

NO.512

"B-8" FACESHEET AND RATING

NN p.1

August 5th, 1957  
London

1. L-12
2. [REDACTED]
3. London
4. 35
5. M
6. Hungarian
7. Reformed
8. Reformed
9. Married
10. 1, adopted  
Age: 16
11. Patent office clerk
12. Official
13. -----
14. Intelligentsia
15. -----
16. Austria, Switzerland, France, 1934-39.
17. No
18. No
19. Yes - economist
20. Budapest
21. Budapest
22. Budapest
23. None
24. 12-21-56
25. England
26. No
27. No
28. No
29. No
  
31. "8"
32. "6"
33. "9"
34. "6-7"

Since his release from Recsk, concentration camp, in 1953 respondent worked as an official in the Patent Division of the United Lightbulb Corporation, a government monopoly in the electrical lighting industry. Respondent's unique position derived from the fact that this corporation alone in Hungary had maintained its patent division to take care of its domestic and foreign patent affairs, although it operated separately from the innovation officials, whose position was much more political.

The problem facing the Communist régime was the difficulty of placing mental property in an appropriate pattern of ownership and providing adequate remuneration. They started out from the basic premise that inventors were in capitalist societies at the mercy of the capitalists and that, in contrast with this, in a socialist state inventors should be rewarded in measure of their usefulness to the society and state. In practice, however, this worked out by paying arbitrarily whatever amount was deemed adequate. The maximum legally available sum was 1.000 fts. for any one invention. Awards above this amount were permissible only by personal approval of the minister concerned.

Similarly to the Russian pattern, patents were maintained in Hungary, but parallel with them the concept of innovations was also developed. This simply meant

the use of ideas in a specific plant regardless of its application elsewhere. A patent of course is an innovation in a world-wide regard. An innovation is a new idea, process, method, or product applied in a plant.

The activities of inventors took two turns: One toward innovations. In practice this meant that many people who had access to Western technological literature could and did make suggestions by simply applying Western innovations and inventions of products or processes to their own plants. This was encouraged and the innovator was even encouraged to give the source of his idea be it a Western book or periodical. For these activities this small group of people with access to Western literature regularly added to their incomes. The Suggestion Committees, who would judge these cases, would award fees ranging from 200 to ~~£~~ 800 fts. with certain ~~max~~ major innovations meriting amounts above these figures. The Committee was made up of the Innovation Secretary and some other key-production and ~~£~~ Party personnel of the plant. The man who ran this affair, the Suggestion Secretary, was usually a deserving Party hack whose only concern was in this field, with an eye on productivity and close co-operation of the norms people.

The pattern of these innovations was involved and at times chains of up to a dozen or twenty people were

involved in working out innovations. This of course permitted each one to collect an award. Tremendous importance was given this system and much propaganda effort was put into it. As the system operated, the innovator by his very position was in opposition to the inventor.

The idea of an invention clearly ~~xxxx~~ contrasts with the idea of a copied innovation. The fate of inventors was the other result of the government's patent policy. Naturally the attitude of the innovation people towards a patent idea was the same as towards ~~xxxx~~ innovations:

"If it looks practical, by all means let us use it!"

"Do not waste time developing it, do not waste money on experiments!" Against this attitude it must be stated that theoretically it was possible to have privately owned patents. This, of course was useless to the owner, for he had to pay pretty stiff maintenance fees and he could not utilize it, for his invention was boycotted. Basically this was the situation: If the invention was a good idea, the state would force the man to give up his patent right and in some cases they destroyed the people involved. If the idea was not considered good or useful, the man was permitted to keep paying the dues without profiting from his invention. With one word: Patent rights ~~xxxx~~ meant protection against another individual's infringement, but not against infringement by the State. It was impossible

not to accept the state's offer and not to yield to the state's pressure.

To this general system there were some rare exceptions. I know of one such case. It concerned a research engineer, a most affable and amiable person, extremely willing to co-operate with the régime. He invented some sort of expansive metal. This was extremely desirable for the electronics industry and my corporation made great use of his material. He charged quite a stiff price producing his material in a tiny little tool-shop by himself with his wife's assistance. True to pattern they nationalized his plant and he co-operated with great eagerness except there was something he forgot to tell and the nationalized plant was unable to successfully use his method. After some delay the plant was returned to him and he went back to produce happily, selling at a great profit. However, as a rule, patent rights were ~~unintentionally~~ voluntarily offered for the state's benefit. This meant that no dues had to be paid by the individual and the voluntary inventors, who thus co-operated, were paid a trifling ~~sum of~~ sum of some ~~52500~~ 2.500 fts with the highest of 26.000 fts. The result, of course, was that no one was interested to invent anything; this was the general opinion among the inventors. They all settled on selling their second rate ideas for the state, saving the first rate ideas, the ones of world-

wide importance, for themselves. Most of them simply kept their inventions secret till a later date, when they perhaps could profit from it adequately. In conclusion one should note that the government's announced intension was to protect the inventor and pay him adequately. Instead, however, the inventor is now at the mercy of the state. As a result of this policy the entire patent world is not a serious or creative affair in Hungary. The entire field of inventions is on the decline and some of the best inventions are kept secret until a date when inventors expect to be able to profit adequately from them.

The whole territory of patent developments has shrunk a great deal. Competent patent lawyers who were also engineers, were always scarce. The few who worked in Hungary were forced into one government agency called the Danubia Patent Bureau (Licensiate). Now, through them it was possible to to sell patents abroad and to carry on the semblance of patent activities.

All Hungarian patent lawyers were now in this agency receiving the salary of a plant engineer. But no one thought of replacements and the youngest man of the 8 patent attorneys there working was well over forty. Things began to look up in 1956 and there was considerably more contact with foreigners. There was no other patent activity in the country to speak of. Ours was the only plant in the country who always had a patent

section thanks to the foresight and determination of Lipot Aschner, the old president of the United Light-bulb Corporation, who kept his job even after nationalisation until he died in 1951. So we had a section of four men working in the patent department. This was maintained in spite of government resentment of our wasting money and foreign currencies on activities as "useless" as ours were. The patent section, however, was kept going in spite of unfriendly criticism, and by 1956 we even got praise. Also by 1956, another corporation, called Chinoin, the largest drug outfit in the country also opened a patent section. Some of the government's fears were, of course, justified because through our work we were enabled to keep very close touch with the West through business correspondence and through periodicals, which we needed for our work.

The operation and organisation of the United Light-bulb Corporation.

To give you a general idea of the operetta atmosphere prevailing in our plant, I should like to tell the story of the visiting French journalists. I think it was in 1955 that four French journalists came to visit the plant. This was the first troupe of foreigners permitted to visit us. Three of these were Communists and the last one was, I think, a radical. The plant Party secretary, who was to be in charge of their visit, thought of us at first as the logical guides, since most of us spoke foreign languages. So, out went the patent section to play host and lead the journalists around. The sightseeing was preceded by a long talk and question and answer period between the journalists and the management. The journalists were assured of the high wages prevailing, of the high quality of the production, of the present working conditions, etc. They were told that one earns much less under 1000 forints, and most of the workers were above that figure. We then conducted them through the plant. The first man they went up to worked on the assembly line and informed them that he was making 300 fts a month and that there was no overtime or extra income. I did not have the heart to tell these journalists that this boy was actually an apprentice and instead of salary he was getting



an apprentice's fee. Continuing our trip they talked to several more workers, none of whom earned 1000 fts or over. As a result of this tour, three things happened: The journalists got most furious and wrote some disgusted articles, the Plant Secretary was outraged, and never again did foreigners come to the United Lightbulb.

The organisation and management of the plant, as far as I could find out, was also quite interesting. In my three years there, I had never found out how the problem of incorporation was solved after nationalisation. When a plant becomes nationalized, it becomes a national enterprise. But three companies in Hungary remained incorporated, perhaps due to the international influence their name had. Stranger yet was the fact that Lipot Aschner remained General Director of the plant which he formerly owned and controlled. The story goes, when he was informed about the nationalisation, fully understanding the trend of the times, calmed his associates not to be upset. Of course, a Russian general manager was put in charge of operations and Aschner enjoyed a period of semi-retirement as titular head of the firm until his death in 1951. I think, the title of incorporated was maintained primarily for international contacts, and in many ways we went through the motions of a private corporation to maintain our international standing, e.g. companies never paid annual dues on their

patent rights, but we paid them even on state-owned patents, in order to keep up <sup>the</sup> ~~the~~ rights in international relations. This too cost a lot of time to explain, for state auditors refused to see why maintenance of our rights would be beneficial to the state, if it only cost money. During the Revolution last fall the Russian director, who was quite universally disliked, was removed from his job by the Workers' Council. After December last year he returned, but was soon thereafter replaced by another Russian. As I mentioned above, I do not know, if the plant's legal position was ever re-organized. There was a dirty story some time in the late forties, when one of the directors committed suicide and several top Communists came to the fore in the management. But the legal ownership and organization seems to be the best kept secret of the plant, and I doubt, if anyone knows it beside the Russian manager and the Legal Counsel. The rest of operation of the plant, of course, was based on the standard system of spies and informers, and mutual suspicion and fear kept the organization working. Strangely enough these matters were extremely personal. Informers were frequently simple-minded people, and the worst of the lot was a woman, who has been a top secretary before and kept her job after, in spite of American relatives and other bad points on her record.

But I instructed foreign languages for some of the employees, who in specific jobs could get a raise if they had a language certificate. Of course, I was popular with these people. One of these was this top informer, whom together with the others I helped over her examination by simple, plain cheating. At first her Communist morality objected, but finally she agreed to the scheme as long as only a Communist friend of hers was involved and not one of the other co-workers. She passed her examination and after that I could say anything, or do anything against the regime, - I knew I was safe from her. Fears and suspicions, of course, did not leave me, for they were drilled into me at Reesk, an experience which made me now systematic in precaution. When I moved into the office, I planned it out so, that anyone who would approach our office, would have to give us at least six paces of warning before he came into our sight. We made scale plans of our office and shifted card-board pieces around, on it, representing the furniture, until we found the most advantageous defence position. This was not too important with our first boss, who was a perfectly fine gentleman. But once he was fired he was replaced by an ignorant ex-locksmith, and we hated each other with gusto. Once he was convinced he could not enter our room from his office

directly, because a big book-shelf blocked the way, he assured us with a friendly gesture that he could just open the door an inch and that he would be standing there listening. This, of course, was an auspicious start for our future co-operation.

Material supply and economic organisation call for some additional explanation. Our plant was unable to get hold of any type-writers, operating only with those we had from before the war. For years we had no luck in getting any, or at the most we could get one for the hundred required from the State Type-writer Distributing Agency. When once, at long last, some East German type-writers flooded Budapest, they were not available for plants, only for individuals and we proposed to buy them and resell them to the state agency from which our plant could perhaps re-buy it. In spite of the financial loss involved, this seemed to be the only way to get hold of some for our offices. In the end it did not come to it and we did without type-writers at the office. Another remarkable incident, if not related, was that of the import of Czech shoes. The Czechs brought to a fair some 6 or 8 waggons of shoes, but they were not permitted to sell them at the low price they proposed to. At the end they took the whole shipment back with them. The other inevitable development in such a tight and inefficient economy was the spreading of thievery. At the factory

gate there was a big show-case with stolen and recovered radio tubes, transformers, and other products of our plant, the names of thieves and their punishment were also listed. Checking the employees after work was a thorough and major operation. Men and women left the plant in single file in separate lanes. Plant security guards looked over everyone and sent approximately every sixth man and woman to a little room to be frisked. These sergeants were very thorough, but I am sure that still a lot was stolen.

It was remarkable that the police, which was of worker class background, always picked workers to be frisked and not officials. In 1955 they staged a show trial of two men who were caught stealing equipment, but even this backfired. The experts, who were called in, testified that the goods stolen were rejects, and all the way down the line everyone tried to help these two. The whole plant refused to condemn them and in the end they got off quite easily.

Just about that time they installed a 300.000 forints' checking equipment which, however, proved entirely useless. It consisted of a handle bar which everyone leaving had to push and the electronic gadget, to which this was connected, picked people at random, who then had to report to the frisking room. Of course, the same number of supervisors and security police were

required to check that everyone did as they were told to. As in every other instance, so in this: The system broke down on account of the human element. The security guards were all presumably reliable worker kader youth, who had but one loyalty to the régime. The people in my office, who aside of our new boss, were all good friends, decided to check the efficiency of the checking system. We could not, of course, afford to smuggle merchandise out of the plant, but instead we took empty radio tube boxes, containers and placed something fragile in it, so that we had a plausible excuse, why we were taking the boxes out. On several occasions we were frisked, but they never seemed to notice the containers in our breast pockets, were we conspicuously left them. The guards' motivations or reasons for such carelessness are a matter for conjecture. Yet, the fact remains that we were never bothered. Another factor which encouraged such activities was the fact that the first class products of the plant disappeared into exports; the second class products were used for privileged domestic consumers; and primarily third class products and rejects were put on the Hungarian market for individuals. It was thus inevitable that a thriving black market operated in the cafés and taverns in the vicinity of the plant in first class tubes. Prices there were about half the official prices for the third class merchandise.

In 1949 I tried to escape to the West with two friends of mine, who were high officials in non-Communist youth organisations. We were all captured on the border and subsequently the authorities made no differentiation between their political activities in the past and my a-political behaviour. However, they did not know what to do with me, so they simply sent me off to Recsk without a hearing, presumably to keep a tab on me. I was there till 1953. Life at Recsk was very interesting, for it obviously reflected the national developments on a miniature scale quite accurately.

The most remarkable trend, perhaps, was the way the Social Democrats and the ex-Communists lost their initial fervour. For the first year or so they deeply despised the rest of us, who were obviously most appropriately at Recsk, while they were there only by some misfortune. We had one old Communist with us, who even in Recsk, was the head of the "confidential section" of the camp, who was a friend of Lenin. Every once in a while he wrote to Rákosi criticizing his policies and blaming him for mistakes. Although his letters were ineffective, they brought no harm to him and he was pretty much left alone. To the end he was a good Communist and I understand, fully approved Russian intervention during the last October Revolution. Not all Communists fared as well. We



12 Party secretaries, who were ~~XXXXXX~~ jailed for one reason or another, who one day decided to hold a seminary. The following day they were beaten up for presuming that they were good enough Marxists to hold Party seminars. The same bunch got a beating when they set out to celebrate April 4th. The guards informed them that April 4th was the people's holiday and not the prisoners'.

Regarding the every-day-life at Recsk, respondent regretted the distortions apparent in Michener's book. In particular he referred to the only successful escape story from the camp.

Every fourth prisoner was some sort of spy or informer in the camp. Thus, it was extremely difficult to organize anything without the authorities getting an air of it. One of these informers was an ex-Russian army sergeant of Hungarian descent, called Gyula Michnai. Michnai and I worked together carrying the two ends of a trough. He slept in our barracks and he dropped some casual remarks that one day he will make up for all his mistakes and cowardice. On other occasions he described the simplicity of the mined and wired border. His escape plan, of which we did not know, finally worked and eight of ~~XXXXXXXXXX~~ them escaped. Seven were caught, but he himself escaped to the West and lived to broadcast on Radio Free Europe about Recsk conditions. This is the way he meant to



pay back for his sins. By day's end we knew that something was wrong. The AVOs were disturbed and people began asking questions. They started picking up the people connected with the eight. First of all, all their immediate neighbours, their co-workers, their friends, or anyone whom they had any suspicion about. 120 men were collected in a house overlooking the camp. I very much remember, before I was picked up, my neighbour told me: "Eat your hamburg!" But I was first going to find out what is what. This stuck in my mind and I could not forget it for a long time: "I did not eat my hamburg, I did not eat my hamburg..." While we were herded together, down below the camp was in complete silence. Nobody was fed, either up in our place or down in the rest of the camp. We were not beaten that day, just plainly asked who knew of the escape plans. On the second day, after standing all night outdoors, some of us were separated to "group one", the escapees immediate neighbours or co-workers. I, as the ringleader's co-worker, was quite suspect. I told them that I did not know where he went, or that he went away. I was only slapped once; but standing in the ice-cold night without food for 48 hours and without sleep, was no fun. On the third day, I was told to write up a report, describing everything I knew of the escaped. For this I was sent to a heated room; but I was so frozen cold that I could not write. One of the most hated internees,

a top informer, named Kerekes, involuntarily saved my life at this point. I asked him for his coat, -so I could warm up and write - which he lent me. When I was finished and left the room, I meant to return his coat, but a guard kicked me for trying to obstruct the process of his operations. So I was unable to return the coat. 40 of these people were kept in separate quarters for six weeks. These people were beaten up regularly. After the first two days of starvation, ample food was available for the following three days. But soon thereafter a new camp commander was installed who was more hellish than his predecessor. There were actually no loudspeakers in the camp, but we were told regardless that we had no food, because the sobs that escaped, caused us the trouble. Once two of the escapees were captured and beaten and then told the 40 separated that these were the cause of their difficulties. They were thrown in to the 40 and told to go ahead and punish them. These helpless people were then beaten and kicked in the face and pretty much demolished. Six of us stood still on the edge of this free-for-all, besides me a Party secretary. When the AVO started pointing at us, I caught the Party secretary's idea and we started running around like mad, shouting, and waving our arms. These helpless escapees were on the following day beaten up again by the 50 strongest internees. Actually all survived ordeal, but how well,

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I would not know. I myself was threatened with two years of jail for not telling about the escapees. Unfortunately, I did not get it. Generally jail was considered preferred because it had regular food and warm quarters. One lawyer who was with us was condemned to a year in jail in Budapest. After his sentence he was returned to us and told great stories how the escaped Michnai denounced the various sadistic AVO-men operating at Recsk. Of course, the word got around and the AVO-men were perhaps a bit impressed with their international reputation. I have a hunch that the lawyer probably made up the story, although I did hear that Michnai got out. Generally the ordeals the prisoners went through, revealed some remarkable personalities among them. I think, one of our top Hungarian poets to-day became a real poet only at Recsk. Another man, who was an ex-officer, was half mentally deranged after his tortures and he could prognosticate the dates of his further ordeal. He actually described how he knew when he would be taken away or when he would be returned. He was uncannily right. Tied up in a bundle with a pipe between his legs, he was made to give a speech and he spoke for an hour. On occasions like this, the AVO-man quietly left the room at the end.

CHARACTERISATION OF RESPONDENT

Respondent gave the impression of a man who was very intelligent and certainly was not out looking for trouble. Probably not compromising himself with the régime, he yet got along quite well, at Recsk as well as afterwards. Without any special skills and training, except for language skills, his economic position after 1953 sounded rather adequate. He had the benefit of a sister living in England, who supplied him and his wife with packages. He had an exceptionally good apartment and, through connections, got a very pleasant job. It appears that even at Recsk, where he must have been more by accident than by design, he managed to stay clear of major trouble.