7/386. ő.e. A KB Közigazgatási és Adminisztratív Osztály jelentése a Titkárságnak az igazságügyi jogszabályok előkészítésének állásáról. Magyar Közlöny 85 (1971).
- ⁴⁸ Wiener, A. I., A gazdasági vezetők büntetőjogi felelőssége. Budapest 1974, 17–57.
- ⁵⁰ Erdősy, E., A pazarló gazdálkodás az új gazdasági mechanizmus viszonyai között, Magyar Jog és Külföldi Jogi Szemle 12 (1967).
- ⁵¹ Wiener, A. I., A pazarló gazdálkodás jogi szabályozásáról, Magyar Jog és Külföldi Jogi Szemle 12 (1973).
- ⁵² Népszabadság, 3. November 1971.
- ⁵³ Bírók Lapja 6 (1971).
- ⁵⁴ For the most characteristic types of these trials see: MOL, XX-5-d-110/1974 (4.d.), XX-10-e-20.065/1974 (388.d.) P. J. és társai periratai; XX-5-d-114/1976 (3.d.), XX-10-e-22.649/1975-76 (465.d.) Sz. J. és társai periratai; XX-5-d-741/1974 (26.d.) Cs. F. és társai periratai; XX-5-d-1250/1977 (37.d.), XX-10-e-22.278/1977 (539.d.) G. J. és társai periratai; XX-5-d-361/1973 (5.d.), XX-5-d-143/1974 (5.d.) K. M. és társai periratai; XX-10-e-22.098/1973 (379.d.) V.K.I. és társai periratai; XX-5-d-981/1979 (29.d.) B. I. és társai periratai.
- ⁵⁵ For more on the cooperative leaders, see: Simó, T., A termelészövetkezeti elnökök társadalmi mobilitása. Budapest 1975; Pütkösti, Á., Kiválasztottak. Budapest 1988.
- ⁵⁶ Interview with István Szabó (former head of National Council of Agricultural Co-operatives). Budapest, 6 May 2000.
- ⁵⁷ MOL, XX-10-e-22.098/1973 (379.d.) V. K. I. és társai periratai.
- ⁵⁸ Pütkösti, Á., Vasalt ruha mángorolva. Budapest 1989, 22.
- ⁵⁹ Zám, T., Bács-Kiskunból jövök. Budapest 1973, 185.
- ⁶⁰ MOL, XX-10-e-20.065-1974 P. J. és társai periratai.
- ⁶¹ MOL, XX-5-d-110-1974 (4.d.) P. J. és társai periratai.

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- ⁶³ Esti Hírlap, 26. October 1976.
- ⁶⁴ MOL, XX-5-d-981/1979 (29.d.) B. I. és társai periratai; XX-10-e-22.098/1973 (379.d.) V. K. I. és társai periratai; XX-5-d-1250/1977 (37.d.) G. J. és társai periratai.
- ⁶⁵ Segédkönyv a Politikai Bizottság tanulmányozásához. Ed. Nyíró, A. Budapest 1989.
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- ⁶⁷ Segédkönyv a Politikai Bizottság tanulmányozásához, 266–267.
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