

Nationalization and State Insurance System.

1. Nationalization of domestic and foreign Enterprises.

In April 1948, all domestic enterprises were nationalized. On December 29th 1949, all foreign enterprises were also nationalized. During the years from 1949 to 1952, the nationalization of small businesses followed. Usually the president of the District Council of Budapest had considerable authority to determine the order in the nationalization of small businesses.

2. Centralization of Enterprises.

From the viewpoint of planning, all the nationalized enterprises and businesses were subject to the regulations of the ^planning office. From the point of view of technical production and economy, they were all subject to the State Control Centre, the AEK (Állami Ellenőrző Központ). It was the task of the AEK to see to it, in cooperation with the AVO, that the instructions of the ^planning office were properly executed, that there were no thefts, grafts, and that the quality of the products was adequate.

3. Nationalization of Houses and cooperative Apartments.

All houses and cooperative apartments, consisting of more than 5 rooms, were nationalized. In the implementation of the law providing for this, foyers and servants' rooms were counted as separate rooms.

4. Effect of Nationalization.

As a result of the nationalization, all shops were closed down. Many people tried to save their belongings and property by

attempting to hide these stores^d supplies in their own homes. However, in view of the fact that after nationalization all such property became State property, those who took what they thought were theirs, were severely punished. Many people committed suicide. My cousin was taken away and beaten up by the AVO because he appealed against the decision of the president of the District Council, in which he ordered the nationalization of my cousin's radio shop.

I know of one instance where the owner of^d war-damaged and re-built factory was allowed after nationalization to stay on as an advisor in his own factory, but there were very few such instances. In the overwhelming majority of cases, the former owners could never go back to their former enterprises irrespective of the work they would have liked to do.

The effect of nationalization on artisans and handicrafts^dmen was that they had to go to work in a factory or else they had to join a cooperative of small artisans.

The effect of nationalization in the Ghetto houses and cooperative apartments was that you had to pay your rent to the State. Frequently someone who rented an apartment from the State was better off than someone who still was allowed to own a small house (under 5 rooms) or a cooperative apartment. I, for instance, owned a cooperative apartment, consisting of 3 rooms and had to pay 72 forints per month on taxes and another 96 forints per month to the ~~J.I.J.~~^{State} for maintenance. (You had to pay the maintenance fee whether or not the ~~J.I.J.~~^{State} did or did not do any repair jobs on your house or apartment). Thus many people paid more in their

own cooperative apartment than they would have paid if they had rented the apartment from the State. I might add that you were permitted to sublet your apartment but this was subject to taxation.

During the Nagy regime a few artisans got back their licences.

5. Insurance of domestic and foreign enterprises.

All nationalized enterprises were obligated to contribute to the Indemnity Savings Fund organized under the auspices of the Ministry of Finance. All industrial damage over 20,000 forints was covered by this fund. In order to be indemnified, the enterprise had to submit a request showing the cause and extent of the damage and payment of the indemnity had to be approved by the Planning Office.

6. Workers Insurance.

In connection with injuries and accidents occurring during work, the workers were insured by the Trade Unions (that is the Insurance Section of the National Council of the Trade Unions) and after 1950 by the Social Insurance Centre of the Trade Unions.

7. Insurance of mixed, Soviet-Hungarian joint stock Companies.

The East European General Insurance Company (a Hungarian Company) operating under the auspices and supervision of Ingostrah (a Soviet Company) was in charge of the insurance of the mixed, Hungarian-Soviet joint stock Companies, such as Maséopal, Mascolaj, and Masóvlet.

In general, the Insurance covered only industrial damages, occurring

in the enterprise, only Mas^bcopal had both regular insurance and shipment coverage (up to December 1954), but Masⁱcovlet, the personnel, was also insured.

The management of the East European General Insurance Company consisted of a Russian president, and a Hungarian manager. After September 1953, the State Insurance Co. (Állami Pártbiztosító) took over the functions of the East European General Insurance Co. After that time, the Russian was assigned to the manager of the A.B.

8. Mutual Insurance.

Mutual insurance was abolished, with the exception of the 'Ingostrah' and the ~~Tax~~^{St. C.} Insurance Company (both of them Russian enterprises).

9. The private Sector, the State Insurance Company (Állami Biztosító)

a) Functions of the A.P.

The A.P. became the legal successor to all private insurance companies after the nationalization of the insurance companies.

b) Breakdown of its organization.

The A.P. had ten branch enterprises in Budapest. I worked in the Jálvin Yer Branch. There were, in addition, 35 other branch offices in the country.

c) Personnel.

From 1945 to 1956 I worked with A.P. It had 2500 employees, but only 100 of these were already experts under the previous regime. The rest of the employees were hired from among the

good Kaders and were trained in a short 6-8 weeks course.

We had 100 employees in my branch office.

d) Relationship between peers and superiors at A.P., attitudes toward the regime in A.P.

In general, there was a good working relationship in our branch office. I was on good terms with my boss and colleagues. However, the overwhelming powers of the personnel hated the regime. You couldn't stop for two minutes to talk on the stairway, because a Party man would immediately butt in "what talk is going on here, comrades?" This situation was very characteristic of the Communist type of terror.

e) Informants.

For a long time I had a suspicion who the informant was. It turned out to be a man named Matarasc, who hated the Jews. We also found out that he was a former member of the hated 'Arrow Cross'. Once he came to us while we were playing bridge in a restaurant at 6 p.m. after work and told us that "the time has gone where you could have your bridge club in the Lipótváros" (a Jewish populated sector of Budapest).

10. Respondent's remarks concerning general conditions of work, pay and machinery.

The purpose of the Communist system is to exploit the people to the utmost. The great mass of the people live in tremendous misery.

My salary from 1945 to 1948 amounted to 10,000 to 15,000 forints a month; in 1949 it was around 8000 forints a month. Between 1952 and 1956 my basic salary was 1100 forints plus a premium of

6-700 forints a month. This is a sufficient indication of the constant deterioration of my economic plight. The salary of an average skilled worker amounted to 12-1500 forints a month. A good Kader and a three-time Stakhanovite received 6-7000 forints a month.

In view of the Socialist World Competitions most of the machinery was completely worn out. They did not care, their only aim was to ~~interrupt~~ ^{finish up} the war industry.

11 Social Conditions.

The poor economic and financial conditions in which people lived_x forced them to steal. Thus, in an Espresso-Bar half of the coffee was stolen from the guests. This is "not economy but lawless robbery" (Nem Gazdasag Hanam Garagtalkodes).

12. Skilled Hungarian Workers in North Korea and China.

Many Hungarian engineers, doctors and other skilled workers were taken to North Korea and China. Some of them were forced to leave, others were recruited voluntarily. An engineer_x friend of mine, who returned after two years ^{from} ~~to~~ China, told me that he had received 1000 forints per ^{month} ~~year~~. ^{He} It was allowed to bring home anything he could buy there on his salary, thus in two years he became a rich man.

13. Western Movies and Political Supervision.

Once I went to see a film on Queen Elizabeth's Coronation which was shown in the British Legation. It turned out to be a very good movie. Next day I told a friend of mine and he went to see

it with hundreds of others who heard about the excellence of the feature. After the performance the AVO was waiting outside for the audience and my friend was interned.

14. Ownerships of cars, trucks and motor-bikes.

Unlike motor-bikes, cars cannot be bought freely. You need a permit which has to be secured after the approval of the Council of Ministers.

In 1949 there were about 3000 trucks in private hands. Just before the Revolution in 1956 there were 72 (one and a half tons of trucks) and 152 motor-bikes in private hands.

Incidentally, I would like to mention that not 10% of the figures published by the Hungarian Statistical Office are correct or true, I know this from a friend of mine who worked there.

15. Rákosi, Gerö and Kádár.

The present Communist criticism of the policies of Rákosi and Gerö is only a window-dressing. Actually nothing had happened to them, they lived quite comfortably in a Black Sea Resort. It seems to me that Kádár follows a somewhat smarter policy than Rákosi and Gerö, though he does not dare to oppose Moscow.

Ratings.

Respondent seemed to be a very alert person who had acquired a deal of specialized knowledge during his years of work with the A.P.