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Actors, Ruptures, and Continuity. New Socialist Order or Legacy of the War Economy: The Hungarian Vehicle Industry around 1950

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This article investigates the formation of a Hungarian socialist enterprise in the vehicle industry. After giving an overview of the legacy of World War II in a (nationalized) vehicle industry plant, it explores political, production, and wage conflicts on the basis of company and party archives and considers the kinds of resources which workers and engineers could use in their efforts to assert their interests. It also considers how these efforts limited the abilities of the central economic authorities to exert influence. It arrives at the conclusion that the main features of the early socialist enterprises, such as technology, the structure of the skilled workforce, the attitudes of this workforce, etc., were shaped by the industrial boost which had come with the war. Furthermore, the relationship between workers and firms was itself shaped by the shortage of consumer goods during and after the war, because the supply of consumer goods (above all, food) was considered the responsibility of the enterprises. These circumstances set narrow limits within which the central economic administration had to operate in its efforts to create so-called socialist enterprises. So, the early socialist enterprise seems to have had few genuinely socialist elements. It was shaped far more by the prevailing conditions in the postwar context, networks among engineers, and a sense of solidarity among skilled workers which had been inherited from the pre-socialist era.

Keywords: Socialism, Hungary, technocracy, labor history, enterprises.

In December 1951, tensions concerning wages (quite typical of the Rákosi era) in the Ikarus Bodywork and Vehicle Factory on the outskirts of Budapest led to a riot. Barely a week earlier, the trade union secretary of Ikarus had spoken about the tension surrounding bonuses at the meeting of the Hungarian Workers' Party (MDP) in the sixteenth district.¹ As Christmas approached, the conflict became increasingly acute. According to the rules, December 27 would have been the payday at Ikarus. However, chief accountant Jenő Medvei had promised at a

1 "Bonus for reaching the production target: Yes, but it doesn't work well. The trade union, for instance, only learns of it afterwards. There was a case in which Chief Engineer Zerkovitz promised the workers overtime pay, and when they went to get it, they were told that there was no money for overtime pay anymore." BFL XXXV.157.a.3. 257. December 14, 1951.

trade union event on December 19 that wages due would be paid on December 23, i.e. before the holiday. He allegedly misled the company's executives by saying he had obtained permission from the Ministry of Metallurgy and Machinery to pay these wages. When the payments were already in progress, Medvei called the ministry to get permission to make the payments before Christmas. The ministry, however, rejected his request and even ordered the suspension of the payments that were already underway. The Ikarus leaders then suspended the payments, and they spent some time on the phone helplessly entreating various representatives of the higher bodies to help until, eventually, Minister of Metallurgy and Machinery Mihály Zsofinyecz firmly informed them that they were forbidden from deviating in any way, with the disbursement of payments, from the official schedule.² At 4:30 that afternoon, the workers, who were eagerly waiting to be paid, were told on the loudspeaker that payments of wages would only be made on December 27. Later, the company management was harshly criticized for not having the courage to stand in front of their employees in person and explain the party's decision and stance. Financial director Medvei, however, allegedly did approach the angry workers in person and informed them of the instructions he had been given by the party. The crowd of about 500 people, including party members, wanted to beat general manager Szócs, who fled to the party office. Szócs was later criticized for having led the angry crowd to the party office.³ The angry mob broke into the corporate MDP office, smashed the equipment, and threw the documents and décor on the ground, but Szócs was able to escape. The events were brought to an end with the arrival of the state security forces. The crowd was dispersed, and some 100 people were detained.⁴ By exploring the processes which led to the conflict described above, the present study examines the peculiarities of the formation of a socialist company which, as one of the flagbearers of Hungarian industry, provided buses for the Soviet Union and other Comecon countries for decades and, in some periods, also was a major source of exports from Hungary to countries in the third world.⁵

2 At the time, pay days at different companies were scheduled at different times so as not to overwhelm commerce with a sudden surge in demand on a single payday for a potentially huge customer base.

3 Szócs was harshly reprimanded in party disciplinary proceedings. BFL XXXV.95.a. 52/b. the meeting of the Budapest Party Committee on April 15, 1952.

4 At the same time, there was a strike at the Csepel Car Factory for the same reason. According to a report of the state secret police, in front of the CEO's room, the crowd made "statements which were pornographic, anti-democratic, and insulting to the leaders of our government." Cited Belényi, *Az ipari munkásság*, 161–62. For an analysis of the events in Szigetszentmiklós, see Kiss, "A Csepel."

5 Bódy, "Enthralled by Size."

The secondary literature on the economics of the state socialist era has always considered large enterprises as important actors, and it was, according to this literature, the relations between these enterprises and the governing superiors (relations which were plagued by communication failures), the often dysfunctional interactions among these enterprises, and the internal conflicts at these enterprises which were responsible for the chaos of the planned economy.⁶ At the same time, its inefficiency from an economic point of view notwithstanding, the socialist enterprise was an important institution of social integration in state socialism because it linked its workers and employees to itself and to the system through other organizations tied to the enterprise (trade unions, sports clubs, etc.) and through social benefits, in addition to wages, and thus provided them with a specific socialist way of life.⁷ The more recent literature also emphasizes, in comparison with earlier research, that companies functioned as autonomous institutional actors in state socialist societies, maintaining transnational networks of contacts, often across the Iron Curtain, and that the development of these networks over time did not necessarily follow the same pattern as the development of political relations between East and West, but rather had a distinctive dynamics of its own.⁸ At the same time, the literature has only rarely dealt with the period of the emergence of the socialist enterprise, the processes that created the familiar features of the socialist enterprise, and the actors who shaped them in the period of nationalization. The present study examines the groups and forces that shaped the image of the enterprise at the turn of the 1940s and 1950s, and it considers the extent to which nationalization and the establishment of the party-state system represented a departure from the earlier path.

The Legacy of the War

“The Uhri siblings showed us that there is an America in Hungary too. They began as entrepreneurs with only small workshops, and we immediately made them into major industrialists.” So said, allegedly, the Deputy Minister of Defense on October 17, 1943. He was referring (or at least so the source in which the statement is found contends) to the tremendous growth which the company

6 Kornai, *A biány*; Germuska, “What Can We Learn;” Steiner, “Zur Anatomie.”

7 See the essays in the following volume: Schuhmann, *Vernetzte Improvisationen*.

8 Fava and Gatejel, “East-West Cooperation;” Jajecniak-Quast, “The Multiple Interantional Dimension of Comecon.”

founded by the Uhri siblings had enjoyed because of the orders placed by the state for the military.⁹ The enterprise launched by the Uhri family, which had begun as a low-level undertaking, had grown by 1938 to a middle-level company which, however, still had less than 100 employees. Over the course of the next year, however, as a consequence of the orders placed by the state, the company grew to several times this size, from the perspectives of both production and the number of employees. The company, which in the early 1940s employed a few thousand people, made cable drum carts and superstructures for a wide variety of military vehicles (artillery carts, veterinary and horse disinfection carts, and, later, command vehicles and radio carts) and also pontoons for the army. It was declared a military plant, and the army became the most important source of orders for its products. Furthermore, as a consequence of this change in the status of the company, the important skilled workers were exempted from military service.

They received government loans. In 1942, the state lent 3.7 million pengő to the Uhri siblings for investment in vehicle manufacturing. They had to build a modern factory in Mátyásföld in order to be able to engage in modern large-scale production.¹⁰ The creation of a dramatically larger factory site necessitated, of course, a number of other changes. A doctor's office, a kitchen, and a cafeteria were set up, or in other words, the kinds of social facilities associated with a large enterprise. The company was run by three siblings. Imre Uhri Jr. served as commercial director because he had connections to politics and the Ministry of Defense. Zsigmond Uhri saw to the tasks of technical director and was in charge of production. Matild Uhri (the wife of László Kelecsényi) headed the material procurement department, which may well have been a major task at a time of war.¹¹

In 1938, the Uhri siblings also began to work in airplane manufacture. First, they made a gliding machine on the basis of designs by the Technical University Sport Flying Association. The glider was essentially a matter of small-scale industrial production. The Miklós Horthy National Aviation Fund then placed orders for repairs to school machines made by Bücker Flugzeugbau, a German manufacturer.¹² The move into the aircraft industry was made possible by the fact that the production processes for bodywork for road vehicles were technologically similar to the production processes involved in making aircraft

9 "Sikeres magyar nagyiparosok," *Katolikus magyarok vasárnapja*, November 27, 1977.

10 MNL OL Z 517. 2. Loan agreement.

11 MNL OL Z 517. 1. 6. Instruction of Imre Uhri.

12 *Magyar Szárnyak*, October 1, 1941, 24.

bodies. Working with the same machines and tools and similar materials, the skilled workers were able to use the training and experience they already had to perform the necessary tasks. Thus, in addition to the role it played in vehicle production, the factory was also able to take on the repair of aircraft and the production of sports aircraft in small series.

The next step was to establish a relationship with the Bücker Flugzeugbau manufacturer, as the Uhri siblings' factory was doing repairs to planes produced by Bücker. The other factories in Hungary which were suitable for aircraft production were engaged in production within the framework of a joint program with the Germans, and thus there were no factories which would have been able to address the need to produce planes for training for the Hungarian military. The Ministry of Defense purchased the license for the Bücker 131 and then handed it over to Uhri siblings' company.¹³ The Ministry of Defense then ordered 210 training planes from the company, and it provided significant loans for the investments needed to meet the order.¹⁴ The Uhri company thus became a kind of government enterprise. Similar enterprises had developed in Germany and overseas as a consequence of government investment programs to combat the world economic crisis, and naturally they continued to grow as a result of production for the war.¹⁵

The emergence of a system of contracts for the manufacture of aircraft, which was in the interests of both the Hungarian Ministry of Defense and the German company, involved the mobilization of significant sums of money and thus would not have been possible without persistent lobbying and background work. One of the accusations against Imre Uhri, who in 1945 and later was stigmatized as someone who had been a right-wing friend to the Germans during the war, involved the contacts which he had maintained with extreme right-wing personalities and military leaders, primarily people in the air force and military who were responsible for equipment orders, several of whom were members of the Arrow Cross, a far-right party in Hungary which for a time was even banned by Horthy. Some of these individuals, for instance a retired Deputy Minister of Defense, ended up on the company's board of directors.¹⁶

13 MNL OL Z 517. 32. Minister of Defense's letter to the company.

14 In 1943, the Ministry of Defense authorized interest-free loans to the Uhri company in several steps. HL HM 1943 eln. 17/b 107819., MNL OL Z 517. 17.

15 Schanetzky, *Regierungsunternehmer*.

16 *Gazdasági, pénzügyi és tőzsdéi kompasz*, 1943–1944, 531. HL HM 1944 eln. 17/b. 203893. Accounting report of the Airplane Factory on January 26, 1944 to the Ministry of Defense.

As the investments were being made, several reports were received by the Ministry of Defense regarding the loans which had been made to the Uhri siblings. According to these reports, the monies which had been provided had been used in part to cover expenses for luxuries. In the course of the subsequent investigations, the Ministry of Defense committee of inquiry found that the original loan agreement according to which the Hungarian Army Treasury had entered the investment had been reached without actually stipulating clear plans for the construction of buildings, the manner of implementation, or the provision of the necessary equipment, though the Ministry itself had called for such plans. Since the very first financial plans had been reached, the credit line which was allegedly needed “had grown like an avalanche to 5, 8, 11, 14.7, 20, and 25 million, and now there is talk of 30–32 million.”¹⁷ During the investment, the Uhri siblings charged a number of things to the credit line which were not, strictly speaking, eligible. A total of 1,670,189 pengő were spent on costs which, according to the committee, should not have been charged to the credit line.¹⁸ In 1944, however, the Ministry of Defense transferred another quick loan to the company so that construction would not stop, and they even made a proposal to the Council of Ministers to raise the credit line.

The construction of a factory under the leadership the Uhri siblings but financed entirely by the Ministry of Defense bears a close resemblance to the later investments made by the socialist state according to the planned economy with only soft constraints on budgeting. As a consequence of this investment, in 1943 and early 1944, a 11,685 square-meter factory hall was built in Mátyásföld which at the time was one of the largest and most modern factories in all of Hungary.¹⁹

In the summer of 1944, factory councils were formed at the company, as indeed was the case at all factories. These councils were established by law in the spirit of the corporate ideas of the far-right government which came to power with the German occupation after March 19, 1944.²⁰ Later, from 1945 onwards, these bodies were referred to as “Arrow Cross factory councils.” However, the actual political views and inclinations of the members of the councils may well have been very mixed (though people who had open left-wing sympathies, of

17 HL HM 1944 eln 17/b. 203893. Report for the Deputy Ministry of Defense on April 4, 1944.

18 HL HM 1944 eln. 17/b. 209074 and 1944 eln. 17/b. 203893. 3. Report of the committee of inquiry, and cost accounting.

19 The cost accounting of the construction, which was still in progress at the time, from January 1944, contains the main data concerning the site: MNL OL Z 517. 2.

20 28900/1944. Ip. M. and the 29000/1944 Ip. M. regulations.

course, would not have been admitted), and there may have been cases in which the elections reflected little more than the popularity of a given candidate among those who were entitled to vote. The factory councils, which had to listen to questions concerning personnel, focused primarily on welfare matters. For instance, they oversaw the distribution among workers and officials of materials which had been taken from shops which had classified as “Jewish.” From the perspective of the provision of goods and wares during a time of war, this was a manner of complementing the company’s forms of social welfare which had been developed earlier.

In the upheaval of the last months of the war, the Uhri factory could hardly escape the fate of most modern enterprises. As the Soviet army drew ever nearer, the government resolved to have all installations of any possible value moved. Some of the workers hid both materials and machines in the cellars of the Mátyásföld factory, in all likelihood with Zsigmond Uhri’s knowledge. At the beginning of December 1944, as it was essentially impossible to transport the machines which had not yet been moved, the Arrow Cross authorities (by this time, the Arrow Cross was in power) ordered that the machines simply be destroyed on site. Some of the middle-level leaders at the company were able to hide some of the motors, and they contended that they were unable to dismantle important parts because they did not have the necessary manpower. The willingness of factory employees to try to protect some of the company machines, materials, and tools was not so much an expression or consequence of principled stance against Nazism on their part as it was an indication of their attachment to the factory itself. For them, the factory was something of value, and it was important that it remain able to function.

In 1945, as the war finally drew to a close, a new era began for a company which was deeply indebted to the state, which was equipped with both the most modern machinery and production facilities, and which had an experienced workforce which was in part bound to the factory and which expected both a livelihood and social benefits from it.

After 1945: The Growing Party-influence, Exculpation Proceedings, Economic Dependency

After the war, in the absence of orders from the military, it no longer made sense to produce aircraft. A new motor vehicle market was emerging for the company, however, first and foremost in the repair of damaged vehicles. As military

operations came to an end, the Soviet Army placed large orders for vehicle repairs from the company, which was allowed to keep some of the repaired trucks as a form of payment. The company exchanged some of these trucks for food for its employees.²¹ The situation after the war created other business opportunities. The company made railway wagons for the Hungarian delivery of reparations to the Soviet Union and pontoons for use as temporary bridges.

Following the siege of Budapest, factory committees were formed which replaced the factory councils which had been in 1944. Former Arrow Cross members were removed from these committees, but there was still some continuity in council/committee membership, as views among the workers and the officials at the company concerning who was worthy of esteem or exerted influence did not necessarily change.²² István Cséfalvay, who became a leading figure at the company in 1945 as a member of the Hungarian Communist Party, had also been a member of the factory council which had been formed in 1944.²³ Members of the factory committee which initially had been created at the company belonged, for the most part, to the Communist Party. They then came out in opposition to the continued presence of the Uhri family in the company leadership. At a factory committee meeting in April 1945, they proclaimed that, "it is no longer possible to work together [with the Uhri siblings]. At the time of German and Hungarian fascist rule, they served the army, forcing production to the extreme."²⁴ Imre and Zsigmond Uhri were reported to the political law enforcement division of the police station with jurisdiction. The factory committee alleged that the work done by the two directors was worthless to the company and their presence at the factory was harmful.²⁵

Imre Uhri made no attempt to defend himself against the contentions that were being made about him by the factory committee. Given his strong right-wing leanings, he simply left the country. First, however, in the presence of a

21 Géza Tóth, a worker at the plant, made trips using the company's trucks to his own hometown to procure food. Interview with Géza Tóth.

22 A government decree gave the factory committees extensive powers over company management. In practice, the factory committees became representatives of the Hungarian Communist Party and the Social Democratic Party within companies, where the two parties, which both regarded themselves as labor parties, were often in sharp conflict with each other. Bódy, "Többspárti totalitarizmus?"

23 BFL XVII.1625 Budapest justification committee (a forum for political accountability which was created to hold people responsible for their conduct in the past) number 268/b. 2.

24 MNL OL Z 1192. 1. Protocol of the factory committee.

25 MNL OL Z 1192. 1. Protocol of the factory committee.

notary he authorized his two siblings, Zsigmond and Matild, to dispose over his possessions, including any divestments.

As a result of the report, Zsigmond Uhri was interned.²⁶ At the plant, however, a conflict broke out between the groups leaning either towards the Communist Party or the Social Democratic Party. As a result, changes were made to the membership of the factory committee, and steps were taken by the new members, most of whom belonged to the Social Democratic Party, to release Zsigmond.²⁷ In their submissions to the police, the Ministry of the Interior, and the Ministry of Justice, they referred only to Imre Uhri as a “friend of the Germans” or “fascist.” They claimed that Zsigmond’s experience was essential to the continued work of the factory, which allegedly had virtually ground to a halt after his internment.²⁸ Zsigmond himself appealed against his internment. His appeal and the steps taken by the factory committee were successful in the end, and the Ministry of the Interior reversed the decision of the Mátyásföld captaincy and released him. In August 1945, Zsigmond Uhri rejoined the management of the factory.²⁹

Parallel with the case involving Zsigmond’s internment, the case concerning whether the acts he had committed during the war were justified was also underway. Similar procedures were introduced in all companies and public service workplaces in 1945. The “justification” processes offer glimpses into what the “Arrow Cross” or other political stances actually meant for workers and how workers were attached to the factory. Most of the employees at the Uhri companies, concerning whom no potentially accusatory observations were made, were automatically certified as “justified” by the committee, meaning that they were no longer considered under suspicion of having committed questionable acts during the war. Only a comparatively small number of cases were heard at length or with the possible involvement of witnesses. A woman who had worked as an official at the factory admitted during the procedure (and she was, from this point of view, a remarkable exception) that she also had received materials from the stocks taken from people who had been classified as Jewish, which

26 This took place on August 11, 1945 on the basis of the decision of the Mátyásföld captaincy.

27 The minutes of subsequent factory meeting show that the chair of the factory committee, and Zsigmond Uhri were able to work together, as they had a similar understanding of the interests of the company. According to the recollections of Vörös, who was the secretary of the Social Democratic Party at the factory, he considered himself almost an ally with Zsigmond Uhri in the fight against the communists. Vörös, “Az életutam.”

28 MNL OL Z 1192.1. Letter of the factory committee to the Ministry of Justice.

29 BFL XVII.1625 Budapest justification committee no. 268/b. Box 2. Session minutes.

the company, as a military plant, had received. The questionnaire used in the process had one question concerning whether the person involved had received or “purchased any of these clearance-materials.” Almost no one answered yes to this question, though as workers at the factory, they had indeed received these kinds of materials as part of the social benefits provided by their employer. The member of the Factory Council who had been responsible for distributing the food allowances was only censured. One of the complaints made by the Factory Committee against him was that, before Christmas 1944, he had not distributed food supplies in full. Obviously, from the perspective of the workers, who were represented by the committee, this had been an “anti-labor” act. The fact that he had been a member of the Factory Council had not, in and of itself, been a matter of particular interest. In the case of another person who had been a member of the Factory Council involved in the distribution of foodstuffs, mere membership on the Council again was not the grounds on which accusations were brought. Rather, he was rebuked for having favored, in this position, members of the Arrow Cross Party.³⁰ In other words, the notion of having received in some way materials which had once been owned by people classified as Jews seen quite as natural, since almost everyone at the factory did indeed benefit from what was essentially the theft of these materials because they were used by the factory in its efforts to provide forms of social welfare. In the case of everyday industrial goods and foodstuffs, the benefits which were provided by the enterprise were considered natural regardless of where they had come from.³¹ If someone had gotten his or her hands on some item of value which had once belonged to Jewish neighbors who had been deported, however, this was judged very differently. There is an example of one such case in the “justification” procedures which were held at the Uhri companies.

The “justification” of Zsigmond Uhri took place in this context of procedures after his release from internment.³² During the certification process, it was clearly to his advantage that, in the eyes of his workers, he was not a parasite or abusive boss. Many of the skilled laborers at the factory were on close terms with him, and they sought him out to discuss their troubles. Zsigmond’s efforts to make sure that the factory remained operational fostered a sense of community between him and workers who were tied long-term to the plant.

30 Ibid.

31 Vörös, “Az életutam.”

32 BFL XVII.1625 Budapest justification committee no. 268/b. Box 2. Session minutes.

This may explain the position of the company's social democratic group of workers, who expressed their support for him.³³

In the course of the “justification” procedures, the concept of worker identity seems not to have been defined according to the logic of party politics. For them, the work that they did in the factory was not simply a matter of putting food on the table. It was also an essential part of their identities. Anything that threatened operations at the plant threatened not only their livelihoods but also their social understandings of themselves. For this reason, they may very well have opposed the relocation of machinery at the plant abroad, and in 1945, they expected the people with the capital, i.e. the Uhri siblings, to ensure the necessary funds for the relaunch of the factory if they wanted to remain in their leadership positions. Zsigmond Uhri had to provide the working capital necessary to run the company. According to a subsequent audit report which was issued when the company was taken over by the state, Uhri Zsigmond invested a total of 370,000 pengő in the company in 1945.³⁴ The workers were interested in who was promoting the operation of the factory, to which their livelihoods and identities were tied, while the question of whether a given individual had been an “Arrow Cross” (either a member of the party or just someone with extreme rightwing views) was not considered, on its own, a problem.

Thus, by the second half of 1945, in cooperation with Factory Committee, the majority of which belonged to the Social Democratic party, Zsigmond Uhri regained control of the company. The injection of capital helped solve the problems caused by war damages and the need for working capital. In the period of soaring inflation which followed, it was not difficult to finance the company. There were plenty of orders. The period of stabilization which began in early August 1946, however, put the company in a difficult position. Financial stabilization meant a dramatic drop in loan offers.³⁵ Orders also fell, and it was impossible to get credit. This situation became a trap for the company in part simply because the management was unable to reduce the number of employees in parallel with the downturn in business. Government decrees had been issued starting in 1945 which made it impossible to reduce the workforce, which had swollen during the war, by banning layoffs. With the introduction of the forint

33 According to the recollections of Géza Tóth, Zsigmond Uhri had a good relationship with the local leader of the trade union even before 1945, although naturally there was not an officially recognized trade union group at the factory. Interview with Géza Tóth.

34 MNL OL Z 517. 1, 5. Audit report.

35 Pető and Szakács, *A hazai gazdaság*.

in the autumn of 1946, a decree was issued allowing companies to reduce the number of employees, but the Factory Committee vehemently opposed it.³⁶ In the aim of reducing the number of people who would be dismissed most of the members of the committee were not guided simply by social concerns which ran contrary to economic considerations.³⁷ The factory communist party group regularly attacked the committee, most of the members of which, as noted above, were Social Democrats, so these Social Democratic members of the committee could not afford to seem if they were not vigorous in their efforts to defend the “interests of the workers.”³⁸ Thus, the layoffs which were implemented following the introduction of the forint remained minimal, which put an extreme burden on the company, because in addition to wages, the company’s welfare department also provided a number of in-kind services for employees (for instance, firewood, boots, and food).³⁹

Zsigmond Uhri made efforts to improve the situation by looking for new credit opportunities and new investors. However, there was simply no capital market in Hungary at the time. Had there been, the company probably would have been able to find adequate financing, must as it had been able to remain profitable at a time of inflation caused in part by an abundance of cash. According to the recollections of János Vörös, the company’s Social Democratic Party Secretary, for a time, the Social Democratic Party bank provided loans for the company.⁴⁰ In the absence of a financial institution willing to provide serious loans, however, Zsigmond Uhri began looking for an investor who was also professionally interested in the automotive industry and would therefore be willing to cooperate with the company. Under the circumstances at the time, however, this kind of investor could only be a state-owned company, as at the beginning of 1947 there were no longer any serious companies in the vehicle industry that were still in private hands. Due to the lack of working capital and the political situation, it was quite clear that were it to partner with a state enterprise, the company would effectively fall under state control.

Two of the options merited particular consideration, the Heavy Industry Center (Nehézipari Központ, or NIK), which included the largest companies already under state management, and the Hungarian National Car Factory

36 On the political and economic context of dismissals see Bódy, “Többspárti totalitarizmus?”

37 MNL OL Z 1192. 1. Factory meeting on March 5, 1947.

38 November 6, 1946. Committee disciplinary meeting MNL OL, Z 517, 18.

39 MNL OL Z 5171. Session minutes of the factory committee.

40 Vörös, “Az életutam.”

(Országos Gépkocsi Üzem Rt., or MOGÜRT), a vehicle industry and trade company. At the time, MOGÜRT was a communist company controlled by the Ministry of Transport, which was headed by prominent communist Ernő Gerő. In the NIK, which belonged to the Ministry of Industry (which was led by Social Democrats), the Social Democratic Party had slightly stronger positions. By engaging in negotiations in both directions (i.e. with both NIK and MOGÜRT), Zsigmond Uhri became embroiled in the struggle for economic and political influence between the two parties or, more precisely, between the networks which were organized around these parties, and in doing so, he also created conflicts among the workers at his factory.⁴¹

According to Vörös, there was pressure from above to hand over the leadership of the Factory Committee to the communists, but this had not yet taken place in 1947, as the Social Democratic Party group was more than twice as big as the Communist party group.⁴² There were severe conflicts about the future of the company between the various groups of workforces. According to some complaints, some “communist” workers have had even proclaimed that the Social Democrats would have to go “if we become MOGÜRTs.”⁴³

In August 1947, NIK finally took over the company, simply because the company could no longer pay its employees weekly wages. At the time, Béla Zerkovitz, the son of the operetta and pop-song composer of the same name, who was a bodywork design engineer, was placed in Mátyásföld without a specific position, but practically as a factory manager. The legal situation was settled on September 30, 1947, when, in the presence of a notary, Zsigmond Uhri and his sister, Mrs. Matild Uhri László Kelecsényi, granted a call option for their company to a NIK owned Company.⁴⁴

In the first half of 1948, the series of conflicts which had begun at the company in 1945 between the Communist Party and Social Democratic Party organizations (and the groups of workers who had sympathies with one of these two camps) came to an end, at least on the surface. The two parties were unified

41 On party political divisions in the NIK, see the interview with Sebestyén Endre Bakonyi, who worked at the center at the time (and who had been a part of the illegal Communist Party since the early 1930s): “Q: And what was the focus of the debate between the Social Democrats and the Communists? Beyond the struggle for power. A: All the questions concerning the struggle for power in the end. So whatever economic question happened to arise, it was triggered by a power struggle.” OHA 1001. 107.

42 MNL OL Z 517. 20. Vörös's letter dated October 23, 1946 and the list of members of the Hungarian Communist Party factory group.

43 MNL OL Z 1192.1. Factory meeting on May 27, 1947.

44 Ibid.

(which effectively meant that the Social Democratic Party was swallowed by the Communist Party), and in the course of this process, some of the people who had belonged to the Social Democratic organization simply were not made part of the new party. Others, János Vörös, for instance, who had served as the Social Democratic Party Secretary at the factory simply left the company. As part of the process, the Factory Committee, which had exerted remarkable power, also lost its role under the new management.⁴⁵

Technocrats and Party Power

The company fell into the hands of the state, or rather the MDP, which had slowly become the only party. Every organized, independent group which or actor who could have had any influence in the life of the company (which in the meantime had been merged with a smaller company and given the name Ikarus) disappeared. Some informal groups remained, however, and the conflicts among them were very important from the perspective of the development of the company. The network of technocratic engineers constitutes one such informal group, while the other was the group of skilled laborers. Each of the two circles had its own practical space for maneuver, and they were in conflict with the party, or more precisely, with the individuals delegated by the party to prominent positions at the head of the company.

As Philip Scranton has noted, citing many examples from Hungary and Czechoslovakia, in the early stages of state socialism, in contrast to the politically appointed company managers who had little weight among employees, the technical management of the factories in many ways had effective local control of the company.⁴⁶ In fact, technocrats were an indispensable component of the functioning of state socialism, operating according to their own logic, distinct from the political-ideological and power-driven mode of the party, as the history of Ikarus reveals.

In the age of modernity, technocrats seek to establish their positions and legitimize their roles in making investments and economic and technical decisions on the basis of some competence founded on scientific explanations and rational implementation (for example, the standardized knowledge of engineers or the expertise of economists).⁴⁷ Technocrats are not political utopians, nor could

45 This was the case in other factories that were put under the management or ownership of the state.

46 Scranton, "Managing Communist Enterprises."

47 Doering-Manteuffel, "Ordnung."

they be considered social engineers in the sense in which Popper, for example, defined these concepts. Utopian thinking first envisions a distant ideal society and only then begins to look for the means to achieve this society (often including violence). Social engineers are captivated by visions of utopias, and they feel themselves called upon to transform society.⁴⁸ Technocrats, in contrast, base the legitimacy of their own work and endeavors on “technique” itself, i.e. the precise, scientific knowledge of how to do something. Their point of departure is expert planning and implementation founded on the empirical sciences, not a distinct political goal. They work from the presumption that social and economic problems can be addressed with the use of rational procedures based on precise understandings of the sciences. Thus, though they do indeed follow visions which derive from the mentality of their professional surroundings, they are not laboring in the pursuit of political utopias.⁴⁹

In the state socialist regime, following the nationalization of industry, with the essential liquidation of the market economy, there was more and more space for the emergence of the technocratic ethos. This ethos could also be easily linked in the discourses to the language of the party state. For instance, in connection with Ikarus, the following contention was made: “Yet today, the designer has been given such a vast space to make his wildest dreams come true, a space he never could have counted on in the capitalist economy. [...] Nothing is impossible for the engineer if he has the suitable materials in his hands.”⁵⁰ Technical skill was often linked with socialism in the rhetoric: “Under socialism—the progressive social order—the sciences play a particularly big role. We must concede that this is entirely natural if we keep in mind that the task of the sciences is construction, the search for the new, the systematic summary of natural and social laws, and the use of correct conclusions in everyday life, or in other words, to work in the service of progress and development.”⁵¹

After the nationalization of the large enterprise sector, technicians with formal training were able to do far more than link their technocratic manner of speaking (i.e. a kind of discourse that emphasized the need for rational, technical knowledge) with the language of socialist state politics at the time. The owners

48 Popper, “Utópia és erőszak.” Leucht, “Ingenieure.”

49 This understanding of the technocracy differs in part from the way in which technocratic-minded business leaders were distinguished from managerial-minded or bureaucratic ones in the Kádár era. Szalai, *Gazdasági mechanizmus*. On the technocracy: Renneberg and Walker, “Scientists.” Laak, “Planung.” Caldwell, “Plan.”

50 Valent, “Autóbuszközlekedésünk.”

51 Prohászka, “Gépjárműközlekedésünk,” 250.

of the enterprises had disappeared, and the centralized management bureaucracy was unable to perform ownership functions as effectively as the earlier owners had. This gave technocrats considerably more room for maneuver on the level of individual companies. Furthermore, the emerging layer of technocrats was significantly more institutionalized than it had been in the earlier period had been.

One element which was central to the restructuring of the technocratic field in 1948 was the formation of the Alliance of Technical and Natural Science Associations (Műszaki és Természettudományi Egyesületek Szövetség, or METESZ), which gave engineers a shared forum and thus brought them together as a group. In the first presidency of METESZ, university professors, state secretaries, and high-ranking ministry officials met with CEOs of large companies and Ernő Gerő, the politician who was overseeing the entire area. METESZ was an association which included several member organizations. Following the wave of nationalizations, ten scientific associations dealing with branches of industry were formed in 1948 and 1949, and the mining and metallurgy associations which had existed for a long time also joined.

As a member organization of METESZ, the Mechanical Engineering Scientific Association (Gépipari Tudományos Egyesület, or GTE) was responsible for the automotive industry. The founding leaders of the Association included communist engineers, politicians or ministerial leaders, technical manager (Dezső Winkler), who had started his career as an engineer in large-scale industry before the war, a university professor and a member of the older generation, and other mechanical engineers, who had worked as leaders and designers of large enterprises.⁵² The composition of the leadership of the association made it possible for it to reach groups of technical experts who originally had kept their distance from the Communist Party, and it also enabled the association to create opportunities for these individuals, within the frameworks of the system, for participation in professional public life.

Alongside the association, there was also a surprisingly expansive vehicle research base in Hungary at the time. In addition to the groups at large companies who dealt with such issues, there was also the so-called National Automobile Experimental Station (Országos Autómotóbilkísérleti Állomás), which functioned under the direction of the Ministry of Transport and Postal Services. More important was the Vehicle Development Institute (Járműfejlesztési Intézet,

52 *Ki kicsoda az 50 éves Gépipari Tudományos Egyesületben.*

JÁFI), which was created to further the centralization of technical design in the automotive industry. It was put under the leadership of Dezső Winkler (who remained in this position until 1968). Winkler owed his reputation in the automotive industry to the fact that he oversaw the development of one of the few truly successful Hungarian military innovations in World War II, the Botond all-terrain vehicle. The institution he ran became a kind of hub for engineers who had worked in vehicle development for military purposes during the war, and who worked here for the socialist vehicle industry. Their careers offer examples of the trajectories of the professional lives of technocrats, for whom the year 1945, which was pivotal in so many other respects, did not constitute a break.

Technicians working in research institutes and the corresponding departments of large companies also did not form a homogeneous group in all respects. There were generational differences, for instance. But these difference notwithstanding, together they began to form a technocratic community which was essential for state socialism. This is why this community had comparatively remarkable influence, not to mention room for maneuver, even if the individuals in this community were still vulnerable to the whims of the dictatorship. This layer of technocrats, with its associations and professional journals, was institutionalized in the first years of state socialism and created a sphere where individuals could assert themselves on the basis of the professional considerations, even given the pressures to confirm politically. The role of technocrats has been highlighted in many studies, which have called emphasis to their role in the development of some large companies,⁵³ but it is important to note that in this case it was not just the individual technocrats who shaped the development of the party-state economy, but an institutionalized technocratic network.

At the Ikarus company, by relying on their professional competences, the technocrats could even get into conflicts with the party and some of its representatives. Their place in the larger field of technocrats constituted a source of strength and even authority for them. Drawing on this, they were able and willing to enter into lengthy conflicts with the party's economic policy leaders over issues concerning the construction of buses. In order to understand this, it is worth pausing for a moment to consider the technical and historical turning point in bus production that took place in the 1940s.

After the Second World War, the production of buses all over the world essentially separated once and for all from the production of trucks. Buses with

53 Fava and Vilímek, "The Czechoslovak Automotive Industry."

self-supporting bodywork were considered pioneering experiments within the industry. The body was no longer fitted to the chassis (which included all the main units and was capable of propulsion). Rather, the light-metal body itself was designed so that the chassis, the engine and powertrain, and the steering gear could then be built into it.⁵⁴ This shift in the industry was in part a consequence of a change to the production of airplanes that had taken place during the war, because the self-supporting bus bodywork was based essentially on an adaptation of the construction methods used to make aircraft fuselages. During the war, the Ikarus factory was used for the production of airplanes, and the industrial knowhow gained in this process was then familiar to the engineers at the plant.

As part of their naive vision for cost-effectiveness, however, the politicians responsible for decisions concerning economic policy wanted the engines and the chassis for the buses to be made using the same main parts that were used for lorries (and other vehicles). Therefore, the designers at the factory worked on plans for the buses that they were expected to provide. Nevertheless, Cséfalvay and Zerkovitz did not give up on the idea of using self-supporting bodywork, and they continued to work on designs for these vehicles, while of course also continuing to develop designs as requested by the policymakers. It was not until 1955, with the production of the Ikarus 55 model, that a self-supporting bus was actually made by the plant, and that could be regarded as a success.

Zerkovitz and his engineers achieved this success by coming into conflict not only with ministerial superiors, but also with the organ of the party which had oversight in area and the director of the company. Furthermore, in 1952, the ÁVH (the State Protection Authority) launched an investigation against Zerkovitz on charges of sabotage.

At the meetings of the district party committee, the “technical intelligentsia” working at Ikarus and Béla Zerkovitz himself, who, as a non-party member, never attended the meetings, were regularly criticized behind their backs. Szőcs, the company’s director, who was the fourth person to hold this position since the company had been nationalized, complained at a meeting of the district party committee that Zerkovitz had “already accustomed the workers to working with him, so they believe what he tells them.”⁵⁵ In its report to the Budapest Party Committee, the XVI. District Party Committee reproached Szőcs for failing to

54 Michelberger, “Előszó.” Pál Michelberger, who originally was an airplane engineer, became an engineer at Ikarus in 1957.

55 BFL XXXV.157.a. 3. 257. December 14, 1951. Sitting of the XVI. District Hungarian Workers’ Party Committee.

discipline Zerkovitz adequately. “It was also a failure on the part of the director to show opportunistic conduct in removing the hostile elements that had infiltrated the technical management,” according to the committee.⁵⁶

In the debate over the report of the XVI. District Party Committee, Szőcs accused the technical management of the company of having been responsible for the 1951 Christmas riot at Ikarus.⁵⁷ The critical remarks concerning Ikarus eventually reached Ernő Gerő, the leader of the MDP who was responsible for economic policy, who went so far as to speak publicly about the “mistakes” which allegedly had been made at the company: “At Ikarus, when designing the bus type 30, which is now so enthusiastically advertised by our papers and I think not without reason, the norms [meaning the expectations according to which an individual’s workers performance was assessed and thus wages were determined] were set for the first series, and they did not take into account that, later, the tools, equipment, and working methods had improved significantly. Of course, this meant a loosening of the standards.”⁵⁸

The ÁVH also launched an investigation against the technical management of Ikarus under the suspicion sabotage. Their concerns with regard to state defense were focused primarily on Béla Zerkovitz, who had been under continuous observation since 1952. They believed he had been making mistakes that impeded completion of the plans issued by the regime. They also suspected him of hindering the labor competition movement⁵⁹ and the switch from hourly wages to piece rates, which was one of the most important tools used by the regime in its strivings to improve production.⁶⁰

However, Zerkovitz was not arrested or even removed from his position as chief engineer until 1957. Relying on his professional competence, he was able to make use of the spaces in which the specialists and technocrats operated. He was able to remain largely independent in technical matters within Ikarus and also had room for maneuver to convey his ideas. According to the recollections of Paul Michelberger, who was his successor at Ikarus, “he was a very good-natured man. Non-party, religious.”⁶¹ He seems to have been one of the poles

56 BFL XXXV.95.a. 52. Minutes of the March 18, 1952. Sitting of the Budapest Party Committee.

57 Ibid.

58 Gerő, “A döntő tervév,” 232.

59 A strategy used by the regime to motivate workers by placing them in competition with one another and offering rewards to those who outdid their peers.

60 ÁBTL 3.19. V-141867. Dr. Emil Hant’s investigation dossier.

61 Szentgyörgyi, *Mérnök – tudós*, 128.

in field of automotive technology in the first half of the 1950s.⁶² Relying on the institutionalized technocratic field, Zerkovitz was able to overcome the opposition of diveres representatives of the party-power and use his design ideas in series production. Naturally, he was not the only person to work on the designs. A team of engineers led by Cséfalvay worked on the detailed designs of the buses. But Zerkovitz, who (it is worth remembering) was not a member of the party, was the person who regularly published on the subject, represented the idea as the chief engineer at the company, and organized the work process. The engineer and experts did not simply perform tasks directly related to implementation, and with regards to investment decisions and directions of development, they were not limited to a subordinate preparatory function. Rather, by using the technical and scientific forums which were available to them, they also played important roles in initiatives which had consequences with regard to content. They also devoted some of their energies to securing orders, which meant that they assumed entrepreneurial functions, probably because, according to their assessment, they could not rely on the economic management bodies of the party state or the cumbersome foreign trade apparatus to look for a “market” for their technically innovative products.⁶³

The political leadership had an urgent need of technocrats to be able to run the economy of the country. Indeed, with the disappearance of the owners, the technocrats in many ways took over some of the entrepreneurial functions, because these functions had fallen on them and not on the company leadership which represented the party.⁶⁴ As a clear example of the success of the efforts of the technocrats, beginning in 1953, a separate experimental plant was in operation in Mátyásföld where work was done on the scientific development of new constructions. A design team was also set up at the time.⁶⁵ With this, the two dominant directions in technocratic professionalism in the automotive industry, technical design and the industrial design, were given institutional form in Ikarus.⁶⁶

It is not entirely clear just how cost-effective the operations of the technocracy in the socialist economy were or how they were tied to budgeting.

62 For the debate see: *Közlekedéstudományi Szemle* from numbers 11–12, 1953 until number 5, 1954.

63 FSZEK BQ 0910/365. Jenei and Szekeres, “Az Ikarus Karosszéria és Járműgyár története,” 156.

64 Boldorf, *Governance in der Palmwirtschaft*.

65 Jenei and Szekeres, *Az Ikarus*.

66 At the same time, during the period when Imre Nagy served as Prime Minister, steps were taken in other areas to institutionalize the technocracy, to “rationalize the organization and operation of economic policy.” Rainer, “A szocializmus újratervezése,” 27.

During the war, given the exigencies faced by the government and military, investments already functioned according to “soft budgetary constraints.” As the factory reports which were submitted every year to the authorities, Ikarus had needed to take advantage, from year to year, of these “soft” constraints. After nationalization, a larger injection of capital was made to address the remaining debts from the earlier period and the lack of working capital, though even after this it remained necessary, year in, year out, to make up for losses of working capital, while the volume of production was growing rapidly.⁶⁷

The budget problems, of course, were noticed by the party state leadership, which took steps to address them. In principle, the fight against the creation of excess scrap materials was intended to improve cost-effectiveness, as was the thriftier use of materials and the minimalization of waste in the production process, but the most important measures in this campaign were the effort to keep norms under continuous control, the transition to a system of pay based on performance, the organization of labor competitions. The use of these kinds of tools and the adoption of these approaches, however, necessarily led to conflicts with labor.

Skilled Workers and Party Power

After the nationalizations, it became increasingly clear that the companies were unable to provide the kinds of benefits which workers had managed to acquire in the earlier period. Several benefits in kind which had been considered more rights than benefits were left out of the collective contract, and the number of overtime hours and the amount of overtime pay were both dramatically reduced. The collective contract for 1949 year again had an ominous “echo” among workers, mainly due, for instance, to the obligation to report “obsolescence” of norms as a consequence of improvements in production technology.⁶⁸ In 1948, the average annual wage among workers was 10,366 forints. By 1949, it had dropped to 7,921 forints.⁶⁹ And this process did not stop here. As a result of the projected process of “standardization of norms” for the upcoming year (1950), average wages dropped by a nominal 35.5 percent at Ikarus. However, according to a report prepared for the Budapest Party Committee, wages were expected

67 MNL OL XXIX F 187–r. 178. d. Factory assessment.

68 Jenci and Szekeres, *Az Ikarus*, 86.

69 *Ibid.*, 107.

to increase, because workers would see that the norm could be exceeded.⁷⁰ “Standardization of norms,” which really meant wage cuts, was met with an array of forms of resistance. Accusations concerning “manipulation” of norms were also raised in party disciplinary cases.⁷¹ The institution of standardized norms and competition among labor threatened the practical control of workers over work processes. Workers perceived these efforts to exert control as a limitation on and interference with their autonomy in relation to work processes and also as an irrational step from the point of view of production.⁷² This obviously affected primarily those workers who had been at the company before it was nationalized, especially skilled workers, who were accustomed to their work being important and valued and therefore were also accustomed to enjoying a degree of autonomy. They were also used to having some institutionalized room for maneuver through their trade unions or, after 1945, through the factory committee, but with nationalization, they had also lost this.⁷³ As a result, there was “a certain degree of abstention from work among the workers.”⁷⁴ The prevailing mood at the plant seemed to suggest the potential for violence, and as was noted, measures taken to ensure calm were not entirely effective: “The raising the factory fences, pulling out the wires, and the erection of watchtowers with floodlights and telephones also did not have a positive influence.”⁷⁵

As a consequence of these changes, workers at Ikarus showed little enthusiasm for the party-state system. On the basis of the minutes of the XVI. District Party Committee meetings, the MDP seems to have had very little actual influence over the workers at the factory. There were frequent complaints about political indifference among the workers, and a recurring topic of discussion at the party committee meetings was that the party organ at the Ikarus factory was falling apart. Very few people actually attended the meetings, it had no real contact with the workers, and it did little substantive work. Most the workers

70 BFL XXXV.95.a. 23. The report prepared for the August 11, 1950 meeting of the Budapest Party Committee on the effects of “standardization of norms.” See Varga, “Pártunk nem ismerte a csüggedést,” 55.

71 BFL XXXV.95.a. 47. The Budapest Party Committee of the Hungarian Workers’ Party.

72 “220 buses are parked in the courtyard, they all are parked because they are missing glass clocks, speedometers, and bodies for the wheels.” Why would they work, then, in pursuit of work-competition goals if the buses would then just sit in the courtyard. This is how the attitudes of the workers to the work competitions were described. BFL XXXV.157.a-3. 257. December 14, 1951.

73 On the process and consequences of the Gleichschaltung of trade unions, see Varga, “Pártunk nem ismerte a csüggedést,” 34–58.

74 Report of leading director Kálmán Urda on June 13, 1949. Jenci and Szekeres, *Az Ikarus*, 89.

75 FSZEK BQ 0910/365. Jenci and Szekeres, “Az Ikarus Karosszéria és Járműgyár története,” 150.

who were selected at the Ikarus Factory to attend the party school or the various instructional programs never played roles of any prominence or importance.⁷⁶ The “village tour group” which was organized at the company (these groups were sent to rural communities for propaganda purposes) had to be disbanded because of problems with discipline.⁷⁷ In 1950, there was also a “shameful” occurrence on May 1, when no one was available to carry the Ikarus placard at the parade, so the placard was simply left in the factory.⁷⁸

The workers’ demands, which for the most part they only made felt in a diffuse way (felt as something of a prevailing mood), in general were not considered feasible by the party authorities. Furthermore, in the wake of the many conflicts, some party functionaries seem to have thought of the workers as enemies of their party, and probably with good reason at times.⁷⁹ After the disturbances in December 1951, for instance, when the new party secretary of Ikarus tried at the meeting of the district party committee to represent some demand made by the Ikarus workers, this proposal was rejected. The district secretary of the MDP offered the following argument in opposition to the workers’ demand: “If we fall into the barge of workers, then next week they might demand that we let them do the work for the week in five days.”⁸⁰ The conflict described in the introduction to this essay may have been smoldering precisely because of these kinds of tensions, though other concrete factors contributed to its eventual outbreak.

According to a factory assessment dated October 3, 1952, only slightly more than half of the manual laborers were employed on a piece rate basis. The rest were paid hourly wages, though the goal was to have as many employees as possible on piece rates, as this was supposed to motivate them to work more efficiently.⁸¹ According to a domestic affairs report on Zerkovitz’s performance at the time, he would allow the work to fall behind during normal working hours. He would then need employees to work overtime, for which they were

76 BFL XXXV.157.a.1. 6. March 21, 1954. XVI. Secretary’s report to the district party meeting.

77 BFL XXXV.157.a.3. 65. May 26, 1949. Sitting of the Mátyásföld Budapest MDP.

78 BFL XXXV.157.a.1 3. Minutes of the XVI. District MDP Party Conference. June 4, 1950.

79 Mark Pittaway calls attention to the paradoxical fact that the regime, which was in principle a collectivist system founded on the promotion of equality, sought to implement a system of individualized performance pay. This was perceived by the skilled workers as an attack on them, and they strove to maintain the traditional hierarchy in the workshops which was based on skill level, age, and gender. Pittaway, “The Social Limits.”

80 BFL XXXV.157.a.3. 290. Sitting of the XVI. District Party Committee. March 13, 1952.

81 MNL OL XXIX F 187–r. 178. Factory assessment.

naturally paid more, thus incurring additional costs for the factory.⁸² The district party committee was also of the opinion that there was too much unjustifiable overtime pay at Ikarus.⁸³ It is quite possible that Zerkovitz used this strategy to alleviate tensions at the factory concerning wages, which also at least in part explains why he enjoyed the support of the skilled workers, as Szőcs noted in his complaint to the XVI. District Party Committee.

The most important problem, however, was that only half of the manufacturing work carried out was done in accordance with an appropriate operations plan.⁸⁴ According to a long report of chief engineer Antal Hirman, who was Zerkovitz's successor, the plant did indeed produce the models in the series, which were manufactured in relatively small numbers, "under the oversight of several of the superb engineers at the plant [...] and a relatively large number (considering the number of vehicles manufactured) of first-class skilled workers," without the technical documentation that would have been necessary for standardized production. The production of the buses rested on an industrial work culture in which the bodywork mechanics were the key figures. At the plant, they were referred to as "emperors of sheet metal," able to produce any type of bodywork panel with a small amount of mechanized labor.⁸⁵ Clearly, they were people who did not consider the technical documentation, which specified precise standards, terribly important.⁸⁶ These skilled workers solved the various problems that arose in the course of the production (which were caused, for instance, by the varying quality of the materials provided by the suppliers) simply in oral consultation with the engineers and on the basis of their own experience in the profession. In other words, when it came to the production of buses, the plant relied to a large extent on the experience and knowledge of its engineers, and first and foremost its skilled laborers, who performed the tasks they were assigned without precise documentation.⁸⁷

82 ÁBTL 3.19. V-141867. The investigation dossier on Dr. Emil Hant and associates.

83 BFL XXXV.157.a.2. 18. July 9, 1951. Session minutes of the XVI. District Party Committee. Here, he repeated his contention that, "it was a mistake not to have been adequately consistent in the question of the technical intelligentsia."

84 MNL OL XXIX F 187–r. 178. Report of chief engineer Hirman.

85 On "emperors of sheet metal," see Michelberger, "Előszó."

86 "The workers consider the documentation completely unnecessary [...] This leads to particularly challenging problems in the case of a few of the old trained laborers who really can work." MNL OL XXIX F 187–r. 178. Hirman's report.

87 Ibid.

Thus, the engineers who were struggling with the challenges of designing self-supporting vehicle bodies were able to work well with skilled workers who, given their experience, were able to provide individual, even creative solutions to the tasks and who, as long as their financial interests were taken into account, were ready to produce the number of models ordered. Through the maintenance of a work culture that seemed natural for a significant proportion of the skilled workers, a community of shared interests was formed between the technical leadership at Ikarus and the core of the skilled workforce. This community of shared interests came into conflict with the representatives of the party, who were opposed by both the skilled workers and the technicians.⁸⁸

Conclusion

The story of these tensions at Ikarus offers an example of the ways in which what was in principle a “socialist company” actually functioned according to earlier practices and expectations and had very few new elements in the early stages. In this period of the history of the company, its path had essentially been decided by the earlier events. Nationalization only made dependence on the state an undeniable fact, but this dependence had become a practical reality during the war. As the new owner, the party could do little to shape the company, the profile and work culture of which (which made skilled workers indispensable) had been formed in the first half of the 1940s. Instead of the state party, which in theory had ownership rights, the technocrats were in fact in charge of determining the development of the company. Though they were compelled to adapt to the party-state, the technocrats constituted an independent component of the regime which was of a fundamentally different nature from the ideological-political logic, and they were able to prevail in conflicts with the political power. However, the power of the party in the factories was limited not only by the presence of technocrats in the early socialist enterprise. When the party took measures to implement changes, it ended up threatening the identity of the

88 As Mark Pittaway has emphasized, in contrast with the notion that the influential skilled workers at the workshops gained some autonomy only in the Kádár era, skilled workers actually enjoyed room for maneuver even in the period of the most rigid Stalinism. They had this degree of autonomy specifically because of the shortage economy, as their cooperation was necessary in order to ensure that the plants could reach the expected levels of production. Pittaway, “The Reproduction of Hierarchy.” But the dominant groups of skilled workers were able to cooperate not only with the general management. At least at the Ikarus, the groups of skilled workers were able to work with the technocratic wing directly responsible for the management of production.

workers (which was strongly linked to the factory and which had a solidarity which was rooted in wartime experiences) and provoked violent conflict in which the technocrats, who had their own conflicts with the party authorities, acted as allies of the workers.

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Socialist Corporation, 1945–1991

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