
The Politics of Statistical Information and Economic Research in Communist Hungary, 1949–56

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Statistics, as all other sciences, used to be a class-science in the service of capitalists and that is what it should remain to be in the interests of socialism as well. (*Szabad Nép*, 21 July, 1949)

Only two months after the decision to increase consumer prices in December 1951, a group of statisticians in the Central Statistical Office (CSO) of the Hungarian People's Republic came to the disquieting conclusion that, as a consequence of the price increases, real wages were to diminish by 14 per cent instead of by 5 per cent as announced publicly by Ernő Gerő, the highest authority in matters of economic policy in the country.¹ This conclusion by the Office alarmed the economic policy apparatus of the Communist Party's Central Committee (CC). A meeting was called where Gerő ordered the representatives of the Statistical Office not to send the results of the calculations to anyone but Rákosi and Farkas, and angrily reprimanded them for having produced 'wrong data'. Quite correctly, the representatives of the CSO got the impression that 'the Office was only liked as long as it produced the sort of data which pleased' the country's rulers.² This episode

This paper is a somewhat modified chapter from a longer unpublished work entitled *On and Off Class-Relativism: Economic Research in Socialist Hungary, 1948–1958*. In the chapter, the author sets out to outline the circumstances in the field of statistical information under which the departure from the Stalinist political economy of socialism towards the empirically orientated New Course or reform economics took place. This chapter provided the basis for a talk delivered at the *György Péter Memorial Session* (Budapest, 24 April 1992) arranged by the Hungarian Statistical Association, the Hungarian Economic Association and the Committee for Historical Justice. Financial support from the Tercentenary Foundation of Sveriges Riksbank, the Jan Wallanders Foundation of the Svenska Handelsbanken and the Swedish Research Council in the Humanities and Social Sciences for the research underlying this paper is gratefully acknowledged.

¹ Short biographies of the most important personalities figuring in this paper are included in the *Biographical Appendix* below. For the political history of the period covered here, even though we have since learned a great deal about the details, the best accessible work is still Ferenc Fejtő, *Histoire des démocraties populaires*, I, *L'Ère de Staline* and II, *Après Staline* (Paris: Éditions du Seuil, 1969), for which the latest corrected and enlarged edition in Hungarian is *A népi demokráciák története*, 2 vols (Budapest: Magvető Kiadó/Paris: Magyar Füzetek, 1991). A long list could (but, to save space, will not) be presented of the Hungarian literature bringing to the public the latest results of the new massive research efforts invested since the mid-1980s in the political history of the 1950s. These works make a lot of new and very important details accessible but they make no attempt whatsoever to present a synthesis comparable, at least for the Hungarian developments, to the work of Fejtő. The only exception is Iván Pető and Sándor Szakács' economic history, *A hazai gazdaság négy évtizedének története 1945–1985*, I, *Az újjáépítés és a tervutasításos irányítás időszaka* (*Four Decades of the Domestic Economy*, I, *The Period of Reconstruction and Command Planning*) (Budapest: Közgazdasági és Jogi Könyvkiadó, 1985).

² The anecdote is from one of my informants whose identity cannot be disclosed.

Table 1 *Statistical yearbooks under Rákosi's regime*

Date of publication	Year covered	Volume of numbered copies	Official classification
1949	1947	400	Confidential-Manuscript
1950	1948	400	Strictly Confidential
1950	1949	400	Strictly Confidential
1951	1950	250	Strictly Confidential
1952	1951	150	Strictly Confidential
[1953?]	1952	100	?
[1954?]	1953	100	?
[1955?]	1954	?	?

Source: copies of the MSS held by the *Library of the Central Statistical Office*. Budapest. In the case of the yearbooks for 1952, 1953 and 1954 there is no information as to the date of publication on the copies held by the Library of the Central Statistical Office. Their classification is not clearly indicated either.

highlights not only the precarious position of the CSO vis-à-vis the political leadership; it is also indicative of the Stalinist politics of information. Real wage indices were far from being the only sort of data that were classified so restrictively that not even all the top leaders (members of the party's Politburo, the Secretariat and the government) had been granted access to them.

The story of the imposition of ever-increasing restrictions upon the public accessibility of statistical data starts some time around the first year of the so-called Reconstruction Plan (1947). The first post-war Hungarian Statistical Yearbook published by the CSO comprised material for 1943–6 and came out as late as 1948. For the years after 1946, however, no yearbooks were published. Instead, as was the case with other periodical compilations made by the CSO, the yearbooks remained in manuscript form and were classified as 'confidential' or 'strictly confidential'. The classification and the restricted number of copies produced made the yearbooks a real scarcity product. Table 1 above summarises the data relating to the fate of statistical yearbooks for the years 1947 to 1954. Between 1949 and 1955, even the publication of the Statistical Pocket-Books of Hungary (a series started in 1946) was suspended. Thus, in terms of publicly available statistics, Rákosi's years can be regarded as an era of information draught resulting from secrecy reaching hysterical dimensions.

In 1957, just as after the war, an omnibus yearbook was published, again, to cover the whole period between 1949 and 1955. The year 1957 is also an important date because it was then that the very first comprehensive volume of economic statistics, reflecting the conditions prevailing in the country between 1949 and 1955, was made available to the broader public.³

³ *Adatok és adalékok a népgazdaság fejlődésének tanulmányozásához, 1949–1955 (Data and Materials for the Study of the Development of the People's Economy)*, (Budapest: Statisztikai Kiadó Vállalat, 1957).

Table 2 Access to statistical information, 1949–54 (distribution of CSO materials among various groups of addressees; CSO employees excluded; column pct)

	1949	1950	1951	1952–3	1953–4	1949–54
Politburo	23.5	23.9	23.8	25.6	25.4	24.9
CC apparatus	12.7	8.7	7.9	11.2	10.2	10.5
CC members	14.5	15.0	17.5	5.8	10.6	9.6
USSR embassy	0.6	0.8	3.2	5.8	5.5	4.1
Government	29.5	38.3	33.3	36.8	24.2	35.0
Political elite (sub-total)	80.8	86.7	85.7	85.2	75.9	84.1
Other	1.8	2.5	3.2	.6	2.1	1.4
Unidentified	17.4	10.8	11.1	14.2	22.0	14.5

Sources: The raw data processed in Tables 2–3 are collected from the lists of the so-called ‘secret documents’ administration’, Titkos Ügyiratkezelés (TÜK), held by the Archives of the CSO, KSH LT, B-12.8, 8–11. dob. In producing the tables I have used sixty-one such TÜK lists revealing the names of the persons receiving materials from the CSO. The lists date from 1949 to 1954. In identifying the working place and the rank of the persons enlisted I have resorted to a great variety of published and unpublished sources of information. From the published works I wish to name the following: Márton Fekete, ed., *Prominent Hungarians Home and Abroad*, 4th ed., (London: Szepsi Csombor Literary Circle, 1985); András Nyirő, ed., *Segédkönyv a Politikai Bizottság tanulmányozásához (Manual for Studying the Political Bureau)* (Budapest: Interart Stúdió, 1989); Bölöny József, *Magyarország kormányai 1848–1987* (Hungary’s Governments), 3rd ed., enlarged (Budapest: Akadémiai Kiadó, 1987); Ágnes Kenyeres, ed., *Magyar Életrajzi Lexikon* (Dictionary of Hungarian Biographies), Vols I–III (Budapest: Akadémiai Kiadó, 1967, 1969, 1981); Henrik Vass, ed., *Munkásmozgalom-történeti Lexikon* (Dictionary of the Workers’ Movement), 2nd impr. ed., (Budapest: Kossuth Könyvkiadó, 1976); *Magyar Ki Kicsoda* (Hungarian Who’s Who) (Budapest: Láng Kiadó & Texoft Kft., 1990).

Of course, the publications of 1957 could not help research economists in their work during and before 1956. The barriers they had to overcome were considerable. The power motives determining the information policies of the regime had to do not only with an urge to prevent data from coming into the hands of the ‘Enemy’: strongly restricted access to information provided the chosen few with a potential advantage that could easily be turned into political and social power again. That is why, in György Péter’s Central Statistical Office, the telephone lines tended to go hot when they were about to issue, or had just issued, (not published!) some ‘material’ of significance.

The group provided with regular statistical information (or, indeed, with information at all) by the CSO comprised usually between fifteen and sixty persons (the top political and economic leaders of the country). The CSO issued an increasingly wide range of statistical compilations covering various sectors of the country’s economic and social life. These materials were intended for circulation exclusively among government and party leaders, and were as a rule classified ‘secret’ or ‘top secret’. Even the lists of the recipients of this information were classified as ‘top

Table 3 *Access to statistical information, 1949–54 (according to place in the nomenklatura; column pct)**

Appointed by	1949	1950	1951	1952–53	1953–54	Whole Period
Politburo	53.0	49.9	50.0	39.2	41.5	43.2
CC Secretariat	13.0	14.3	15.4	28.5	14.4	22.1
Orgburo	4.3	5.3	7.7	4.4	5.4	4.8
Party Top						
Sub-Total	70.3	69.5	73.1	72.1	61.3	70.1
Lower & unidentified	29.7	30.5	26.9	27.9	38.8	29.9

*In identifying the position of the individuals included in the lists, I have applied the actual *nomenklatura* as accepted by the party's top leadership in early 1951. 'Feljegyzés az 1951. évi hatásköri listáról' ('Note on the 1951 *nomenklatura*'), dated 13 March, 1951, PIA 276 f, 54 cs, 134 öe.

secret'. These lists were put together by the economic policy section of the CC. They could be added to at the suggestions of the CSO, who would receive applications for statistical data from various authorities. But no list could become effective without the sanction of the Politburo or the express consent of Ernő Gerő. The CSO themselves understood the service of 'the leaders of the party and the government by providing them with regular statistical reports covering all areas of the economic, social, and cultural life' as the rationale for their existence and activities.⁴

Under such conditions the access to statistical information becomes directly a function of one's position in the *nomenklatura*.⁵ I have processed a great number of the distribution lists for the secret reports of the CSO issued between 1949 and 1954. A summary of the results is given in Tables 2 and 3. Almost half of all the copies of

⁴ This sort of programme definition characterised the pre-1956 era and can be found, e.g., in documents such as 'A Statisztikai Hivatal információs szolgálata' ('Information Services of the Statistical Office'), undated typescript from 1950, Központi Statisztikai Hivatal Levéltára (Archives of Central Statistical Office, thereafter KSH LT), B-11, 1.dob., 1950, or the 'Tájékoztatói főosztály szervezeti felépítése' ('The Organisation Structure of the Department of Information'), undated typescript from 1955, KSH LT, B-11, 1.dob., 1955.

⁵ The present usage of the term *nomenklatura* originates from the Soviet Communist Party jargon of the 1930s. To begin with it meant nothing else but the formal distribution of powers among party organs at various levels to appoint (or to control the appointments) to positions of significance in the state and society, and to award (or to control the granting of) prizes and decorations. The distribution of mandates was usually defined in a Politburo resolution (which itself was often called '*Nomenklatura* for the year ...') to be revised in accordance with the cyclical movements of political centralisation and decentralisation. The importance attached by the party to a certain position in the government, in the Academy of Sciences, or in artistic life, was clearly reflected in the hierarchical level at which appointments to the particular (or to that particular type of) position had to be made (or, at which level such decisions had to be cleared). Hence the more broadly known and used connotation of the term, meaning the overall élite (or 'ruling class') of state-socialist society. A book-long example for this latter usage is Michael Voslensky's *Nomenklatura: Anatomy of the Soviet Ruling Class* (London: The Bodley Head, 1984).

CSO reports circulated outside the CSO went to the central party administration. The central party administration and the government combined accounted for more than 70 per cent of the reports issued by the CSO. The extent, however, to which the central political leadership succeeded in monopolising access to statistical information can better be described by grouping the recipients according to their position in the *nomenklatura*. The data above indicate that an overwhelming majority of the persons constituting the category 'Government' in Table 3 had at least the rank of deputy minister.

In the sixty-one lists drawn upon to produce Tables 2 and 3, I could find but one occurrence of a person who, at the time of observation, worked as a research economist, Margit Siklós. And there was yet another person who would, at a later stage, become a research economist and who figured twice in the lists constituting our sample, János Kornai. He was economics editor of the party's daily, the *Szabad Nép*, a fairly high position within the Central Committee apparatus.

While the regime was extremely restrictive when it came to the accessibility of statistical data, it proved at the same time excessively generous in producing them. All the ministries and national economic authorities (such as the National Planning Authority, the National Price Authority, etc.) used their own statistical apparatus to observe certain processes, often simultaneously. Efforts to co-ordinate these activities broke down on the 'autarchic' aspirations of various authorities and their bosses. There is said to have been a certain amount of rivalry of this kind between the Central Statistical Office and the National Authority of Planning.

The conditions outlined above constituted some of the greatest impediments to the new empiricist economics emerging in the wake of the political thaw after 1953. In Hungary's communist politics, the first crisis of state socialism provided the ground for the very first reform experiments, too. One of the ideas inspiring Imre Nagy's 'New Course' policies was a scientific understanding of the country's economic ills. The critical state of the economy was ascribed to the lack of *scientific* foundations for planning rather than to the political and institutional regime of central planning as such. In his speech delivered in June 1954 to the General Assembly of the Academy, Prime Minister Imre Nagy announced the plans of the government to establish a research institute and a scientific periodical for economics. He stressed that these steps were intended to repair the damages caused by previous policies which impeded exactly those areas of research which could have contributed to the scientific foundations of economic planning. Moreover, he went so far as to identify the backwardness of economic research as the very root of 'the mistakes committed in the field of economic policy'.⁶ Béla Szalai, newly appointed chief of the Central Planning Authority, regarded as the major deficiency of macro-economic planning the fact that it did not rely on a scientific understand-

⁶ 'Megkezdődött a Magyar Tudományos Akadémia 1954. évi nagygyűlése', *Szabad Nép*, 15 June 1954, 2. The whole text of Imre Nagy's speech was published as 'A magyar tudomány előtt álló feladatok' ('The Tasks of Hungarian Science: Lecture Delivered to the General Assembly of the Academy, 14 June 1954'), *Társadalmi Szemle* (1954/6), 21.

ing of the conditions and tendencies actually obtaining in the economy.⁷ In the autumn of 1954, the Politburo of the Communist Party was about to discuss the conditions of science in the country. As a basis for the discussion and the resolutions to be taken, the Central Committee's Section for Science and Culture prepared a document in September. In this document, economics was criticised because of its 'scholasticism':

None of the articles, writings published during the last year, have treated, on the basis of many-sided scientific research work, any of the fundamental questions of our people's economy. These writings would not, in general, go beyond the confines of throwing light on the ideological side of various problems of economic policy [gazdaságpolitikai problémák elvi megvilágítása] or of propagandistic arguments on some theoretical questions. . . . The great distance from practical life is indicated also by the fact that the discussions on problems of economics arranged either by the various departments of the university of economics and of the party high school or by the editorial boards of periodicals tend to assume a scholastic direction and to end up in [debates on] how to interpret and explain certain definitions and concepts.

And this tendency, in the view of the Central Committee apparatus responsible for science policies, was all the more harmful as economics had an enormous task: 'To secure in the future that we can avoid those mistakes in economic planning which have resulted in the grave violations of the fundamental economic law of socialism and the law of planned and proportional development.'⁸

All this did not, of course, mean that the political power would become more receptive to economic expertise than it had previously been. It did mean, however, that in need of reliable feedback from 'economic reality', the political power realised and admitted the practical significance of economic research. This was an insight which, in turn, paved the way for the emancipation of economic research from direct political controls.

Many in the community of young communist economists, those who took over most of the research positions throughout academia in 1948–9, were disillusioned by the exegetical exercises offered by the Political Economy of Socialism. Few of them could remain immune to the moral trauma caused by the information reaching them, from their own less fortunate communist comrades who fell victim to the terror of 1949–53, on life and death in Rákosi's prisons and labour camps. Understandably enough, a considerable number of these young people, at the universities as well as at the new Institute of Economics of the Academy (established late in 1954), opted for the new empiricist research programme. It suited not only their intellectual-professional ambitions but also their desire to establish and consistently

⁷ Béla Szalai, 'Emeljük a népgazdasági tervezőmunka színvonalát!' ('Let Us Raise the [Scientific] Niveau of Macro-economic Planning'), *Társadalmi Szemle* (1954/6), 31.

⁸ The document, classified 'Confidential', dated 20 Sept. 1954, and produced in twenty-five copies, was attached to deputy section chief Albert Kónya's letter to the president of the Academy, István Ruzsnyák, dated 20 Sept. 1954, Magyar Tudományos Akadémia Levéltára (Archives of the Hungarian Academy of Science, thereafter MTA LT), Papers of the President, Registered files, 58/6.

to assert the distinction between the role of party soldier and that of the autonomous scholar or scientist engaged in a pursuit the objectives of which transcend the worldly horizon of politics. The latter role provided a refuge from, as well as a base for, revolt against the party's inherent tendencies towards oppressive regimentation of its membership. Thus, the situation emerging in 1953–4, at least in the field of economic research, enabled the party apparatus and the rebellious new intellectuals (research economists) to reach a compromise on the basis of a highly contingent harmony between, to use the language of Habermas's *Erkenntnis und Interesse*, the two basic types of knowledge-constitutive interests involved: the *interest of prediction and control*, on the part of the communist ruling élite, and the *interest of emancipation*, on the part of the new social science intelligentsia.

Undoubtedly, the legitimate (because political) need for 'objective knowledge' was an effective point of reference in the negotiations for a greater degree of autonomy for economic research. On this basis, already in the first half of the 1950s, such revolutionary heterodox ideas came to the surface as the wish to be allowed to assess critically the economic conditions of the country and to criticise in university lectures and seminars the economic policies pursued by the party and the government.⁹

That is how it came to be that the very first reforms to be implemented in the history of Hungary's state socialism affected not the framework of economic activity but the conditions under which economic intelligence and knowledge were produced and distributed. An important component of the change was the redefinition of the relationship between the practitioners of economic research and the makers of economic policy. All this had, of course, far-reaching implications even for the policies of statistical information.

Under the conditions typical for the Rákosi era, economists had two alternative ways (or a combination of them) of acquiring elementary data and information concerning the economic situation of the country: (a) they could try to get hold of the information provided by the Statistical Office, or (b) they could try and tap central economic authorities making their own statistical observations. Both of these options presupposed, however, that the economist (or his/her institute) had the power, or the proper access to such power, to be capable of breaching the thick walls of secrecy, restrictive rules and regulations surrounding all sorts of information. Lack of access to relevant statistical and other economic information was recognised as a major impediment to research as early as October 1951. In a comprehensive review on the state of affairs in economics, Péter Erdős, responsible for the only research institute at the time, tried to remind his superiors of, among other things, the fact 'that serious scientific work even in this field demands the closest contact between theory and practice. For all those, however, who do not have leading positions in the economic life, [to try] to get to know the facts of

⁹ Minutes of the University Council, 29 June 1954, Budapesti Közgazdaságtudományi Egyetem Levéltára (Archives of the Budapest [formerly Karl Marx] University of Economics, thereafter MKKE LT).

economic life is to face innumerable hardships.¹⁰ In that paranoid era of Stalinism, when the greatest virtue cultivated by propaganda and promoted by the omnipresence of ÁVH informers¹¹ was vigilance, a deaf ear was turned to such appeals. The period of thaw, beginning with the announcement of New Course policies by Imre Nagy, brought about a change in attitudes even in this respect. As is so often the case with changes initiated and administered from above, however, the relaxation in information policies affecting researchers' access to data was a slow, gradual process never yielding a comprehensive, clear-cut – much less a truly liberal-democratic – solution.

In connection with the New Course campaign to breathe life into economic research, the Second (Social Science and Humanities) Section of the Hungarian Academy of Science tried to take stock of current research projects pursued in the country in the autumn of 1953. This caused the then most important institution in economics, the Karl Marx University of Economics, to report on the research carried out by the university staff and also on the major hindrances to their research efforts. The latter consisted, with no exception, of barriers to acquiring the data considered necessary. The Department of Political Economy stated that the only aid they wished to have from the Academy was help in securing 'access, if needed, even to confidential data' from the Statistical Office and the National Authority of Planning. The Department of the Economics of Foreign Trade concluded the presentation of their plans by emphasising that three of their six projects 'are included in the plan only conditionally. If the Ministry of Foreign Trade, the National Authority of Planning and the Statistical Office fail to make the necessary data accessible,' they warned, 'the department will not be able to deal with those topics.' The Department of the Economics of Domestic Trade also needed help in making the National Authority of Planning, the Central Statistical Office and the Ministries of Domestic and Foreign Trade release the data necessary for their work. The Department of Macro-economic Planning (Népgazdasági Tervezés) went even further and wished not only to have data but also to be allowed to participate in the works of the National Authority of Planning. The Department of Agricultural Economics complained, too, of the difficulties experienced in acquiring the necessary statistical data concerning agricultural development. They wrote, 'They have asked for certain data at the Chief Department of Agriculture of the Central Statistical Office, but have been told that national [aggregate] data cannot be released.'¹²

¹⁰ Péter Erdős was in charge of the Institute of Economics that worked under the Ministry of Education. His review reached Aladár Mód of the Agitation and Propaganda Section of the Central Committee as an enclosure to the letter of Klára Fejér (administrative secretary of the Second Section of the Academy of Science) to A. Mód, n.d. (Oct. 1951), Magyar Tudományos Akadémia II. Osztályának Levéltára (Archives of the Second [Social Science and Humanities] Section of the Hungarian Academy of Science, thereafter MTA LT. II.oszt.), 182/6. See also here the note of chief secretary of the Academy, Tibor Erdey-Grúz, to Klára Fejér, dated 25 Oct. 1951, asking the latter to send on Erdős' review to A. Mód.

¹¹ ÁVH is the short for Államvédelmi Hivatal, Rákosi's much-dreaded Office for the Defence of the State.

¹² Karl Marx University of Economics, Section of Study, summary of the scientific plans of the university's departments compiled and submitted to the Second Section of the Academy by József Nyilas, 12 Oct. 1953, MTA LT. II.oszt., 182/8.

The plans and requests of the university were discussed by the Academy's Standing Committee of Economics. Tamás Nagy, still professor of political economy in the university, told the other members of the Committee that there were great expectations at the university regarding the Committee's views and advice in connection with the topics enlisted, and also regarding the help the Committee could render when it came to acquiring data of a confidential nature, and to securing contacts with the relevant organisations of practical economic life. The Committee's response was one of great caution. István Antos suggested that the Committee should warn the tutors of the *aspirants* (PhD students) that they should prevent the latter from undertaking projects 'which would demand a lot of confidential materials'. Árpád Haász, also a professor in the university, remarked that there were 'certain materials the researcher ought to know even [though] he would not publish [the data] in his paper'. Tamás Nagy argued for greater flexibility, suggesting that 'One of the decisive causes of the stagnation in economics has been that [research] has had no access to confidential data'. The university's rector, Béla Fogarasi, thought that, in this respect, 'the researchers ought to be helped, of course, in a proper and reasonable way'. In the opinion of Committee Chairman István Friss, head of the Section for Economic Policy of the party's Central Committee, each case had to be judged separately, and the release of confidential data had to be made dependent upon the reliability of the person in question. But he also maintained that, 'Concerning certain areas and up to a certain point in time, all data could be released'. As a result of the debate, the following resolutions were reached:

As to the question of the researchers' access to confidential materials:

- a.) In principle, it is impossible that researchers should be refused access to materials which are of relevance to their work and [at the same time] are of a confidential nature.
- b.) When granting permission, each individual case has to be judged separately, with a view to the person and the topic.
- c.) In each case, the researchers should define in their application for permission the sort of confidential material they would wish to see in order to draw on it in writing up their theme.¹³

As a manifestation of changing attitudes, the document, especially by acknowledging the legitimacy of the demand that researchers should have access to data, is of great importance. It hardly did enough, however, to improve materially the economists' access to the most elementary statistical data. It failed to do so partly because the Standing Committee as such had no competence to enforce its rulings against the authorities producing and controlling the data (informally, though, the fact that István Friss was the chairman of this Committee gave it considerable weight). But it failed also because the resolutions themselves were unduly restrictive in making the supply of data dependent upon the results of a scrutiny of the person and the project of the researcher by the data-owning organisation. The demand that the researcher had to define in advance what sort of data she or he was in need of

¹³ Minutes and extract from the Minutes of the Standing Committee of Economics, 19 Oct. 1953, MTA LT. II.oszt., 182/8.

seems to be extremely restrictive and quite absurd, too – especially in a world which tried to develop the habit of living without statistical yearbooks or, indeed, any other sort of published statistics. It did not take long to realise that this demand had the character of a ‘Catch 22’. In June 1954, the Council of the University of Economics gathered to assess doctoral-level education in economics. As a basis for the discussion, Professor Árpád Haász wrote a report summing up the recent experience of PhD students’ research. As to the preconditions of that work Professor Haász contended,

the main problem . . . was that the *aspirants* often substituted for real research work by asking for the supply of concrete data they imagined [they were in need of]. The economic authorities themselves too demanded a concrete definition of the data when requested. Of course, unable as he is to see the totality of the area related to his research, the *aspirant* cannot know what concrete data to ask for. In this way we can secure neither that the subject of research should really be the objective economic life nor that such research should lead to new conclusions on the basis of an analysis of facts. Data ‘asked for’ and ‘granted’ this way can only serve as illustrations to theses invented *a priori*.

Professor Haász took up another important consequence of the prevailing restrictions. Under the conditions of secrecy and of granting permission only following individual scrutiny, research activity was completely at the mercy of informal network relationships between the monopolists of information and would-be researchers. Haász was especially worried about the students just about to start their doctoral studies, for they, unlike the first cohorts of PhD students, lacked any personal contacts with the economic establishment in the country.

The *aspirants* working at present on their dissertations [Haász wrote] would still have such personal contacts as would more or less secure for them the possibility of carrying out their research. For the majority of the [later recruited] first- or second-year *aspirants*, however, this [sort of] contact cannot be taken for granted. It should, therefore, be guaranteed *institutionally* that the *aspirants* are able to work for a longer time in the practical field related to their research theme, and that they are enabled to get to know the *total* reality of the field in question, because only thus we can expect a dissertation to be on a scientific level.¹⁴

The University Council, however, were much more moderate in their ambitions than Professor Haász,¹⁵ and the demand for greater publicity for economic statistics and for clear-cut, generally known and enforced rules as to the conditions of access to qualified data remained a standard item on the agenda of academic reform.

The change brought about by the establishment of István Friss’ Institute of Economics was a more precise definition of the group of *privileged* research

¹⁴ Materials of the meeting of the University Council [Karl Marx University of Economics], 3 June 1954. ‘Aspiránsképzés egyes kérdései’ (‘Selected Problems of Doctoral Education’), by Árpád Haász, MKKE LT, 2–3.

¹⁵ Indeed, all the council’s meeting proved able to add to the matter was the contribution of one of the university’s Soviet professors, L. I. Fominih, who ‘criticised’ the restrictive attitude of various authorities on the grounds that ‘It is, of course, unnecessary to have data pertaining to a whole industrial sector, or to the whole national economy for producing a dissertation. Dissertations can be written on the basis of data from five to ten companies (of a non-sensitive nature). But these data are absolutely necessary.’ Minutes of the meeting of the University Council, 3 June 1954, MKKE LT, 10.

economists allowed to have access to statistical data. The proposal for the foundation of the Institute suggested that 'the director of the Institute should be given all the publications and materials necessary for the topics enlisted in the programme of the Institute'.¹⁶ The proposal was approved and became a Politburo resolution which, in the informal hierarchy of the time, was the highest possible 'legal' status a normative measure could achieve. On the party's side this might be regarded as a considerable step towards 'liberalisation'. Significantly enough, when the plan for the Institute was approved by the Politburo, both Mátyás Rákosi and Ernő Gerő were absent. The Politburo decided to make the suggested resolutions more concrete by adding that 'The director of the Institute should be provided with all the information and materials (necessary for the research work) issued by the Statistical Office, the National Authority of Planning, the economic ministries and other organs', and, accordingly, they immediately instructed György Péter, president of the CSO, and Andor Berei, newly appointed president of the National Authority of Planning.¹⁷

However great these steps may have been from the party's point of view, for the community of research economists the degree of openness provided by the measures of 1953–4 could hardly be satisfactory. The demands for radical change in information policies surfaced again when the restalinisation efforts of 1955 had given way to a renewed reform-communist offensive following the Twentieth Congress in Moscow, held in late February 1956. Within the confines of academe, the Friss Institute was especially active in the criticism directed against the persistence of Stanlist policies of information. Aware of the enormous hazards implied by a regime where access to information was an exclusive benefit granted arbitrarily by the political leadership, the members of the Institute, including now the director, István Friss himself (!), refused to be content with their own privileged position. They regarded unrestricted access to basic economic statistics and information as an urgent necessity for the social-institutional development of economics as a science. They saw their own privileged position more and more as a handicap preventing them from freely publishing their results, and precluding even the possibility of the emergence and development of a broader community of economists that could provide a steady professional control and assessment of scientific activity. This experience is clearly articulated in the Institute's report of March 1956:

In the countries of the socialist camp it has been for many years argued that the secrecy of the data is exaggerated and that by making the major data of economic life inaccessible to the public we cause harm only to ourselves. The exaggerated secrecy of data presents especially

¹⁶ 'Javaslat Közgazdaságtudományi Intézet létesítésére' ('Proposal to Establish an Institute of Economics'), 5 Nov. 1954, MTA LT. II.oszt., 183/1; also in MTA LT, President's Papers, 3/3.

¹⁷ A Magyar Szocialista Párt Politikatörténeti Intézetének Levéltára (Archives of the Institute of Political History, Hungarian Socialist Party, thereafter PIA), Minutes of the Politburo [of the Central Committee of the Hungarian Workers' (Communist) Party], 10 Nov. 1954, item no. 6 of the agenda. The following members were present at the meeting: Mihály Farkas, Imre Nagy, András Hegedüs, István Hidas, Antal Apró, Lajos Acs, Béla Szalai, István Bata, József Mekis, Béla Vég, János Matolcsi. Since this research was done Hungary's new political regime has arranged through legislation for the transfer of all PIA documents originating from the period of communist rule (1948–89) to the Nemzeti Levéltár (National Archives of Hungary).

great difficulties for economics and, first of all, for the development of research activity. In view of the standpoint of the XXth Congress against the exaggerations in secrecy, it may be expected that even in our country there will be publication of data on a greater scale, although no practical steps have as yet been taken in this respect. For the members of the Institute, we have managed to secure access to secret materials. Still, the publicity of the data is of extraordinary importance even for us as it will make it possible for us to publish more of our own works and also because only the regular publication of a great number of the characteristic indicators of economic life can create the background, a wider interest in and an understanding of economic issues, without which the science of economics by necessity can only develop slowly with the contribution of but a few.

The same report mentions the case of the research project on retail trade and consumption during the first Five-Year Plan and reveals that

the results of this research, on account of the secret nature of the data processed in it, cannot be published and will serve to inform party and government leaders. The authors wish, however, to publish those results of the research which can be generalised and which do not contain secret data.

The very same applied to the research carried on at the Section of Finance. They were studying the development of the money stock during the first Five-Year Plan, trying among other things to localise and assess the volume of cash held by various classes and strata: 'The results of the investigation, in accordance with the secret character of the data, have been forwarded to our party and government leaders.'

Among future plans, the report laid great emphasis on the General Theory Section's wish to embark on a major research project to undertake a comprehensive analysis of the development of the Hungarian economy since 1947 or 1949. The Institute regarded this project as of the utmost importance and complained that they had been unable to include it among their research plans 'because, as yet, we have failed to eliminate certain technical barriers connected with certain materials having been classified top secret'. They also expressed their strong belief that, in accordance with the spirit of the Twentieth Congress, the discussion on the second Five-Year Plan and the increased publicity of statistical data would promote healthy public debate on matters of economic policy.¹⁸ It is worthwhile noting in this context that a report of the Institute from early 1958 revealed that the institute had been prevented from embarking on the historical-critical study of such aspects of the country's economic development as the sectoral or branch composition of total production, because 'comrade Gerö found that, from the point of view of secrecy, such a research undertaking . . . was disquieting'.¹⁹

Having gone a long way, since October 1953, towards a reformist position, István Friss, personally argued on several occasions for the abandonment of restrictive data policies. On 8 May 1956, at the meeting of the managing board of the

¹⁸ 'Beszámoló a Magyar Tudományos Akadémia Közgazdaságtudományi Intézete munkájáról' ('Report on the Activities of the Institute of Economics'), March 1956, attached to the Minutes of the Managing Board of the Second Section, 8 May 1956, MTA LT, II.oszt., 3/3.

¹⁹ 'Jelentés' ('Report'), 3 Feb. 1958, 4, PIA 288.f., 33/1958/19. öe. It can be safely assumed that the report was written and sent to the Central Committee apparatus in connection with the party investigation carried out against the Institute between late 1957 and March 1958.

Second Section of the Academy, he answered the criticism levelled against the Institute for its neglect of 'fundamental research' by stressing the priority of 'a lot of partial research' and by asserting that

Such research has been impossible until recently on account of the inaccessibility of data. Incidentally, the data are not accessible even today. For we have access to the Hungarian data, but we should be able to define the questions and to carry out the research in a much broader context, and we ought to study the volume of money in the various [socialist] countries, why it developed as it did, how the changes in price level and other factors affected it, etc.

In the same discussion Friss also maintained that

the most effective means of creating an economic public opinion would first of all be the publication of economic data. If we are to provide such a background to our science as would satisfy the interests of the broadest circles, then we have to make a lot of important economic data accessible to the broad public. The *Statisztikai Szemle* [Review of Statistics] or other publications should regularly publish data from which the citizens of this country could judge the state of affairs in Hungary.²⁰

At a meeting of representatives of communist organisations in the Academy's Second Section, Ferenc Donáth, deputy director of the Institute of Economics, reiterated Friss' opinion and added that

a precondition of the successful development of economics, just as, probably, of other sciences, is that the cultivation of the science ceases to be confined to the circle of a few tens or twenties of people and that even concerning economics there develops a public opinion which secures a steady recruitment for research and (perhaps most importantly) a constant control. The precondition of a successful struggle against dogmatism is exactly the control [exercised] by a broader public opinion, and this economic public opinion can only be established with the release of data for publication.²¹

From early 1956 onwards, economists grew increasingly impatient with the hypocrisy of the political leadership who, in the name of New Course policies, criticised economists for 'intellectual cowardice', 'lack of interest in the problems of practical economic life', 'dogmatism', and so on. A report on the mood prevailing among economists after the Twentieth Congress maintained that the slogan of bringing economic science closer to practice was especially popular among economists, because they believed it to be a confirmation of the view that 'there can be no economic science without the study of everyday practice'. But, the report continued, in the economists' opinion they had not been solely responsible for the fact that they had not been able to come closer to an understanding of the practical life. There are quite a few other factors, too, such as the very comprehensive secrecy of statistical data, etc., which make it difficult to get closer to practice. It is often the leading organs [themselves] who find it [i.e., the research] undesirable and who make [permission to do research] dependent on such conditions, which are extremely difficult to comply with.²²

²⁰ Minutes of the Managing Board of the Second Section, 8 May 1956, MTA LT, II.oszt., 3/3.

²¹ Minutes of the communist *aktiva* meeting of the Second Section of the Academy on lessons of the Twentieth Congress, 11 May 1956, MTA LT, II.oszt., 3/3.

²² 'Feljegyzés Orbán elvtárs részére' ('Note for Comrade Orbán on the Mood Prevailing among Economists at the University and at the Institute in Connection with the XXth Congress'), dated 5 March 1956, PIA 276.f. 91/92.öe., copy, typescript, no signature. László Orbán was the deputy of the cultural and scientific of section the party's central committee.

István Friss revealed himself in this respect, too, to be on the side of the economists. He told a mass meeting at the University of Economics that the low quality characterising economic scholarship and research in the country was hardly a function of negligence and lack of interest on the part of the young economists themselves.

How could either the young economists or anyone else get used to thinking about economic regularities and the meaning of various phenomena [Friss asked rhetorically] if they did not have a chance to get to know the phenomena, the facts themselves? If we wish to enable an increasing number of people to discuss matters of politics and, among them, matters of economic management, that they should be informed about the life (and, in it, the economic life) of this country, and about the factors shaping it, then we have to have radical changes even in this respect.

Friss was glad to be able to announce to the meeting (evoking noisy expressions of satisfaction from the participants) that he had been given to understand that the Statistical Office was preparing the publication of a pocket-book providing all the important economic data for the recent years and that they also planned to resume the practice of issuing regular statistical publications.²³

The resumption of regular publication of statistical yearbooks and other materials carrying elementary data about the Hungarian economy and society was one of the durable achievements of the period leading up to the revolutionary uprising of 1956. The responses to the political and economic crisis of state socialism after Stalin's death varied across the 'socialist camp', country by country. The rulers of Hungary strongly believed in the beneficial effects upon their policies of an improved understanding of the societal and economic processes. In order to secure the 'scientific foundations of planning', they were ready to accept an increased autonomy for the producers of economic knowledge and intelligence. Hence the emergence of a new contract between the community of research economists and the political authorities. It allowed the economists to have access to qualified data and information on the basis of rigorously restricted publicity. In exchange, the economists were expected to act 'responsibly' – not to leak the information. The underlying motive for this relaxation was the authorities' need for reliable expertise and intelligence as well as for additional ('scientific') legitimacy.

The economist of class-relativism was a soldier of the party deployed on the agitation and propaganda front. It would be meaningless to say of him that he was dependent on the political authorities, for he was in fact an organic part of the apparatus of power. 'New Course' economics informed by classical empiricism, on the other hand, was characterised as much by its relative autonomy as by its intimate relation to and heavy dependence upon political power. Its institutional autonomy, though contingent and seriously delimited, allowed it to develop along the path of positive science and to leave the duties of priesthood to the departments of political

²³ From Friss' introduction, 'Minutes of the discussion on the direction of the second five-year plan, attended to by the alumni and friends of the Karl Marx University of Economics, held at the university, on the 23rd May, 1956', 5. Enclosed with the letter of the university's party secretary, József Káplán, to István Friss, 31 May 1956, PIA 861. f. 178. öe.

economy. As a consequence, economists were becoming a professionally orientated, self-conscious group of academics trying to negotiate a position of independence and autonomy for themselves. But every second they could spend with the 'pursuit of truth' was a gift from the monopolists of political power, on whom they depended for their relative autonomy, for their 'raw material' (statistical data and other sources of information), for advancement in their careers, for their salaries and for their pens and paper. New Course economists (future reform economists) were not allowed (and not very much inclined either) to declare their 'Republic of Science'. Though they managed to establish a modest degree of autonomy, they were to form part of the great historical project of 'building socialism'. Economic research remained within the confines of applied science. It developed, as and when it could, in a symbiotic relationship with politics, with economic policy.

Biographical Appendix

István Antos (1908–60) became Communist Party member in 1945. He was an economist by education and before the war he was a wholesale merchant and owned a printing and publishing house. After 1945, he worked in various top economic positions in government and the party (chief secretary of the National Economic Council, 1945; state secretary, first deputy minister and, in 1957, minister at the Ministry of Finance; head of the Planning and Finance Section of the Central Committee apparatus, 1955–6). He was appointed to the chair of the Department of Financial Economics in the Karl Marx University in 1954.

Andor Berei (1900–79) was a hard-line Stalinist. Together with his wife, historian Erzsébet Andics, he belonged to the narrow circle of *Rákosi's* closest friends. He became a member of the CP in 1919 and worked in the interwar underground communist movement. He had various functions in the Communist International in Moscow as well as in Western Europe (between 1934 and 1946 he had high positions in the Belgian party). Berei returned to Hungary in 1946 to assume high positions within the government and the Central Committee apparatus (chief secretary of the Planning Office, state secretary and first deputy minister in the Ministry of Foreign Affairs, president of the National Planning Office, head of the Section of Science and Culture of the Central Committee). He was professor in the University of Economics, Budapest (1948–53 and 1961–72), and worked, after a year of exile in the USSR (1956–7), in the Communist Party's publishing house, *Kossuth Könyvkiadó*, of which he was the director between 1962 and 1976.

Ferenc Donáth (1913–86) became a member of the Communist Party in 1934. He was one of the organisers of the March Front, the anti-fascist movement of Hungarian intellectuals. He was one of the so-called 'home communists' (those who, like *János Kádár*, were active in Hungary's underground movement throughout the interwar decades and the war years), assuming high party and government positions after 1945. In 1951, however, he was victimised by one of the purges administered by *Rákosi's* political police and was imprisoned to serve a fifteen-year sentence. After his release and 'rehabilitation' (1954), he joined the revisionist circle around Prime Minister *Imre Nagy*. In 1955–6, he was the deputy director of the Academy's Institute of Economics led by *István Friss*. During the revolt of 1956 he was one of *Imre Nagy's* closest political collaborators. On 4 November 1956, together with forty-two other persons, high-ranking politicians and their relatives, he sought refuge in the Yugoslav Embassy. On 22 November, the group was abducted by the KGB and interned for almost six months in Snagov, Romania. He then was sentenced to twelve years in prison in

1958. After his release (1960), he worked in various minor academic positions. He wrote one of the most important books on the history of Hungarian agriculture in the period 1945–70. Donáth was a much-respected member of the democratic (underground) opposition of Kádár's regime during the 1970s.

Péter Erdős (1910–90) joined the underground communist movement in the 1930s. After 1945, he worked at the Ministry of Religion and Education with responsibilities for higher education. In 1948, he was appointed section chief and acting director for the new Marxist Institute of Economics under the Ministry of Education. Late in 1952, the Institute was abolished and Erdős, following his expulsion from the party, became unemployed. In 1954 he was rehabilitated and joined the newly established Institute of Economics at the Academy, where he remained and worked for the rest of his life. An engineer by education, Erdős was to become in the 1960s a significant practitioner of the Marxist political economy of modern capitalism. His main *opus* is *Wages, Profit, Taxation: Studies on Controversial Issues of the Political Economy of Capitalism* (1966, 1982).

Mihály Farkas (1904–65) was a member of the Czechoslovakian Communist Party in 1921. Between the wars he had various functions in the Communist International (and its youth organisation) in Western Europe, Prague and Moscow. He went to Hungary with the first group of 'muscovites' in November 1944 to hold a position in the party's Secretariat and Politburo from 1945 onwards. During the decade 1945–55 he had varying responsibilities, but the control of the police and the Army came under his aegis most of the time. He was released from his positions in the Secretariat and the Politburo in April 1955, and served a prison sentence from 1957 to 1960 for his part in the crimes committed, between 1949 and 1953, by the top Communist leadership.

Béla Fogarasi (1891–1959) was a rather dogmatic Marxist philosopher of modest talents. He became a member of the Communist Party in 1919. During the interwar years he worked in Vienna and Berlin for the respective Communist Parties and, from 1930 onwards, in the central organisation of the Communist International in Moscow. From 1933, he worked at the Institute of Philosophy of the Soviet Academy of Science, and, from 1934, he was university professor in philosophy. He moved to Hungary after 1945 and had various functions within the party as well as in the country's re-organised academic life (among other positions, he was vice-president of the Academy of Science and rector of the Karl Marx University of Economics).

István Friss (1903–78) became a member of the Communist Party in 1922. During the interwar years he studied (in Berlin and London) and worked in various institutions and places and in a number of positions for the Communist International. Member of the party's Central Committee from 1948 to 1978. He was head of the economic policy section of the Central Committee apparatus between 1945 and 1954, ranking, in the field of economic policy, as second after Ernő Gerő. He had the same position (section chief) in the Hungarian Socialist Workers' Party's Central Committee apparatus from December 1956 to December 1961. From late 1954 to 1973 he was the director and, from 1973 onwards, scientific advisor of the Institute of Economics of the Hungarian Academy of Science. In the Academy he had various functions after he was elected a member in 1951. During the 1950s and 1960s Friss gained a reputation as a conservative communist, but he had a prominent role in the academic reforms of 1954–6, resulting in the resuscitation of (empirical) economic research that had stopped altogether after the thorough purges of the field in 1948–51.

Ernő Gerő (1898–1980) became a member of the Communist Party in 1919. He worked mostly for the Communist International between the wars. He was representative of the Hungarian CP at the Communist International 1939–41. Gerő was also among the first

'*muscovites*' to return to Hungary late in 1944. He had been a member of the Politburo from May 1945 onwards; his membership of the Secretariat of the Hungarian Workers' Party (resulting from the merger of the Social-Democratic and the Communist Parties) dated from 1948. From 1945 he carried chief responsibility within the party for economic policy matters; throughout the decade 1945–56, he held top governmental positions in the field of economic policy. In July 1956, when *Rákosi* had been removed from power and forced to move to the USSR, *Gerő* became First Secretary instead. On 25 October 1956, he was expelled from all his positions in the top party organs. He fled to the USSR and did not return until 1960.

Árpád Haász (1896–1967) was one of the founding members of the Hungarian Communist Party in 1918. After the collapse of *Béla Kun's* Hungarian Soviet Republic (August 1919), he emigrated to Vienna where he was a member of the Central Committee of the Austrian Communist Party until 1935. He then went to Moscow (1935–8) but returned to Vienna in 1938 on a party mission. Between 1941 and 1945 he was held prisoner in several concentration camps and German prisons. From 1948, he worked as professor (and dean) in the University of Economics. His few writings constitute some of the less inspired and inspiring Marxist analyses of the post-1945 capitalist world economy.

János Kornai (1928–) was a party member between 1945 and 1956. As one of the youngest collaborators, he obtained a position on the party's daily paper, *Szabad Nép*, in 1948. Soon he became the economic editor, and later was appointed Chief of the Secretariat of the Editorial Board. After 1954 he joined that circle of Communist journalists within the *Szabad Nép* who opposed the efforts of *Rákosi* and his followers to turn the party back to its pre-1953 Stalinist policies and who supported *Imre Nagy's* revisionism. In April 1955, the Politburo dismissed Kornai, together with other rebellious journalists, from his position at the *Szabad Nép*. On 9 May 1955, the Secretariat of the Central Committee decided to honour Kornai's wish to assume a position as a research worker at the new Institute of Economics led by *István Friss*. Kornai was the author of the most typical and most important work resulting from the Friss Institute's new empiricist research programme. *A gazdasági vezetés túlzott központosítása* (Budapest: Közgazdasági és Jogi Könyvkiadó, 1957). In 1959, the book was published by Oxford University Press, under the title *Overcentralization in Economic Administration*. Kornai today is Hungary's internationally best-known economist, commuting between Budapest (where he is head of a division of the Academy's Institute of Economics) and Boston, Mass. (where he is a professor at Harvard University). His most important works are *Mathematical Planning of Structural Decisions* (1965), *Anti-Equilibrium* (1971) and *The Economics of Shortage* (1980). His latest opus is *The Socialist System: The Political Economy of Communism* (Oxford: Clarendon Press, 1992).

Imre Nagy (1896–1958) joined the revolutionary movement of Hungarian prisoners of war in Russia during World War I and, in 1918, took part, on the side of the Bolsheviks, in the civil war. He worked in the agricultural workers' movement in Hungary between 1921 and 1927. In 1928 he emigrated to Vienna and, then, to Moscow, where he worked in the Institute of Agricultural Economics. In the latter half of the 1930s, he joined the staff of the Hungarian Section of Moscow Radio. He returned to Hungary in late 1944. Between 1944 and 1956 (except for the period between March 1955 and October 1956), he held various top positions in the government and in the Communist Party. He was a member of the Academy of Sciences and professor of agricultural economics at the Karl Marx University of Economics. He came on several occasions into conflict with *Rákosi* and the Stalinist policies represented by him. After *Stalin's* death, he was the only member of the Politburo of the Hungarian Communist Party consistently to adhere to the reform policies of the New Course. In fact, for the post of prime minister he was the choice of the Soviet leaders desirous of preventing political upheaval in Hungary in the wake of five years' political and economic mis-

agement brought on the country by *Rákosi*, *Gerö* and *Farkas*. As the prime minister launching the New Course, 1953–5, Imre Nagy became the central figure of the first wave of communist revisionism (or, reform communism) in Hungary and in the whole of Eastern Europe. During his second term as prime minister (October–November 1956) he took sides with the anti-Stalinist revolt, for which *János Kádár's* restoration regime sentenced him to death. Together with two of his comrades, Imre Nagy was executed by hanging on 16 June 1958.

Tamás Nagy (1914–) was a member of the Social-Democratic Party between 1932 and 1945. In 1945 he joined the Communist Party as propagandist and then teacher of political economy at the party's education centre for recruits to future top positions from 1945 to 1947. The Communist Party relied to a great extent on his services in bringing about the *Gleichschaltung* of economic research and higher education in 1948–9. He was vice-chancellor and head of the Department of Political Economy at the University of Economics, the Communist takeover of which he organised, and also one of the founding members of *István Friss'* Institute of Economics, where he worked for a long time as head of the General Theory Section. Among the teachers of Marxist political economy in Hungary, he had a high reputation, often called 'the pope of political economy'. From 1953 onwards, his sympathies, although with some remarkable 'tactical' retreats to orthodoxy, have been mostly with communist reformism. In the 1960s he acted as the right hand of *Rezső Nyers*, the architect of Hungary's economic reforms, in administering and co-ordinating the work of the expert committees elaborating the reform proposals.

György Péter (1903–69) became a member of the underground Communist Party in 1932. In 1936 he was arrested and sentenced to a fifteen-year term in prison. He was a mathematician by education, and in 1948 was appointed president of the Central Statistical Office, which position he held until 1968. Péter was among the first economist ideologues of communist reformism in Eastern Europe, proposing the combination of market mechanisms with central planning as early as 1954. Péter played a considerable role in the formulation of the reform policy proposals underlying the 'New Economic Mechanism' introduced in Hungary in 1968. He lost his life because of a frame-up organised by the conservative leftist opposition to reforms within the party's top echelon. Under trumped-up charges he was expelled from his job and arrested in late 1968. Seriously ill and in a prison hospital, Péter committed suicide in January 1969.

Mátyás Rákosi (1892–1971) took pride in being 'the best disciple of Stalin'. He became a prisoner of war in Russia in World War I, returned to Hungary in 1918 and joined the newly established Communist Party. He had important positions (among others, he was, after 20 July 1919, appointed Commander of the Red Guards) during the short-lived Soviet Republic of Hungary in 1919. In the early 1920s he worked in the apparatus of the Communist International (in 1921 he was one of the secretaries of its Executive Committee). Having gone back to Hungary to carry on illegal political work, he was arrested in 1924 and sentenced to a long prison term, prolonged in 1935. After some symbolic gestures on the part of the USSR, he was released by the Hungarian authorities and allowed to go to the Soviet Union in 1941. He was the leading figure among the Hungarian communist émigrés in Moscow, 1941–4. Ranking number one in the Communist Party throughout the decade 1945–56, and acting and behaving as an autocratic ruler of the country, he established himself as the most dreaded and hated personality in modern Hungarian history. His name and person are inseparably connected with the political and social terror and the economic mismanagement imposed on Hungary between 1948 and 1953, the period of 'the cult of personality', to use the euphemism originating from the Twentieth Congress. His and his comrades' opposition and sabotage directed against the reforms of the New Course following

Stalin's death together constituted the main factor that propelled developments towards the revolutionary uprising in late 1956. With the help of an anxious Soviet leadership, Rákosi was divorced from his power and exiled to the Soviet Union in July 1956.

Margit Siklós (?–) was a Communist economist and section chief at the National Planning Office in the late 1940s and early 1950s. She led one of the sections of the Institute of Economics 1948–52 (where the other section chief and acting director was *Péter Erdős*). In 1952, as a consequence of the 'anti-zionist' purge initiated in Moscow and reaching even Hungary, she was expelled from the party and arrested. After 1956, she worked for a period as a director of the publishing house for economic and juridical literature, *Közgazdasági és Jogi Könyvkiadó*.

Béla Szalai (1922–) was one of the top functionaries, after 1945, of the leftist (communist) student movement. An economist by education, he was head of the Secretariat of the Council of Ministers (government) in 1952–3. In 1953–4, he was president of the National Planning Office. At the top of his political career, he was secretary of the Central Committee responsible for economic policy matters 1955–6. After 1956, he held various positions in the foreign service and in the country's foreign economic relations. He retired in 1985 after serving as Hungary's Ambassador in Berlin (GDR), in 1985.