# A World Lifted off Its Hinges: The Social Impact of World War I on Hungary

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As was true virtually everywhere, World War I brought about significant social changes in Hungary. As a consequence of the wartime mobilization of the economy, the relationship between employers and workers in industry was transformed, as was the relationship between owners of different sizes of estates and farms and agricultural workers in rural areas. In both spheres, groups emerged which were much better organized than before. Some of them were capable of coordinated political action, and the balance of power between them changed rapidly over time. The wartime government tried to ensure continuous coordination and reconciliation of interests between the various ownership and labor groups in agriculture and industry, but it ultimately failed. Beyond the military defeat, this failure was the primary determining factor of the events of 1918-19 in Hungary. By analyzing the group dynamics of wartime society and the wartime economy in Hungary, this paper seeks to outline the social and historical background of the political struggles that came in the wake of the war. It ventures two core contentions. First, the emergence of various agricultural and industrial interest groups and their coordination with one another and with the government in the aftermath of the war constituted mechanisms of integration that had not existed before the war. As a result, the diverse socio-professional groups in Hungary became more integrated into one society within the framework of the state. The second finding contention is that the counterrevolutionary regime that took over in late 1919 was more successful than previous governments had been in establishing a balance between the different groups of owners and workers and learning from previous experience, and this was why it was able, ultimately, to consolidate its hold on power.

Keywords: World War I, Hungary, social history, labor history, history of rural society

Research on World War I and its immediate aftermath has gained new momentum in Hungary in the last half decade. Many works have been published on the specific processes and consequences of the territorial changes that occurred in the aftermath of the war, such as the refugee question. Works on the military-political situation at the end of the war have offered convincing and nuanced

<sup>1</sup> Ablonczy, Úton; Ablonczy, Ismeretlen Trianon; Bencsik, Demarkációs vonaltól államhatárig.

answers to old questions.<sup>2</sup> Substantial volumes and studies have been published on the fluctuations of public opinion and events in 1918-1919 and on the politically motivated violence which came in the wake of the war.<sup>3</sup> Much less attention has been paid, however, to the social consequences of the war, which were crucial to the events of the period from 1918 until roughly the mid-1920s.<sup>4</sup> The concrete social effects of the war were not so much the result of military operations as they were of mobilization and, even more so, of the economic processes involved. Some understanding of the history of the war economy is crucial not only because the military strength of the powers that met on the battlefields depended to no small extent on the performance of their economies. According to international research, the mobilization of the war economy, intertwined with and interacting with cultural transformations, led to profound changes in all the European societies that were engaged in some way in the war.<sup>5</sup> These changes altered the balance of power among social groups and political forces and also changed the relationship between employer and employee, the political system in some countries, and the position of women in society.<sup>6</sup>

The Effects of Wartime Mobilization on Social Groups in Industry and Agriculture and Their Political Consequences

World War I ignited or added kindling to several transformations within Hungarian society. The war and the mobilization of society and the economy

<sup>2</sup> Révész, Nem akartak katonát látni?; Simon, Az átmenet.

<sup>3</sup> Hatos, Az elátkozott köztársaság, Hatos, Rosszfiúk világforradalma; Bödők, "Politikai erőszak"; Bodó, The white Terror.

<sup>4</sup> Bódy, Háborúból békébe.

<sup>5</sup> Two volumes on the subject of economic processes and their social impact in a German-French comparison: Boldorf, *Deutsche Wirtschaft*; Boldorf and Joly, *Une victoire impossible?* 

<sup>6</sup> Basic work on the social history of war: Kocka, Klassengesellschaft im Krieg. Provides a multifaceted overview of the findings of older research based on a cultural-historical approach: Michalka, Der Erste Weltkrieg. Analysis of war experiences: Hirschfeld et al., Kriegserfahrungen and Flemming and Bernd, Heimatfront. For an overview of the industrial policies of all Western countries involved in the war, see Geary, European Labour Politics. On the impact of the war on German and British society, see Chickering, Imperial Germany and Gregory, The Last Great War. For cultural history approaches, see Werber et al., Erster Weltkrieg. For a comparative cultural history enterprise, see Bauerkaemper and Julien, Durchlalten! especially Bauerkaemper and Julien, "Einleitung: Durchlalten!" 7–28. For a gender perspective on everyday life during the war, see Hämmerle, Heimat/Front. For a comparative analysis of the social and political effects of war, see März, Nach der Urkatastrophe, and Mommsen, Der Erste Weltkrieg. See also Barth, Europa nach dem Großen Krieg. Aulke offers a particularly interesting discussion of the cultural history of postwar political processes: Aulke, Räume der Revolution.

radically increased the role of government institutions in the management of social conflicts as well as of everyday life (e.g., production, food supply, housing and workplace conditions). At the same time, it also restructured relations among social groups, which led to a dramatic transformation of political power relations in 1918. After the war had come to a close, it took many years and several political turnabouts for the administration to withdraw adequately from the management of everyday life in the hinterland and for the relative position of major social groups to stabilize. In the course of these processes, the situation of peasants, workers, employers, members of the middle class, and even women underwent radical changes.

This paper examines the impact that the social changes generated by the war exerted on the status and self-identification of the major social groups in Hungary and on their perception of one another. It also considers the ways in which the political behavior of these groups was determined by these transformations. I offer a dynamic tableau of the changes that occurred in the relationships among various social groups active in industry and agriculture, including changes that affected consequent access to power, as well as the ways in which party politics responded to and were shaped by these changes. The war also had a profound impact, of course, on the middle classes and on the situation of women, but for reasons of space and to maintain the focus of the study, these issues are not discussed here. I concentrate on the (re)emergence of groups and conflicts in industry and agriculture, which were the most decisive factors in setting the framework conditions for the political processes of the early interwar period.

### Industrial Society in Hungary during and after Wartime Mobilization

The war placed industrial labor in an entirely new context. As was true in the other countries involved in the war, in Hungary, wartime production demanded centralized management of the labor force. In the relatively liberal labor market that had dominated Hungarian industry until then, there were two operational strategies for advocating the interests of workers: the individual and the collective. On the individual level, workers could change their workplace on a daily basis, since this practice was not substantially restricted by labor legislation. Collective advocacy was assured by the trade unions. Although they operated in a legally deregulated zone, the authorities did not effectively prevent them from organizing strikes. As a result of this, collective agreements were introduced in more and more branches of industry to regulate labor relations, at least in the

urban agglomeration of Budapest and in some of the larger cities and towns. Although they did not have any legal weight, the compromises between the trade unions and the employers' associations often worked because the strength of the organization on the opposing side made the other party and the individual stakeholders in the market comply with the agreement.<sup>7</sup>

The war, however, put an end to this liberal order of labor relations. Strikes were banned, and the labor force was tied to factories connected to the war industry. Individuals were no longer allowed to quit their jobs. This quickly led to friction, which the Hungarian government attempted to handle in a manner very similar to efforts in Germany and Austria. So-called "complaint committees" were established during the war, which were supposed to manage the conflicts arising in industry. These committees were trilateral bodies composed of the delegates of the state (civil servants and soldiers) and representatives of both employers and employees. However, there was an essential difference between Hungary and the abovementioned countries and the countries of the Entente: the Social Democratic Party of Hungary was not present in the National Assembly due to significant restrictions on suffrage.8 In this situation, the fact that the trade unions (related to the party) were involved in the management of labor conflict was especially significant. It signaled acknowledgement on behalf of the government, i.e., a drastic improvement compared to the earlier situation, and it was by all means a more significant step than something similar would have been in the countries in which the social democratic parties were already active parliamentary political forces.

The government made a strategic and deliberate decision to involve the institutions of the social democratic workers' movement in the management of war mobilization, and this was manifest not only in the domain of labor issues in a strict sense. The other area was public food supply, with regard to which the government was obliged to take into account the consumer cooperatives organized on the basis of the trade unions. This institution was quintessential in the context of centralized food management because there was no other entity that would have been able to manage distribution based on the ration system in the districts inhabited by workers. Organizations related to the Social Democratic Party were also given a role in the administration of housing issues. The liberal tenement-markets that had functioned in Hungarian municipalities

<sup>7</sup> Bódy, "A Delay in the Emancipation of Labour."

<sup>8</sup> With regards to Germany, see Feldman, "Kriegswirtschaft und Zwangswirtschaft." For a survey of all western countries involved in the war, see: Geary, European Labour Politics.

until 1914 had collapsed at the beginning of the war. First, the families of soldiers who had been drafted were exempted from paying rent, and since this measure had numerous additional implications that generated conflict, rents in general were regulated by the authorities. During the second half of the war, housing authorities were set up that were supposed to assign apartments under private ownership to those who applied to live in them. This measure was also necessary because industrial cities and towns were under increasing migratory pressure as a result of the wartime boom. At the housing authorities, litigation was decided by parity bodies that were usually presided over by a retired jurist and composed of representatives from the association of real estate owners and the association of tenants. The latter association was a satellite organization of the Social Democratic Party of Hungary.

It followed from the above that, as a result of the war, the Social Democratic Party was treated by the government in a way that would have been previously inconceivable. From the beginning of the war, the party itself demonstrated its willingness to cooperate with the government (like its sister parties with parliamentary representation in other countries), and when the war broke out, the party prompted its press to support the war (the party's press had struck a pacifist tone in the period of diplomatic crisis prior to the declaration of war).9 The most important element of the pro-war position was that until the 1918 collapse, the social democratic leadership tried to prevent all strike initiatives and suppress all strikes that did break out, which was not unusual during the second half of the war. In exchange for this cooperative attitude, the Social Democratic Party hoped that it would gain the expansion of voting rights from the government and would thus win its place in the National Assembly. The party tried to take advantage of war conditions to keep the government under pressure so that it would be rewarded for its cooperative stance. For instance, workers employed in a whole series of war factories sent a telegram to the government demanding the expansion of voting rights.<sup>10</sup> Their demands were repeated several times in the form of petitions addressed to the government. Below is the text of one such petition:

The workers of this factory can declare with a clear conscience that they have honestly and completely performed the duties imposed upon them by the war from the outset until now. They have been aware of the great significance and value of their work; they know that even

<sup>9</sup> Litván, "A sajtó áthangolódása 1914 őszén."

<sup>10 &</sup>quot;Az élet és a halál demokráciája," Népszava, December 1, 1915, 1–2.

though they have no weapons other than the tools in their hands, they have still been standing in the trenches; they know that with every strike of the hammer, they have been forging the weapons of national defense: they have defended their homeland with every breath.

This conviction boosted their sense of duty and their readiness to make sacrifices. It was this conviction that made them capable of putting up with the suffering and want that the war imposed on them particularly. It was this conviction—and only this!—that persuaded them as well as workers employed at all other factories that they should tolerate political disenfranchisement and the humiliating status of being excluded from suffrage. [...] The war cannot end without the homeland that they helped save and preserve with their lives and labor granting the most elementary yet most important right to them as citizens.<sup>11</sup>

The government appreciated the activities of the Social Democratic Party and the organizational network connected to it, and as noted above, the party was accorded a role in the management of everyday life in society, from the housing issue through public food supply and labor affairs.

At the same time, the changes affecting the workers' organizations had an impact on the middle strata of society as well as employers. For the latter, the recognition of the trade unions represented a shock-like overturn of earlier power relations. The secretary of the National Association of Metallurgy and Machine Factories—the biggest employers' organization in all sectors of the economy—made the following declaration with regard to this transformation:

It is enough to consider what it would mean if the trade union secretary whom hooligans would have driven away from even the neighborhood of a factory were to roll onto the premises through its wide-open gates in the four-horse carriage of the lofty factory owner as the supreme judge [...] so that he could pass judgment against the owner after having studied the most confidential books of the latter, interrogated him as the accused, and confronted him with workers whom he had previously treated with disdain. No momentous editorial or fiery agitation could measure up to its propagative effect.<sup>12</sup>

<sup>11</sup> PIL 658. f. 38. ő.e. Double-page printed matter with the signature of all workers employed at the factory dated May 2, 1917, which was sent to the government by the party via a number of organized workers from several factories.

<sup>12</sup> Méhely, "A munkásügyi Panaszbizottságokról," Munkásügyi Szemle, April 25, 1917, 204.

Membership in trade unions grew during World War I, and by the end of the war, they had established organizational networks among people working in the most important occupations in Budapest and some industrial cities. Parallel to this, membership in the associations and consumer cooperatives connected to the trade unions also increased significantly. The latter grew into a presence that was influential in multiple branches of business. <sup>13</sup> The trade union treasuries were full due to rises in membership and membership fees, which were paid according to higher wages, and the trade unions continued to develop their infrastructure during the third and fourth years of the war as well, purchasing or building new headquarters, etc.

In contrast to this strengthening of the organizations of the workers, employers were on the defensive. They felt that the complaint committees were unable to make decisions that were unfavorable to workers because the authorities feared that such decisions would be unenforceable or would even provoke riots. In their view, the incompetent interventions by the civil and military authorities disrupted the internal balance at the factories and the previously healthy functioning of the labor market. As a matter of fact, their frequent complaints were not unfounded, because the military authorities overseeing the war economy were often inclined to support the interests of workers and wanted to avoid even the appearance of taking sides with "capital."<sup>14</sup>

All in all, employers often contended that the government was trying to buy the loyalty of workers at the expense of employers. In certain areas, they tried to resist these efforts. In the war economy, food distribution became an issue of power, so employers did not want it to be turned over entirely to the social democratic cooperative. The National Federation of Industrialists established its own public supply cooperative and managed to have the government create a special body to coordinate food supply for workers. Representatives of each side served on this body on a parity basis, and the body managed the issue of food supply for workers through the two cooperatives. As far as this this organization was concerned, workers should always occupy a position of priority with regard to food supply: in other words, workers had to receive at least their official food quotas, even if the authorities were unable to ensure the originally planned food

<sup>13</sup> Soós, Húsz esztendő.

<sup>14</sup> HIM HL I. 28. 1916. 4/a. eln. 473. doboz. K.u.K. Kriegsministerium's letter to the Ministry of Defense on August 8, 1916, regarding the recommended policy regarding complain committees].

supply for the municipalities.<sup>15</sup> This stood in stark contrast to the food scarcities suffered by the urban middle-class, which were alleviated only if a given family had relatives in the countryside who could provide them with agricultural produce.

Although the Social Democratic Party of Hungary struggled to keep workers under its control during the last year of the war, and the party had to walk a thin line between the increasingly radical demands of the workers and its policy of cooperation with the government, it finally managed to tackle the problem. The party was able to prevent the government from banning the trade unions and extending its direct control over its other institutions. And while numerous sources indicate that there were dissatisfied voices within the ranks of the workers regarding the leadership of the Social Democratic Party, the scope of the social authority of the institutions and organizations it ran still continued to grow. Although during the second half of the war the government elaborated plans regarding measures that would be necessary were it to switch to a hardline and oppressive policy toward the workers, these plans remained in the drawer.<sup>16</sup> Certain politicians suggested—particularly after the big strikes in March 1918 that previously exempted trade union leaders and officials should be drafted into the military and that discipline should be restored by organizing the workers into military units. However, the government disregarded these proposals. It feared that these measures, which would also have included the closure of printing presses so that workers would not be able to disseminate their message on leaflets, would generate unmanageable resistance. It is quite remarkable that these sorts of ideas were supported mostly by bourgeois politicians, and the representatives of the army were more cautious in this respect. Thus, although the government realized that the social democratic organizations could not completely control the workers as it would have liked to have controlled them, it upheld its integrative policy to the end of the war. As a consequence of the above, by the end of the war, the position of workers employed in major industries was significantly strengthened (mostly as a result of their concentrated location in the urban agglomeration of Budapest).<sup>17</sup> This was equally true with regard

<sup>15</sup> Magyar Gyáripar, January 1, 1917, 3. In his general order, the president of the Office of National Food Supply (Országos Közélelmezési Hivatal) stated that ensuring adequate food supplies for workers was more important than providing food for other inhabitants of Hungary. According to the order, workers had to receive their full rations even if this meant that the local authorities had to reduce rations for others.

<sup>16</sup> On the preparations for martial law, see the following source: MNL OL K 578 94. doboz. Ig. min. 1918 – Bi – 143.

<sup>17</sup> Bódy, "Szociálpolitika és szociáldemokrácia."

to changes in real wages: the situation of members of the middle class who earned fixed salaries deteriorated dramatically in comparison to workers, as did their political weight. Employers believed that certain trades, as "beneficiaries of the war boom," had become excessively assertive, especially when the workers realized that the authorities did not dare curb their demands.<sup>18</sup>

The situation outlined above was neither peculiar nor unique in the European context. The war economy and the mobilization of society created a plethora of new forums of control elsewhere as well, and representatives of the working class played a role in all of them. Due to the boom in the military industry, the standard of living among workers often rose elsewhere too, while that of the middle class became relatively worse.<sup>19</sup> At the same time, the level of organization of the working class grew to an immense degree throughout Europe, and employers became more organized in opposition to them. In most belligerent countries, the war entailed the recognition of workers' parties as partners in the political arena, which also meant that they could become part of the expanding institutional network of organs representing labor and welfare issues and offering more and more services. The creation of ministries for social and labor issues in several countries was one symptom of this process.<sup>20</sup> The idea of creating such a ministry in Hungary was entertained in 1917-1918, but it was implemented only after the collapse of the Habsburg Monarchy and the Kingdom of Hungary within it.

Changing Social Power Relations in Industry in the Immediate Aftermath of the War

When Hungary collapsed at the end of the war, political power fell almost automatically into the hands of the Social Democratic Party as a result of the earlier widening of the party's base. Thanks to a political transformation

According to various contemporary calculations, skilled workers involved in sectors vital to the military industry did not experience a substantial decrease in real wages until the end of the war. Indeed, the monthly wages of workers were nominally higher at the end of 1918 than the monthly pay of those engaged in typical middle-class employment. On the whole, average skilled laborers also had lower real-wage losses than military officers, civil servants, and white-collar company clerks. Furthermore, the real-wage losses of unskilled workers, especially industrial workers, were also lower than those of middle-class people in general. Szterényi and Ladányi, *A magyar ipar a világháborúban*, 223; Dálnoki Kovács, "A megélhetés drágulása a háború kitörése óta."

<sup>19</sup> Gregory, The Last Great War.

<sup>20</sup> Schönhoven, "Die Kriegspolitik der Gewerkschaften."

that changed Hungary's form of government from a monarchy to a republic, a coalition government came to power during the winter of 1918–1919 in which the Social Democratic Party was the strongest member. However, more important than power relations within the government coalition was the fact that social democratic organizations could reach out to society more effectively than ever, especially in Budapest and the communities in its vicinity. While the key ministries pertaining to industry were all in the hands of social democratic parties, the trade unions managed to sign extremely favorable collective agreements for workers and at the same time made trade union membership compulsory for every worker, because the factories were not allowed to employ workers outside the organization. Moreover, the consumer cooperative linked to them could procure goods under especially good conditions, which was a valuable advantage in light of the general scarcity of food and fuel. Meanwhile, the middle-class consumer cooperatives complained about the difficulties they faced when trying to obtain such things.<sup>23</sup>

At the beginning of 1919, workers began to exercise control over certain factories beyond the scope of the collective agreements, including the management of production. The owners and the company boards felt that the factories were simply slipping out of their control. At that point, the leadership of the trade unions did not even attempt to go against the radicalizing workers, but rather took the lead concerning the initiatives aimed at getting rid of the employers altogether. Then, with the rise of the Hungarian Soviet Republic in March 1919, the social democratic institutional network did try to take over the management of everyday life in every domain. The factories were nationalized. The representatives of employers were simply ousted from the national social security institutions that previously had functioned on a parity basis. In theory, the trade unions' consumer cooperative was supposed to assume control over

<sup>21</sup> According to Tibor Hajdu, the Social Democratic Party of Hungary had one million members at that time. Hajdu, Az 1918-as magyarországi, 151–52. This high number could be primarily attributed to a rapid inflow of workers into trade unions, since the party had a relatively low number of members. However, the new members of trade unions practically became members of the party as well, and they also paid party dues.

<sup>22</sup> For the collective agreement made by the National Association of Metallurgy and Machine Factories (Vas- és Gépgyárak Országos Egyesülete) in March 1919, see the following source: MNL OL Z 435. 2. cs. 19. t. Additional collective agreements from other economic branches were published in Munkásügyi Szemle 1919, 103–4, as well as in György, "Kereskedelmi alkalmazottak," 33–36.

<sup>23</sup> On the difficulties faced by the middle-class Household Consumption Association (Háztartás Fogyasztási Szövetkezet) with regard to procurement from central sources, see Háztartás Szövetkezet MNL OL Z 816 Vol. 2. 2. t. Igazgatótanácsi ülés, December 21, 1918. January 3, 1919.

the administration of trade throughout Budapest, and its leader was appointed people's commissioner for public supply.<sup>24</sup>

This extension of the institutional network organized around the workers' party was a unique occurrence in the wave of European social and political crises following World War I. Although parties that had espoused Bolshevik ideology tried (at times successfully) to seize power in other countries as well, the social democratic workers' parties and trade union movements made no attempt to extend the system of institutions related to the social democratic parties and the trade unions in the realm of social and political power on such a scale. Elsewhere in Central Europe and especially in Germany and Austria, the workers' organizations encompassed and integrated the industrial workers as a counter-society vis-à-vis the bourgeoisie. And the functioning of this organizational network was assured by the presence of the workers' parties in the political arena. However, in those countries, the organizational network connecting the workers did not try to eliminate the market economy or exclude the representatives of the non-worker social groups from the economic and political decision-making processes.<sup>25</sup>

In Hungary, the organizational network that had originally been built around the workers overstepped its boundaries with this attempt. When it became possible in the aftermath of the war, the Social Democratic Party tried to improve the situation of its base, not through labor legislation or social policy regulations, as was the case in European countries at the time, but by reinforcing the power position of its organizations. This, however, did not prove enduring, and the excessive attempts of the party to enhance its power led to failure. When the Hungarian Soviet Republic collapsed in the second half of 1919, the institutional system that had originally underpinned working-class society took some heavy blows. Although at the time of the Great War, workers had represented a considerable weight in the urban agglomeration of Budapest, Hungary was still an agrarian country, and this made it impossible to stabilize the political rule of the organizations connected to industrial workers.

<sup>24</sup> Bódy, "Szociálpolitika és szociáldemokrácia," 1457–75.

<sup>25</sup> Angster, Konsenskapitalismus und Sozialdemokratie, Chickering, Imperial Germany, Horne, Labour at War.

<sup>26</sup> Bódy, "A Delay in the Emancipation of Labour."

### Rural Society during and after War Mobilization

The war led to new trends in rural society too, the nature of which was significantly different from the predominant trends in industry. The war and attendant mobilization contributed massively to the decay of the earlier peasant way of life (which had already been undergoing a dramatic process of transformation). A distinguishing characteristic of Hungarian agrarian society was that, due to the small size of their farms, relatively few of the many people who earned their living via agriculture could sustain themselves and their families on the bases of their own farming. There were many penniless day laborers and manorial servants, as well as farmers with only one or two hectares of land. The tensions arising from this situation had been evident for more than 25 years before the war. The root of the problem was of a demographic nature: with the broadening of the demographic transition, the village population began to grow, while the amount of arable land and the number of employment opportunities in agriculture did not increase in the first half of the twentieth century. On the contrary, ambitious infrastructural developments, railway construction, and flood relief work that had provided employment for the redundant agricultural labor force came to an end by the end of the nineteenth century. The so-called agrarian socialist movements—harvest strikes, local riots, etc.—had preoccupied state authorities for more than two decades before 1914. These authorities attempted to subdue these actions partly through social policy measures and partly by force.<sup>27</sup>

War mobilization had an ambivalent effect on the circumstances of the agrarian population. This group was heavily affected by the draft, since industrial workers, as a result of the interests of war production, were frequently exempted from military service (or they were ordered to work in their original factory). The lack of men caused serious disturbances to farming and family life in village society. At the same time, food requisitions—which were, in fact, the reverse side of the urban ration system—undermined the prospects of farmers.<sup>28</sup> The shortage of labor, the military use of draught animals, and the reduction in manure application led to drops in average yields.<sup>29</sup> Nonetheless, the war was still profitable for agriculture. The sale of produce in addition to the requisitions provided both big and small landowners additional revenues, and many contemporary articles reported on the high earnings made on the black

<sup>27</sup> Gyáni, "Nyugtalan századvég."

<sup>28</sup> Bódy, "Ungarn als Sonderfall."

<sup>29</sup> The same thing happened in Germany. Müller, "Landwirtschaft und Agrarpolitik."

market.<sup>30</sup> At the end of the war and in the period following it, many farmers were able to pay back their earlier debts in the devalued currency. This all gave the landowning peasantry greater self-confidence and room for maneuver, and it also motivated them to assert their interests independently, an act that had been previously unknown to them. As a result of this, the Smallholders' Party, the roots of which had extended to the period before the war, grew increasingly strong and became an important player by the end of the war.<sup>31</sup> Much as workers and employees were flocking to the organizations of the Social Democratic Party, the peasants lined up behind the Smallholders' Party.

However, the Smallholders' Party and, behind it, the peasantry and rural intellectuals were certainly not the only important strata within rural society. The broad spectrum of landless social groups, which included servants and day laborers, faced a different situation than that of the independent farmers, and they were able to profit much less from the agricultural boom during the war. At the same time, they were hit severely by the loss of human lives in the cataclysm. Moreover, the big landowners tried to counterbalance the expansion of the organizations of the Smallholders' Party in order to preserve their influence over the rural population. It was with that purpose in mind that they created the Farmers' Party, which attempted to establish organizations to rival those of the Smallholders' Party.

However, the broad masses of the agrarian population that had only modest means or were poverty-stricken and sustained themselves from day labor could not automatically join either party. They constituted the most discontented group of the rural population.<sup>33</sup> The soldiers in their ranks, who poured back into Hungary in November 1918 and were often armed and accustomed to violence, would regularly instigate the acts of unrest that were breaking out all over the country.<sup>34</sup> These uprisings targeted the local administration, which had lost the sympathy of the locals—including the middle and big landowners—due to the requisitions and the draft. War losses, forms of the war economy that were seen as dubious, and the crumbling of the power hierarchy in rural society fed a strong sense of discontent that found expression not exclusively in diffuse movements, but sometimes also in more organized forms as well. As a result of

<sup>30</sup> Csíki, "Piac és feketepiac."

<sup>31</sup> Krusenstjern, Die ungarische Kleinlandwirte-Partei.

<sup>32</sup> Sipos, A pártok és a földreform, 116–19.

<sup>33</sup> Király, Nagyatádi Szabó István.

<sup>34</sup> Révész, "Soldiers in the Revolution."

the propaganda spread by the agitators associated with the Social Democratic Party, those involved in the uprisings tried to take over big estates as a whole and run them without redistributing the land. An especially acute conflict developed in Somogy County, where this movement was aimed specifically at the Smallholders' Party.<sup>35</sup>

A long series of negotiations was held in the winter of 1918–1919 in an attempt to settle the conflicts connected to the problems of agrarian society. The talks were initiated by the government and held with the involvement of all the interested parties that had a politically meaningful structure. The intention was to arrive at acceptable and realistic land reform legislation and a comprehensive agricultural policy for the postwar period.<sup>36</sup> The success of these negotiations and of the settlement of the land question as a whole would have contributed greatly to the stabilization of the republican government of November 1918.

The meeting, which was unprecedented in the twentieth century, brought together all the actors in the field of agricultural policy, including representatives of various organizations and agricultural experts with a diverse array of orientations, as well as several former and future ministers of agriculture. The necessity of implementing a large-scale transformation of the existing estate structure that would take into consideration the social status quo and the given political situation was acknowledged by all the participants, including those that stood to lose through such reform. However, the scale and the manner of the reform were subject to debate. Advocating the interests of the landed peasantry, the Smallholders' Party sought to strengthen the peasant-owned small estates at the expense of the bigger estates in order to create as many stable and viable small estates in the country as possible. Their most important argument was that the peasants should pay compensation to the landowners who needed to be remunerated for lost land, and they had the financial means to make such payments. This was an indirect admission of the fact that the peasantry had also been among the beneficiaries of the wartime boom. In contrast, the representatives of the large estates spoke about the economic advantages of large estates, stressing that in some sectors, they are more productive than small estates, a fact which, they insisted, should not be underestimated, given the need to supply food to cities and the need for exports. But they also recognized that for social peace, a more equal distribution of land ownership was needed.

<sup>35</sup> Sipos, A pártok és a földreform.

<sup>36</sup> Értekezlet a birtokreformról.

The representatives of the Social Democratic Party agreed with the economic arguments put forward by the large landowners. They agreed that the big estates should be preserved in an integral form because they were advantageous from an economic perspective. The Social Democratic Party members were afraid that with the introduction of universal suffrage, they would become a minority in the next elections, and the representatives of the peasantry would prevail in the new National Assembly. They were therefore quite opposed to the further strengthening of this social group. One of their representatives said what the others had only implied, namely that the parceling out of land would only make the people concerned "reactionaries," and that as much land as possible should be kept in public ownership.<sup>37</sup> Although the debate formally ended with a compromise law—while bigger estates were the sites of violent clashes in numerous parts of the country—it was never implemented.

With the establishment of the communist dictatorship in March 1919, it was the ideas of the radical groups of the Social Democratic Party—and a handful of communists—that were temporarily adopted. This meant the expropriation of the big and middle-sized estates, but strictly without dividing them up: they still needed to be managed as single estates. In addition, as had been done by previous governments in earlier years, the government of the Hungarian Soviet Republic tried to requisition food in the villages at a fixed price so that it could feed the urban population. This, however, made the animosity that had existed between cities and villages since the war years worse than ever. Already during the war, the image of the peasant hiding food and exploiting the vulnerability of the middle class and the working class became widespread. This image was countered by the image of urban power exploiting the producers through requisitions that the peasants felt to be unjust. The Hungarian Soviet Republic only aggravated this conflict when it attempted to pay for the requisitioned food with so-called "white money." The peasants did not consider these banknotes, which were printed only on one side (thus leaving the other side blank), to be of any value, although the value of the earlier currency (the crown) was rapidly plummeting. In a certain respect, the Hungarian Soviet Republic could also be interpreted as the dictatorship of the towns over the countryside or as the dictatorship of the organized urban food-consumers over the agricultural producers. This opposition—augmented by several other religious and political

<sup>37</sup> The debate also touched on a number of other detailed issues concerning the possibility or necessity of using large estates of joint-stock companies, churches, aristocrats, and medium-sized estates in the property reform.

conflicts—was expressed in the form of local armed clashes and contributed significantly to the fall of the Hungarian Soviet Republic, which was, of course, accelerated by other external factors as well. The lack of land reform in the months of the dictatorship ensured that the issue would remain on the political agenda after the fall of the Soviet Republic, as tensions in rural society did not ease.

# Managing Social Tensions during Consolidation after 1919

The downfall of the Hungarian Soviet Republic signified a turning point in the social dynamics triggered by the war. From that point on, the organizations which represented the working class, which had become strong enough during the war to serve as the base of a dictatorship, began to wither. It was not clear, however, how a stable equilibrium could be established between the workers, the middle classes, the peasants, and other smaller social groups in the towns and in rural society. For the most part, the elections of January 1920 propelled into the National Assembly representatives who bore the desires and fears of the middle classes and the peasantry—representatives who regarded the workers' organizations, big industry, and often Jews with hostility, albeit to varying degrees. It was questionable how the slowly consolidating new state power would handle social conflicts, how it could strike a more or less reasonable balance between the bigger groups of society, and at what point the pendulum would swing back following the marked rise to (and then fall from) excessive power by the workers' organizations. In addition to the loss of the earlier state framework, the sentiment of general uncertainty characterizing all of Hungarian society was heightened by the weakening of the currency as a measurement of value, which had far-reaching consequences in the midst of continuous inflation.

#### Inflation as Solution

In retrospect, the devaluation of the currency in the second half of 1919 and the first half of 1920 had numerous economic advantages. In fact, until the end of the war, inflation had been reined in. In October 1918, one golden crown was worth 2.32 paper crowns, though it should be noted that there was a bigger rise in the prices of primary commodities.<sup>38</sup> Inflation began to accelerate in the

<sup>38</sup> Botos, "A fizetőeszköz inflációja"; Cagan, "The Monetary Dynamics of Hyperinflation."

spring of 1919, and from then on—with a brief pause and at a varying pace—it continued in two-digit monthly figures (and sometimes even higher) until April 1924.

For contemporaries, this inflation resulted in shifts in relations among the various elements of society: their circumstances became uncertain relative to one another. Most people questioned the value-measuring function of money that they had previously used to identify the relative worth of different products and social positions. All elements of society longed for inflation to come to a halt, because they saw it as a moral issue.<sup>39</sup> The various urban groups wanted to stop "food usury," while village society demanded the stability of the prices of goods. In the midst of continuously increasing prices, commerce became a scapegoat (a phenomenon which corresponded closely to the spread of anti-Semitism). Paying heed to general demand, the legislative body passed a law in 1920 against usury and profiteering, but this law did little more than expand the authority and duties of the Price Examination Committee, which had been created during the war. The law was intended to allow only "justified prices," and it entrusted committees with the task of price monitoring.<sup>40</sup> This system was in operation for some time, but it was extremely cumbersome and bureaucratic, and it generated constant tension because it was unable to keep up with the rapidly changing inflation and market trends.

The general plea for the stabilization of prices derived from the frustration that characterized several groups of society. Those who lived off their wages or fixed salaries were worried about the value of their earnings, while agricultural producers were anxious about the real price of their produce, and those who had savings feared that their savings would lose all their value. The members of the middle class were traumatized by the fact that they had to exchange their family "silverware" (jewelry, tableware, etc.) for food due to the unpredictability of cash flow.<sup>41</sup> This explains the extremely austere proposals with regard to price monitoring.<sup>42</sup> Within the context of the existing inflation, there was a general

<sup>39</sup> On similar tendencies in Germany, see Geyer, Verkehrte Welt.

<sup>40</sup> For the opinion of the National Federation of Industrialists regarding the draft bill on profiteering, see *Magyar Gyáripar*, June 1, 1920, 15–16.

<sup>41</sup> On similar traumas faced by the German middle class, see: Stibbe, *Germany 1914–1933*; Pogány "Két szempont."

<sup>42</sup> Károly Dietz, the ex–chief commissioner of Budapest police, urged in an article published in *Nemzeti Újság* the establishment of a board of inquiry composed of refugee civil servants and military officers. The members of this public body were to supervise all larger enterprises on a daily basis. OMKE 4. évf. April 15, 1920, 132.

demand for the authorities to provide a steady supply of basic commodities especially food—and to ensure that the most important living expenses, such as rent would not be subject to market price changes. Thus, the food supply allocated through the ratio system was maintained for industrial workers and public employees (the latter included a significant proportion of the middle class), as well as for war invalids and war widows, for a long period of time.<sup>43</sup> The representatives of the trade unions and the manufacturing industry also made this demand. They feared that if food prices were deregulated, they would be forced to raise wages dramatically. And they were joined in this effort by members of the middle class who were affected by the continuous rise in prices.44 In 1920, bread prices in Hungary were a fraction of the prices in the neighboring countries. At the same time, agricultural producers demanded the free circulation of the food supply. This was gradually put into practice by the Bethlen government, and by September 1921, the free market circulation of foodstuffs was restored, although the workers were still guaranteed a cheap supply of flour by the authorities for another year, for obvious political reasons. The subsidized official supply of flour for war invalids, war widows, and civil servants continued until the summer of 1924.

With the free market of foodstuffs, the government induced agricultural producers—primarily the owners of the bigger estates who were producing for the markets (and not only to feed themselves)—to feel that their situation was tolerable under the new social conditions of the country within its new, significantly smaller borders. The gradual reestablishment of a free domestic food market remained bearable for social groups that did not produce food. Paradoxically, the reinstatement of the free circulation of food could be attributed to the inflation boom that most social groups considered almost unbearable.

For industrial companies, the free circulation of foodstuffs was made bearable by the fact that the government attempted to expand the internal market by squeezing out foreign consumer goods and created, through inflationary

<sup>43</sup> A similar system existed in Germany, which also meant that the ratio of state expenditures compared to GDP increased dramatically. Before the war, it was 15 percent, while by the end of the war, it had reached 77 percent. März, *Nach der Urkatastrophe*, 114.

<sup>44</sup> In addition, the National Federation of Industrialists expressed the opinion in the autumn of 1921 that state flour provisions needed to be extended. According to this association, in addition to workers and public servants, employees of private firms and shop assistants should also receive flour provided by the state. *Magyar Gyáripar*, October 16, 1921, 5. For their argument against the liberalization of trade of agricultural products, see: *Magyar Gyáripar*, June 1, 1922, 4–5.

policy, resources for new investment.<sup>45</sup> Representatives of big industry enjoyed a moment of symbolic recognition when Prime Minister István Bethlen attended their banquet organized in 1922 on the twentieth anniversary of the foundation of the National Federation of Industrialists. Bethlen reassured them that the government's customs policy would support industry. The prime minister also made it clear that they could count on the government's support against the farfetched initiatives of the workers

#### Balance between Workers and Industrials

One of the cardinal points in the restructuring of social power relations was how to fit the industrial workers and their organizations into the new order after the war. The middle-class associations and political movements that sprouted up in 1919, which were meant to provide a kind of national and middle-class selfdefense, attempted to build their own network of consumer cooperatives, and they sought to extend their control over the General Consumption Cooperative connected to the trade unions. They considered this necessary in order to break the power of the workers, reduce trade that was taking place on a noncooperative basis (primarily identified with Jews), and, finally, to protect their interests from agricultural producers. These efforts were crowned with only partial success. The membership in middle-class consumer cooperatives rose sharply, but this was only temporary, as membership had declined significantly by the second half of the 1920s. There were several attempts by extreme right-wing middle-class movements to take over management of the General Consumption Cooperative, and these attempts enjoyed the support, to some extent, of the government. However, the General Consumer Cooperative remained under the social authority of the trade unions. The only thing to which the trade unions had to agree was that the board of the General Consumer Cooperative would also include representatives from the relevant ministry, which would make it possible for the government to supervise its activities. Following the agreement concerning cooperatives, the Bethlen government managed to reach a general settlement with the trade unions and the Social Democratic Party. According to the compromise concluded at the end of 1921, the so-called Bethlen-Peyer Pact, the trade unions could work freely in the domain of private industry, but they had to stay away from agriculture, state factories, and railways. Strikes again

<sup>45</sup> Pogány, "A nagy háború hosszú árnyéka."

became an approved tool with which to negotiate labor conflicts if they revolved only around economic issues (such as wages, work hours, etc.) and not party politics.

Initially, this agreement, the details of which were not made public for a long time, caused a minor panic among the leaders of the manufacturing industry. They were afraid that it would trigger a tide of strikes which would enable the trade unions again to gain at least partial control over the factories, as had happened at the beginning of 1919, before the declaration of the Hungarian Soviet Republic. They feared that, just as during the war, the government was trying to pay for the support of the workers with their money.<sup>46</sup> The government, however, managed to calm the industrialists. At the abovementioned banquet, Bethlen personally reassured the industrialists regarding the protection of private property, and he explained that, in his opinion, the lure of socialist thought had already been shattered, and socialism no longer carried the promise of radical changes, even in the eyes of its adherents: it was no longer seen as a solution to the ills of society.<sup>47</sup> Its appeal had dimmed compared to what it had been before 1918. The fact that Bethlen was sitting between the two best-known Jewish businessmen in Hungary, Manfréd Weiss and Ferenc Chorin Senior, at the banquet held by the National Federation of Industrialists carried symbolic meaning with respect to the status of Hungarian Jewry: it signaled that from then on, the government would not pursue anti-Semitic policies. With these agreements, the government has managed to strike a balance between trade unions and the representatives of employers and at the same time to situate itself as the mediating party that would arbitrate between the two sides.

Consolidation in Rural Hungary: Land Reform and the Organization of Chambers of Agriculture

It was not only with regard to the conflicts between industry and agriculture and urban society and rural society that a balance somehow had to be struck. The internal power relations of rural society, which had been disturbed by the war, also cried for consolidation. However, by 1920, the question of how this should be accomplished was being examined in a different light than in the winter of 1918–1919. The leadership of the Smallholders' Party, which had a substantial

<sup>46</sup> From an article written by National Federation of Industrialists President Ferenc Chorin in the January 6, 1922, issue of the newspaper *Budapesti Hirlap*.

<sup>47</sup> Magyar Gyáripar, June 1, 1922, 13–14.

voice in the National Assembly after the elections, advocated the same ideas it had at the end of 1918; namely, that the land reform should serve to enhance the viability of the peasant-owned farms. Their opponents in 1920, however, were no longer the social democrats, who in the winter of 1918 had spoken on behalf of the landless agrarian laborers and had partly mobilized them for action. Rather, they now found themselves facing the representatives of big estates, who were fundamentally against land reform. 48 They did not, however, deny the necessary of land reform, but they also did not hide their conviction that they considered land reform economically harmful and not necessarily reasonable even from a social point of view. It was unavoidable, in their eyes, only as a result of political pressure and as a means of mitigating internal conflicts within rural society and managing expectations and demands regarding land redistribution.<sup>49</sup> Therefore, they wanted to make sure that landless agrarian laborers would be made the beneficiaries of the land redistribution. Of course, the latter could not be turned into peasants who would be able to sustain themselves from farming, as mere land redistribution would not have been enough to have achieved this goal. These landless agrarian laborers lacked both the expertise and the capital necessary to begin farming. This was precisely the argument in favor of the position of the smallholders, i.e., that the latter had both the necessary expertise and capital. However, the conception of land redistribution that corresponded to the interests of the big estates did not advocate the creation of viable farms. The act of giving a few acres of land to a pauper in the form of a small plot and a vegetable garden, for instance, was of great significance even if it did not provide a livelihood, because for those who had not owned any property before, this act already signified a radical transformation of their way of life and increased their prestige within rural society.

With these considerations in mind, a law was passed regarding the redistribution of plots as an urgent task to be completed before a more complex land reform would be elaborated. This, however, determined the direction for the planning of the land reform. The position of the landed peasantry was barely represented at the meeting at which the text of the law was discussed in detail.

<sup>48</sup> Bódy, "Weder Demokratisierung noch Diktatur."

<sup>49</sup> Information from the periodical associated with large and middle-sized estate owners: Köztelek, April 24, 1920, 304 and Köztelek, June, 12, 1920, 443–44. According to the argument advanced in this article, the redistribution of every 100 acres of large and middle-size estates would result in the loss of 10 workplaces, and the smallholding family farms established on these lands would produce for the market and especially not for export. See also Czettler, "A birtokreform."

According to the overwhelming majority of those present, the law had to allow only for minor allocations. Archbishop of Esztergom János Csernoch, who represented the hundreds of thousands of acres of land belonging to the Roman Catholic Church (although he himself was born to a penniless family), specified that the maximum size of land allocated should be big enough to graze one or two goats, i.e., domestic animals of modest needs and proportions. Thus, they did not intend to create farms that would have cattle, which would have required the growing of fodder as well. The representatives at the meeting also deemed it important that the law should not precisely define who would be entitled to receive a plot. They feared that if they tried to stipulate this in a legal text, it would spark an endless debate that would serve only to increase tension among those concerned. Therefore, they put the decision regarding whose lands should be included in the land redistribution and who should receive land in the hands of the so-called "land re-allocation committees." When the law was drafted, they muffled all opposition to the idea that only the chambers of agriculture should delegate members to the land redistribution committees. They wanted to avoid disputes regarding which organizations of the parties involved would be entitled to take part in the land redistribution through their delegates.<sup>50</sup>

The chambers of agriculture were created parallel to this as brand-new organizations. They were established with the specific objective of ensuring oversight for the bigger landowners and members of the middle-class and not leaving any room for the initiatives of the smallholders or day laborers. Membership in the chambers established via legislation was mandatory for the landowners and all groups of agricultural workers. The internal structure of the chambers was made up of various categories, and it was crucial where the boundaries of the categories would be drawn. The legislators made sure that "demagogue, revolutionary tendencies" could not become dominant within the chambers. They thought that the "conservative, state-preserving course" would not have a secure majority even in the category of landowners with 10 to 20 acres of land, because the latter had not opposed the land redistribution initiatives in 1918–1919 and had even supported them. Therefore, the categories were finally established within the chambers so as to ensure that the "reliable" strata would hold a majority in the landowners' categories, and the agricultural workers were all put into a single category. Thus, the landowners' categories—though much

<sup>50</sup> The minutes of the preparatory meeting of legislation can be found at: MNL OL Belügyminisztérium K 148 BM elnöki iratok, 693 cs. 19. t. See also Gunst, "Az 1920. évi földreform."

fewer in number—could force the former into a minority position because the law stipulated that each category had one vote on at each level of the chamber hierarchy.<sup>51</sup>

By setting up the chambers of agriculture in this manner and by granting them a role in the management of the redistribution of land, the government managed to restore the authority and influence of the middle and big landowning class in rural society. During the implementation of the land reform, it managed to determine quite precisely the smallest area of land to be redistributed, which could be sacrificed to satisfy the demands of the agricultural laborers. Thanks to the allocation, the position of the local élites was firmly reinforced, as they were the ones who could make decisions regarding the size of the lands distributed to individuals. While no self-subsistent farms were created, the possession of land still signified a much higher degree of integration for agricultural laborers in local society than they had previously enjoyed. As a result of this, there were no agrarian socialist movements in Hungary between the two World Wars of the kind that had existed in the period of slightly more than two decades preceding World War I, despite the fact that, due to natural population growth in the villages and the unfavorable international food market, living conditions in rural areas were worse than before. This change was one of the paradoxical outcomes of the social trends triggered by World War I. The so-called counterrevolutionary regime was thus able to stabilize the political balance of power in rural society in a way that was favorable to itself and which showed little change until the outbreak of World War II.52

#### Conclusion

During World War I, in Hungary, as in many other European states involved in the war, the existing social balances were upset and the scope of state activity in the economy and society was greatly expanded. The change in the balance of power was reflected in social policy and labor law measures in England, France, and Germany, where the Stinnes-Legien agreement between employers and trade unions was concluded at the end of 1918.<sup>53</sup> These measures enabled industrial workers and, in many cases, the lower social strata in rural areas not only to

<sup>51</sup> Preparatory materials of legislation related to chambers of agriculture can be found at: MNL OL Földművelésügyi Minisztérium K 184 2422. cs., K 184 2423. cs.

<sup>52</sup> Bódy, "Weder Demokratisierung noch Diktatur," 242–46.

<sup>53</sup> Tennstedt, "Der Ausbau der Sozialversicherung"; Conrad et al., "Die Kodifizierung der Arbeit."

achieve a formal extension of their political rights but also to attain a relative elevation of their social status and emancipation from the classical bourgeoisie of the nineteenth century. At the same time, their political representation, usually through left-wing parties (social democratic or socialist) was consolidated, which guaranteed their social advancement and facilitated the further development of social rights. In Hungary, however, although the war also upset the balance of social power and contributed primarily to the increase in power of the industrial workers, there was nothing resembling the waves of institutionalization of social rights in the Western countries.<sup>54</sup> The political elite groups that had benefited from the shift in the balance of power resulting from the war did not seek to establish social rights or to entrench extended political rights in late 1918 and the first half of 1919. Rather, they sought simply to gain raw power. The transitional dictatorship in the Soviet republic was made possible by the strengthening of workers' organizations, thanks to economic mobilization, and it rose and fell without bringing about any substantial social transformation through, for instance, the institutionalization of social rights or changes to the prevailing conditions in rural society.

After the fall of the dictatorship, the workers' organizations lost their positions of power because they were no longer backed by the wartime economic mobilization which had given them so much room for maneuver. This allowed the government to return, to a significant extent, to pre-war liberal practices in the treatment of trade unions by European standards. It was also the reason why the old-new political establishment in 1920 was able to restore the previous order of rural society and to preserve the previous estate structure against all claims for change. Paradoxically, the social order of the counterrevolutionary regime, which was anti-liberal in its political language, remained much closer to the liberal social model of the nineteenth century in both rural and industrial terms in the early 1920s than was the practice in countries where the social impact of World War I had led to greater steps towards the development of the modern welfare state and labor law. <sup>55</sup>

The Ministry for Public Welfare and Labor (the creation of which had been envisaged during the war) coordinated relations between the trade unions and employers in the 1920s. This development conformed completely to the

<sup>54</sup> Ritter, Der Sozialstaat.

<sup>55</sup> For an analysis of similar processes in Germany, see Mai, "Verteidigungskrieg' und 'Volksgemeinschaft." For a comparative analysis on the subject, see Zimmermann et al., "La Première Guerre mondiale."

situation in Austria.<sup>56</sup> In 1927, Albert Thomas, the head of the International Labor Office, described the status of the Hungarian trade unions as follows:

The Hungarian cyndicalists seem to me to be in a similar situation to the German trade unionists before the war. Of course, they are not officially recognized by the state, I mean, they exist legally, but one doesn't deal with them under any circumstances. And yet my comparison is imprecise: They were invited to two or three lunches or dinners by the ministers who received me. They were invited to the reception of the House. [...] One can compare their situation to that of the German trade unions before 1914. Let us say more, they are in the process of conquering those possibilities of contact with the government, those official receptions, which the German trade unions demanded in vain at the time.<sup>57</sup>

Although the operations of the trade unions were not legally regulated, the unions were allowed to work freely, as long as their efforts were not aimed directly at political objectives but rather focused on achieving economic goals concerning the employers. The government regarded them as partners in this task. Overall, Hungarian society became much more integrated after the war in the sense that under the expanding scope of government management, coordination among interest organizations of the most diverse social groups (owners and workers from the spheres of industry and agriculture) became permanent. The conditions for this were not equal, of course, because the mechanisms of interest coordination favored groups of a higher social status and limited room for maneuver of those who were interested in changing the social status quo. At the same time, this system, which emerged in the aftermath of World War I, proved surprisingly stable. It withstood the social tensions of the Great Depression around 1930, unlike the social and political systems of many other Central and Eastern European countries.

<sup>56</sup> Gutheil-Knopp-Kirchwald, Vom K.K.Ministerium.

<sup>57 &</sup>quot;Les syndicalistes hongrois me semblent être dans une situation à peu près analogue à celle des syndicalistes allemande avant la guerre. Évidemment, ils ne sont pas officiellement reconnu par l'Etat, je veux dire que s'ils vivent légalement, on ne traite cependant avec eux en toutes circonstances. Et cependant ma comparaison même est inexacte: Ils ont été invité à deux ou trois déjeuners ou dîners par les ministres qui me recevaient. Ils ont été invité à la réception de la Chambre. [...] On peut comparer leur situation à celle des cyndicats allemands avant 1914. Disons plus, ils sont en voie de conquérir ces possibilités de contactes avec le gouvernement, ces réception officielles, que les cyndicats allemand réclamaient en vain à ladite époque." L'Archives de B.I.T. Cat/1/27/2/1.

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