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I am a twenty years old Civil engineer. I came from a peasant family of Békés county from the Great Plain of Hungary. I received my degree from the Technical University of Budapest in 1953. I was directed against my will to MÁV (Hungarian State Railways) which job I had to take under the threat of disciplinary punishment. Since I left the University penniless, I started to work immediately with the Railroad Track Maintenance Management of Békéscaba.

Already in the first days I experienced disillusion. I could not find appropriate technical work, not because the state of the Railways wouldn't have required any, but because the whole so-called "People's Economy" was characterized by lack of needed material. Thus I did everything to get away from the maintenance duty in which endeavour I succeeded after half a year of struggle with the administration.

My new job was with the Head Bridge Building Management of MÁV which was the only technical executing agency for the Bridge Department of KPM (the Ministry of Traffic and Postal Affairs). The Head Bridge Building Management had 34 building managements, at one of which I became, first the deputy manager, and soon the manager.

At this new post I learned first time how Marxist economy looked in reality when it was applied in practice and I met first time the contradiction between theory and real life. Here I could find the proof for the falsity of the plan reports and statistical data published by the State Planning Bureau.

The Concealment of Military Expenditures in the People's Democracy.

The low figures of the military expenditures published were far from being in any proportion neither with the size of the armed forces, nor with the costs of the military instalments built all over the country. At the beginning I was not particularly interested in this matter. Up to the time when at one occasion I had to draw up the final financial report about a finished technical object built by us. To this I had to attach separate detailed statements about different factors of productivity and cost of production etc. For the preparation of these one must be thoroughly acquainted with the analysis of the so-called flat-price. Studying the flat-price, I discovered that this was nearly the double of the costs of production.

I want to illuminate the juggling with numbers as performed by the Communists by giving you an example. For^{the}sake of simplicity let us consider the process of formation of the cost of production and the budgetary flat-price of a bridge-pier.

The total cubical extent of our pier let be 100 m^3 . In order to arrive to the building expenses of our pier, we need the building expense of 1 m^3 concrete.

The building expense on this:

1. The cost of material built-in.
2. The cost of transportation of the material.

3. Wage expenses.
4. Overhead expenses.
5. Expenses, deriving from the situation and character of the working place.
6. Expenses of drawing up to and of withdrawing from the premises.

Finally the sum of all these expenses, to which, disproportionately large percentages will be added.

The calculation of the flat-price in our example is as follows:

Production cost of 1 m³ concrete:

Material Costs.

	Quantity	flat-price	Cost
1.) Cement	250 kg	20 Ft	50 Ft
2.) Concrete gravel	1,2 m ³	60 Ft	72 Ft
3.) Transport (of 1+2) on Railroad			20 Ft
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Total of material costs			142 Ft

Wage Costs.

1.) Concrete mixing	1 m ³	6,50	6,50
2.) Concrete work	1 m ³	4,50	4,50
3.) Conveyance of material on premises	1 m ³	2,50	2,50
4.) Machinery expenses			1,50
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Total of wage costs			15,50

Net production costs.

1.) Material	142 Ft
2.) Wage	15 Ft

3.) Overhead expenses	5%	8 Ft
4.) Drawing up expenses	} 20%	32 Ft
5.) Withdrawing expenses		

Total net production costs 197 Ft/m³

We obtain the final budgetary building expenses by adding percentages to the net production costs.

Net production costs	197 Ft
+ 5% working site expenses	9,85

206,85

+ 57%	117,90
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For unforeseen expenses and to
round off the figures

324,75 Ft

25,25

350,00 Ft/m³

The total budgetary costs of building the bridge pier:

$$350 \times 100 = 35.000,00 \text{ Ft}$$

What is most striking in these estimates of costs is the addition of the high percentages. One would think first that the wages of the technical and administrative personnel made this necessary since their salaries do not appear in the estimate sheet. This is, of course, true and it would justify the addition of certain percentage to the costs. However, it still doesn't explain the surplus percentages added. In our example actually I had overdone the relationship between the material costs and the wage costs. The true proportion is usually 5 : 1. Now, if the wages of the workers amount to 20%

of the material costs, how could the wages of the technical and administrative personnel overstep 50%? In reality it would be only between 10 and 15%.

But if this is the case, what about the remaining 35%? Is it Company profit? No! Such thing is unknown, but if it is not profit and is not distributed among the workers either, it is only logical that this amount is used for some other end. Are they building housing projects or public administration buildings out of this surplus? No, because these are included already in the budget of the Ministry for Building Affairs.

The conclusion derived is that this surplus is used to cover the expenses of the building of those objects which are not to be found in the official budget, but are built all over the country. These objects are called by the workers "Chocolate Factories" and are, as everybody knows, destined for military purposes, for example armament and ammunition factories, Air-fields and other military objects.

However, there are still other means of concealment of military expenditures. One of the most frequent is that the building of military objects is included in the budget of the Civilian Ministries. Examples for these are the building of the Budapest Metro and also the secret underground constructions made in the belly of the Gellert Mountain in Buda. Both of these have been built by the KPM (Ministry of Traffic and Postal Affairs) within the frame^{of} its own budget. However, as I was told under the strictest secrecy by one of the chief engineers of the Metro

Construction: Both of these projects had been ordered by the Ministry of Defence and the plans were kept in the strongest safe. The secrecy was enforced and controlled by the TÜK (Secret Control), one of the departments of the AVH.

Another such project was the building of the oil-tanks at Kótpusztá. This was done again by the KPM within its own budget. I am very familiar with this project, since I have planned and executed the industrial-tracks, serving these oil tanks.

These projects are constituting about 20 to 25% of the expenses of the entire "People's Economy" and are all included in the budget of the KPM. All this shows that behind the official and published figures of the annual budget, large military expenditures are concealed. The Marxist economists are merrily juggling with the numbers and probably do not even think that anybody who is with the least familiar with the simplest elements of arithmetics would be able to look behind their wall built out of falsehood and lies.

The Relationship between State-Management and Workers.

In a People's Democracy the state is an all powerful
Leviathan just as it was in the Fascist or ^{Nazi} Marxist system.
A special feature of the Satellite States is, however, that
they have to strive in all their function to serve the
bottomless appetite of the Soviet Union. As a consequence, a
People's Democratic State is conducting a robber economy not
only with regard to the material resources of the country, but
also with regard to the work power. The exploitation is far more
thorough and achieved a far higher degree than ever before. In
order to attain and maintain this system of economic exploitation,
the State have to introduce and develop the slave-driver system
(hajcsar rendszer). The way, how this is done, is very simple:
It sets up the management against the workers and vice-versa.
The managers or, in my case, the engineers in charge are standing
between the devil and the deep sea, namely between the State
and the workers. If one is ~~favours~~ favouring the workers against
the State or the State against the workers, the consequences
are the same. These could be: jail or forced labour.
In 1951, at the Internment Camp of Kistarcsa, several hundred
engineers and technicians have worked as stone-breakers. The
saying was, that engineers and technical foremen stood with one
~~stand~~ foot in their working place, with the other foot in prison.
However, they were paid better than the workers.
The true victims of the system were the workers who could not

make enough for their minimum livelihood. The norms were over-exacting, so that many of the workers could not reach even the 100% requirements.

On these premises was the role of the manager and the relationship between management and workers built up. (Under managers I mean here rather the engineers in charge and the technical foremen, with other words, those people who were in charge of the workers immediately below themselves and working with them in close contact). A manager could exist on a given working place only if he could help materially his workers. In keeping strictly to the norms and the official prescriptions, this was an impossibility. However, everywhere could be found ways and means for cheating. To find such ways was a necessity in order to be able to establish a satisfactory relationship between management and the workers.

Since there was no possibility of getting around the norms, because the time and wage units prescribed by the norms had to be strictly respected, therefore, they tried to change the amount of the quantity of the work required from the workers. For example, great help^{was} that we could change the distances of the conveyance of material on the premises. I could give on officially four or five times the actual distance and thus increase on paper the work done by the workers. Only through such cheating we could secure 800 to 850 forints wages for our workers which was about a minimum for their subsistence.

The heavy norms and the low pay has created a general dissatisfaction among the workers and also a bitterness against their superiors who received higher pays . This sad state of affairs, which suited perfectly the state, has been even more aggravated by the agents of the Party, planted among both, the management and the workers. The so-called "spicoli" system of informers was introduced everywhere in the country and there was no working place where some informer or even members of the AVH in disguise haven't been working. The instruction was given to these people by the AVH; we knew only the effects which they have caused. The workers usually knew who were these implanted informers of the AVH and they would not talk with them, hated them and tried to isolate them from themselves.

In the bridge building management, where I was in charge, the following characteristic event took place: a worker was sent to us from the Centre, of whom our workers have discovered that he was an informer. They came to me in a delegation with the demand that I should send the informer back to ^{the} their Centre or direct him to another management, because else they all would leave their working place in spite of the fact that in such case their work-book would be marked with "arbitrary leave", which could mean serious consequences.

The entire system succeeded in piling up bitterness in the workers' minds which finally led to the Revolution, proving the truth that the workers are willing to produce only then, if they have some

interest in their producing. All in all, we can say that the Communist State is maintaining this never-before-known exploitation by methods of setting one man against the other, but at the same time it creates also those factors and conditions which ^{will} ~~would~~ lead to its own desintegration.