
Purge and Patronage: Kádár's Counter-revolution and the Field of Economic Research in Hungary, 1957–1958

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The aim of this article, focusing on the experience of the Institute of Economics of the Hungarian Academy of Sciences, is to show the decisive role patronage played in securing continuity and survival when the institute was facing what was probably the mightiest challenge social science research had to face in Hungary after Stalin's death: the purges¹ hitting a number of cultural fields in the course of the Kádárist restoration after the revolution of 1956. The phenomena of purge (or attempts to impose political–ideological restrictions and regimentation) and patronage tended to go hand in hand: indeed, purges created the very typical situation within which patronage (protection) was in dire demand.² Purge and patronage were not only two interwoven threads in the tapestry of academic life under communist rule, but they could also be (and often were) meted out by the very same hands. This seemingly paradoxical coincidence, as we shall see with the help of the case related below, is deeply rooted in the dialectics of patronage under state-socialist conditions.

The legacy of thaw, frost and revolution, 1953–6

During the two and a half years between Stalin's death and the revolution of 1956, Hungarian economic research experienced what could rightly be described as a veritable resurrection. The most important organisational and intellectual elements

¹ In this article, the notion of *purge* includes not only the terror exercised through the political police and the apparatus of criminal 'justice' (arrests, prison and death sentences), but also the practices used by the counter-revolutionary Party and state apparatuses in an attempt to intimidate and regiment various social groups, among them the academic intelligentsia. Thus it includes 'organisational measures' (including the dissolution of unions, collegial bodies of industrial democracy, and professional/artistic organisations), disciplinary procedures in workplaces and party organisations, dismissals or 'transfers to other positions', exclusion from the party, forced 'self-criticism' in the workplace and/or publicly, etc.

² As Sheila Fitzpatrick's thoughtful essay suggests, one of the main uses of patronage from the clients' perspective was protection, for 'Stalin's Russia was a dangerous place to live in. Insecurity and the ever-present danger of a major personal calamity were a fact of life in the elites as much as (perhaps more than) lower social strata'. ('Intelligentsia and Power. Client–Patron Relations in Stalin's Russia', in Manfred Hildermeier, ed., *Stalinism before the Second World War. New Avenues of Research* (Munich: R. Oldenbourg Verlag, 1998), 52.

of this revival were the establishment of the Institute of Economics of the Hungarian Academy of Sciences (1954/55); the replacement of the *Hungarian-Soviet Economic Review* (*Magyar-Szovjet Közgazdasági Szemle*), a periodical based predominantly on translations of Soviet articles, with *Közgazdasági Szemle* (*Economic Review*) carrying primarily works of Hungarian economists (1954) and the successful launching of the empiricist research programme which oriented and inspired scholarly work at the Institute of Economics.³

After the Twentieth Congress of the Soviet Communist Party in February 1956, developments appeared to have gained irresistible momentum and it seemed as if the restoration to a considerable extent of academic autonomy and the processes of re-professionalisation in the field were receiving political acceptance and support. A conspicuous indication of this was that not only among the economists themselves, but also among the social-scientific academic elite, and even in higher party circles, by the autumn of 1956 it was generally accepted that the Hungarian Economic Association (which had ceased to function in 1948–9 and was dissolved in 1951) should be (re-)established.⁴

These can rightly be seen as a series of significant advances achieved by the community of research economists after their field emerged from the state of clinical death in which it had been lingering during the years of high Stalinism in Hungary (1948–53). The legacy of the pre-revolutionary and revolutionary era did, however, also include items which within the context of the Kádárist counter-revolutionary repression and consolidation became an incriminating burden for the community of research economists.

³ For the history of economic research in the period see my 'New Course Economics: the Field of Economic Research in Hungary after Stalin, 1953–56', *Contemporary European History*, 6,3 (Nov. 1997), 295–327, included as Ch. 6 in György Péteri, *Academia and State Socialism* (Boulder, CO and Highland Lakes, NJ: East European Monographs & Atlantic Research & Publications, Inc., 1998). The empiricist research programme yielded a great deal of new knowledge on the working of the socialist economy reported first of all in the articles of the *Közgazdasági Szemle*. But the programme's single most important intellectual achievement, indeed, its archetypical work is János Kornai's 'candidate of economic sciences' thesis defended in Sept. 1956, and published in 1957 as *A gazdaság vezetés túlzott központosítása* (Budapest: Közgazdasági és Jogi Könyvkiadó). The book was published in English as *Overcentralisation in Economic Administration: A Critical Analysis Based on the Experience in Hungarian Light Industry* (London: Oxford University Press, 1959).

⁴ See, e.g., István Friss's intervention in the discussion of the Board meeting of the Second (Historical and Social Sciences) Division of the Hungarian Academy of Sciences, 8 May 1956, *Magyar Tudományos Akadémia Levéltára* (Archives of the Hungarian Academy of Sciences, hereafter *MTA LT*), Papers of the Second Division, 3/3, p. 2. It was none other than Erzsébet Andics, the infamous Stalinist chief of the Science and Education Division of the communist party's Central Committee, who signed the concrete proposal to (re-)establish the Hungarian Economic Association (Erzsébet Andics, head of the division of science and education in the Central Committee of the Hungarian Workers' Party, to Béla Szalai, Central Committee secretary, 9 Oct. 1956. *Magyar Országos Levéltár* (Hungarian National Archives, hereafter *MOL*) 276. F. 91/92. ö.e.). The Central Committee secretariat did not wish to discuss the proposal until it has received suggestions as to the members of the leading bodies of the Association, which caused a delay long enough to enable other matters (those related to the Revolution of 23 Oct.) to absorb all the attention of the central party apparatus. In the end, the Association was restored in 1959 (Éva B. Szabadkai *et al.*, *Százéves a Magyar Közgazdasági Társaság* (Budapest: Magyar Közgazdasági Társaság, 1994)).

Few research economists had failed to identify themselves even publicly with Imre Nagy's moderate reform policies, the 'New Course', from June 1953 until early 1955. And even fewer were ready to accept or become resigned to the attempts of the Stalinist leadership to regain control from early 1955. Indeed, confrontations between research economists and Rákosi's apparatchiks became rather frequent between March 1955 and October 1956. It was the events of this period that earned the Institute of Economics the well-deserved hatred of Erzsébet Andics, head of the Division for Science and Education in the Central Committee apparatus,⁵ manifest in Andics' description of the Institute as a 'purulent abscess'.⁶ The contents of the first three issues of the *Közgazdasági Szemle*, at the time the journal of the Institute of Economics, irritated the Stalinist leadership of the MDP so much⁷ that Rákosi ordered István Friss, the director of the Institute, to bring detailed publication plans for the next two months and the editors' plans for the second quarter of 1955 before the Central Committee secretariat for approval.⁸

Much of what was seen by Rákosi, Andics and their like as 'rightist deviations and opportunism' in 1955–6 came under attack as 'revisionism' in 1957–8. As a reflection of the issues placed on the agenda by the early phases of intra-Party critique of Stalinist policies, Rákosi proved most sensitive to such economic views of 'rightist deviation' as those maintaining that it was possible to achieve extended reproduction (growth) in private family farming or that the one-sided emphasis prior to 1953 on investments in the development of heavy industry had not only been unnecessary but was also a mistaken and unfortunate political decision. The 1957–8 campaign against revisionism, on the other hand, concentrated on the economists' critique of the state-socialist regime of economic management and on their reform proposals. The empirical study of socialist economic management had been a primary concern of the research economists before the revolution of October 1956. Characteristically, for these communist economists the interest in understanding the working of the socialist economic system was seldom separable from a strong motivation to contribute to the development of more efficient and more democratic forms of central management. Those months even saw initiatives

⁵ Andics and her husband, Andor Berei, were both close political friends of Mátyás Rákosi.

⁶ Cf. Péteri, *Academia and State Socialism*, 1998, 176. Andics was obviously concerned that the central party apparatus had lost control over the Institute. In Nov. 1955 she wrote a note complaining that the question of academic freedom had been raised on a number of occasions in the Institute and that the economists expressed, explicitly or implicitly, their disagreement with the (economic) policies of the party leaders. She noted that these tendencies met the approval of the leadership of the Institute (i.e., the director, Friss), and she explained 'the emerging political situation' with reference to the fact that 'The composition of the staff of the Institute is far from satisfactory either from a political or from a scientific point of view'. (Confidential, 'Note on Some Problems of the Institute of Economics', Division of Science and Culture, typescript produced in two copies, signed by [head of division] Erzsébet Andics, Budapest, 30 Nov. 1955, *MOL* 276. f. 65. cs. 343. ö.e., fols. 185–187).

⁷ 'Three issues have been published by this journal carrying so many [ideological mistakes] that [their] critique would require at least three more issues', said Mátyás Rákosi at the 7 Feb. 1955 meeting of the secretariat of the Central Committee. *MOL* 276. f. 54. cs. 353. ö.e., fol. 28.

⁸ For the full documentation of the 7 Feb. 1955, meeting of the secretariat of the Central Committee, see *MOL* 276. f. 54. cs. 353. ö.e., fols. 4–5 and 27–30/a.

towards a comparative study of socialist economic systems, focusing on the Yugoslav experience. On 15 October 1956 several senior members of the Institute of Economics had a day-long meeting with a Yugoslavian colleague, Degovic, who worked hard to quench the thirst of Ferenc Donáth, Péter Erdős, Friss, János Kornai, and Tamás Nagy for information about the way in which central planning, markets and self-managed companies worked within the Yugoslavian model.⁹ The Yugoslav variety of socialism was a clear inspiration for early Hungarian thinking on reform, although this became a considerable burden for reform economists after the renewal of the rift between the Soviet bloc and Yugoslavia after November–December 1956.

All the ‘mistakes’, ‘errors’, ‘sins’ and ‘crimes’ committed by the research economists during thaw and frost were crowned by their participation in the political upheaval during the spring, summer and early autumn of 1956, as well as during the weeks after 23 October. Many of them actively participated in and contributed to the discussions of the Petöfi Circle, the main forum of rebellious communist intellectuals, and they openly sided with anti-Stalinist politics in the meetings of their own party organisation in the Institute as well as in major party *aktíva*-meetings of the Academy of Sciences. They acted, after 23 October, as members of the Revolutionary Council of Intellectuals and the Revolutionary Council of the institute itself. Symptomatic of the uneasy relations between the economists and the emerging regime of János Kádár was the radical fall in the rate of Party membership among the former: while in October 1956, 73 per cent of the Institute of Economics’ personnel were members of the Hungarian Workers’ Party (MDP), the relative weight of members in Kádár’s renamed Hungarian Socialist Workers’ Party (MSZMP) was only 48 per cent, even as late as January 1958.¹⁰

The phases of repression

Recent literature divides the history of Kádárist reprisals into four phases. The main objective of the first phase (from 4 November to early December 1956) was to crush armed resistance. Signalling the start of the second phase was the official definition in December, of ‘the events in October’ as a *counter-revolutionary* uprising. Unarmed resistance and any sort of peaceful protest became the main targets of repression. The period of massive reprisals fell between April 1957 and spring 1959. Indeed, during 1957 the restoration’s judicial machinery was so overburdened that they could only process under a third of all the political cases brought. This was an era of executions and long prison sentences. The partial amnesty in 1959 put an end to the worst terror and opened the fourth, concluding phase – lasting from spring 1959 to

⁹ ‘Degovits elvtárrsal 1956. október 15–én tartott konzultáció’, minutes, *MOL*, István Friss’s papers, 861. f. 30. ö.e. Obviously, this was not the first and only meeting between the researchers of the Institute and the Yugoslav economist.

¹⁰ Report of the MSZMP-organisation of the Institute of Economics [to the division of science and culture of the Central Committee] on the situation of the Institute, *MOL* 288. f. 33/1958. cs. 19. ö.e., 1.

spring 1963 – which was characterised by a degree of restraint and moderation on the part of the victorious regime.¹¹

It was the third phase, the period of massive reprisals, that brought the purge of the community of research economists (the Institute of Economics). Of course, they could never feel far from the possibility of fatal misfortune,¹² and were certainly affected, at least mentally, by the wave of harsh sentences meted out by Kádár's courts. However, the particular stream of counter-revolutionary restoration to which they were most exposed seldom yielded death or prison sentences. The research economists were among the main targets of the *anti-revisionist campaign*, and what was at stake, if the worst came to the worst, was their research positions and the political survival of their empiricist research programme.

'Revisionism is the main threat'

The drive against revisionism in economic thought was itself but a part of the anti-revisionist campaign as a whole. The background of the latter had nothing to do with matters intellectual – it was the emerging second rift between Moscow and Belgrade.¹³ The *political* conflict over Moscow's imperial methods of handling the crises of the mid-1950s in eastern Europe soon assumed systemic, ideological, and even 'theoretical' clothing, and questions of national communism were central. It was Yugoslav 'self-management', the Yugoslavs' alleged reliance on 'the market forces', and, especially, their critique of the bureaucratic centralism of the Soviet-type regime, that placed matters of economic management on the agenda of the anti-revisionist drive in Hungary – but even in this particular respect the political need to keep the revolution's workers' councils at bay must have been more urgent for Kádár and his apparatchik elite than teaching a lesson to a few economists who were toying with unorthodox ideas about how to improve the poor performance of the socialist economic system.

Although they were relatively early in attacking revisionism in the form of national communism and in identifying revisionism as 'the main threat', the Kádárist political elite seem to have been less than well prepared for a drive against economic revisionism. Indeed, they established a broad net of committees to deliberate on unnecessary reforms in the methods of economic management¹⁴ at just about the

¹¹ György Litván, ed., *The Hungarian Revolution of 1956. Reform, Revolt and Repression 1953–1963* (Harlow and New York: Longman, 1996), 135–37.

¹² Ferenc Donáth, deputy director of the Institute of Economics, was sentenced in the process against 'Imre Nagy and accomplices' to twelve years' imprisonment; Kornai was several times interrogated by the political police on account of his affiliation with mathematician Tamás Lipták, who was also sentenced to a prison term in the so-called 'Mérei-Fekete case'.

¹³ A most useful review of this second phase of the Soviet–Yugoslav conflict is Curt Gasteyger, *Die feindlichen Brüder. Jugoslawiens neuer Konflikt mit dem Ostblock 1958: ein Dokumentenband*, Schriftenreihe des Schweizerischen Ost-Instituts, 2 (Bern: Peter Sager, 1960). For a more recent contribution see Zoltán Ripp, 'Hungary's Part in the Soviet–Yugoslav Conflict, 1956–58', *Contemporary European History*, 7, 2 (July 1998), 197–225.

¹⁴ The investigation was organised in ten committees of which nine worked and delivered reports.

time when the East German Party leadership decided to fight ‘Gegen die Gefahr der Entwicklung revisionistischer Anschauungen auf dem Gebiet der Politischen Ökonomie’.¹⁵ And if the inspiration from East Germany failed to persuade the Hungarian leaders that they might be out of step with the rest of the ‘international communist movement’, the latter’s own agit-prop watchdogs did in the end manage to bring home to them the problem of incompatibility between (liberalising) economic reforms and a counter-revolutionary restoration.

The first public attacks on economic revisionism appeared in April in the weekly *Gazdasági Figyelő* (*Economic Observer*), which was launched and controlled by the conservative left wing of the Party, and spread into the Party’s daily (*Népszabadság*) and its theoretical journal (*Társadalmi Szemle*) as late as June 1957. During 1957 and 1958, Géza Ripp and Endre Molnár – both of them young associates of the agitation and propaganda division (agit-prop) of the Central Committee – distinguished themselves by turning out a great number of articles and even books attacking various aspects of economic revisionism. Old Stalinist intellectuals such as László Háy and Gyula Hevesi, both with long experience from the Moscow emigration, joined in as well. They saw ‘revisionism under the guise of new economic mechanism’ and they also dug up a great number of ‘incriminating’ texts from the tumultuous times in 1956. They attacked György Péter, the president of the Central Statistical Bureau, a famous protagonist of economic reforms, and Erik Molnár, director of the Academy’s Institute of History (accused of revisionism on account of his views on modern capitalist development), both of them old communists. They also targeted several researchers of the Institute of Economics, especially Kornai, Erdős, and Tamás Nagy.¹⁶

Hungarian historiography presented the drive against economic revisionism as directly connected with leading Stalinists of the Rákosi era, living in exile in Moscow, who were trying to influence the Party’s policies in Budapest, and waiting and preparing for a comeback. One of these was Andor Berei, who sent the manuscript of an article to Budapest dated 24 May 1957, under the title ‘Ideological Struggle against Revisionist Economic Views’. Iván T. Berend attaches great

The work of these committees was co-ordinated by yet another, super-ordinated committee (called the Economic Committee) which had thirty members and was chaired by the economist István Varga, who was neither Marxist nor a party member. The committee work went on from 26 Feb. to 24 May 1957, and included practically the whole economic-policy-making elite and a large number of leading academic economists. The complete documentation of the work of these committees can be found in *MOL XIX-A-60 Közgazdasági Bizottság*.

¹⁵ This was the title of Robert Neumann’s article published in *Einheit*, 12, 2 (Feb. 1957), 157–67. The article, obviously inspired by the recent meeting of the Central Committee of the SEDP launching ‘The Struggle Against Bourgeois Ideology and Revisionism’, attacked the writings of Behrens, Benary and Kohlmeier, the leading East German ‘revisionist’ economists.

¹⁶ See Iván T. Berend, *Gazdasági útkeresés 1956–1965. A szocialista gazdaság magyarországi modelljének történetéhez*, (Budapest: Magvető Könyvkiadó Nemzet és emlékezet, 1983), 98–104, published in English as *The Hungarian Economic Reforms 1953–1988* Soviet and East European Studies 70 (Cambridge: Cambridge University Press, 1990). An inspired analysis of the anti-revisionist campaign and its significance is Zoltán Ripp’s introductory essay to Magdolna Baráth and Zoltán Ripp, eds., *A Magyar Szocialista Munkáspárt ideiglenes vezető testületeinek jegyzőkönyvei, IV. kötet, 1957 május 21 – 1957. június 24.* (Budapest: Intera Rt., 1994), 11–12.

importance to this article because, as he explained, it set forth with clarity and consistency the main conservative dogmatic arguments against radical reform proposals and the underlying revisionist economic ideas. To underline the particular significance of this document Berend mentions that ‘it was discussed at the request of Jenő Fock by the Provisional Executive [that is Political] Committee of the Hungarian Socialist Workers’ Party’.¹⁷ This point, however, is not substantiated in either the Hungarian or the English version of Berend’s book.¹⁸ Berend appears to imply here that the members of the Executive Bureau, the collegium of the highest power within the Party, were impressed by Berei’s critique against the economists. As he moves on to what is treated as the culmination of the public anti-revisionist campaign, Friss’s lecture delivered to the Political Academy of the Hungarian Socialist Workers’ Party on 20 September 1957, Berend notes that here Friss unequivocally spelled out the official Party line. Like Berei, he suggested the pursuit of a policy of moderate and partial corrections to the system of economic management and rejected, as anti-socialist, the idea of reforming the ‘economic mechanism’ as a whole. Berend also notes that Friss joined in the discussion and critique of revisionist views among economists, but he also credits Friss with having performed a less summary evaluation (with more nuances) than was usual at the time: Friss did not question that the great majority of economists were sincerely in favour of a planned economy, and he warned against the indiscriminate labelling of people as revisionists, especially as he found evidence of unfounded accusations in the discussions.¹⁹

In his discussion of Berei’s manuscript and Friss’s lecture of 1957, Berend has failed to confront some important questions: why did the Executive Bureau decide not to allow the publication of Berei’s text? and why did they at the same meeting consent to schedule Friss’s lecture (with the preliminary title ‘The socialist planned economy and decentralisation’) for September, thus allowing three months to elapse before it would be delivered?²⁰ How were the ambiguities (‘nuances’ or ‘differentiated assessment’) in Friss’s text of September 1957 to be explained? On the one hand was his apparent readiness to sacrifice the most productive researcher of his Institute, Kornai, by saying that Kornai seemed to reject the socialist economic system as a whole, and on the other hand there was his obvious hesitation to label Péter, Erdős or Tamás Nagy as revisionists.²¹

Relying on Berend’s book, Hungarian historians of the period seem to have accepted the suggested continuity between Berei’s unpublished article and Friss’s lecture.²² If they found evidence that seemed contrary to Friss’s having been an

¹⁷ Berend, *Gazdasági útkeresés*, 94.

¹⁸ Berend identifies no sources and provides no details as to what the members of the Executive Bureau thought about Berei’s text.

¹⁹ Berend, *Gazdasági útkeresés*, 104–5.

²⁰ Baráth and Ripp, *A Magyar Szocialista Munkáspárt*, 118.

²¹ See István Friss, *Népgazdaságunk vezetésének néhány gyakorlati és elméleti kérdéséről*, Az MSZMP Központi Bizottsága Politikai Akadémiája (Budapest: Kossuth Könyvkiadó, 1957), 53.

²² Friss’s lecture delivered at the Political Academy is quoted as one of the ‘fundamental documents’ of the ‘ideological–political warfare’ against protagonists of economic reforms by László Szamuely in his

ardent Stalinist, they preferred to insinuate his cowardice, his bad (Bolshevik) morals or ‘odd amnesia’ rather than give him the benefit of the doubt.²³ Discussing the radical reform package which the Party adopted only some six or seven years after Hungary’s post-revolutionary *zhdanovschina*, where Friss had to be placed among the *major protagonists* of reforms, Iván Berend makes a rather unconvincing effort to explain how the former arch-enemy of reform went over to the other side: ‘it is necessary to point out that a part in the eventual acceptance and victory of the reform line was played by Friss’s ability to re-examine his earlier position and give his support to comprehensive reform, clearly in the light of what he had experienced in the previous years’.²⁴ The problem is that the alleged ‘re-examination’ remains both to be documented and to be explained. We cannot know – if Friss indeed was able to re-examine his earlier position – why the experience of the first six years as head of the division for economic policies in the Central Committee apparatus had not provided sufficient grounds for a re-assessment?

Thus, little doubt or hesitation has been manifest in this literature as to Friss’s role in the ‘ideological–political warfare’ waged against reform economists during the first post-revolutionary years. In Berend’s recent memoirs, Friss’s image is painted with even darker colours, probably because the contrast there is constituted by Berend’s own book²⁵ published seven years *after* Friss commented on Kornai’s and Péter’s ‘revisionism’.²⁶

The drive against economic revisionism certainly placed Friss’s Institute of Economics in a very delicate situation – and his September 1957 lecture at the Party’s Political Academy seemed to make it considerably worse. It appeared to indicate that the Party’s foremost authority on economic–political matters had turned his back on the economists and the research programme of the Institute he himself had created and even that he was ready to join the front line in the drive against the very same economists. Such behaviour by the notorious survivor of the 1930s trials in the Soviet Union and the second most powerful man after Ernő Gerő in economic policy matters during the Rákosi era, seems only too plausible.

What follows offers an alternative account of Friss and his actual role in relation

introductory essay to the collection of articles and documents *A magyar közgazdasági gondolat fejlődése 1954–1978. A szocialista gazdaság mechanizmusának kutatása*, ed. and selected L. Szamuely (Budapest: Közgazdasági és Jogi Könyvkiadó, 1986), 31. See also Ripp’s introductory essay, Baráth and Ripp, *A Magyar Szocialista Munkáspárt*, 11–12; and Judit Gelegonya, ‘Adalékok a magyar közgazdasági reformgondolkodás történetéhez. Péter György’ doctoral thesis, Budapest University of Economics (1990), 172–8.

²³ Judit Gelegonya found it hard to understand Friss’s critique of Tamás Nagy on account of the latter’s failure *critically* to assess György Péter’s views in his introduction to the former’s anthology of articles on economic management which appeared in 1956. ‘The speaker in this respect suffered an odd amnesia: he forgot that he could accuse himself [of the same crime], as at about the same time [when the anthology of G. Péter was published], in May 1956, he too failed to be critical of Péter’s ideas, [on the contrary] he was basically in agreement with them.’ Gelegonya, *Adalékok a magyar*, 177.

²⁴ Berend, *The Hungarian economic reforms*, 140.

²⁵ Iván T. Berend, *Gazdaságpolitika az első öt éves terv megindításakor 1948–50* [Economic Policy at the Launching of the First Five Year Plan, 1948–50] (Budapest: Közgazdasági és Jogi Könyvkiadó, 1964).

²⁶ Iván T. Berend, *A történelem – ahogyan megéltém* (Budapest: Kulturtrade Kiadó, 1997), 193.

to the economists during those early years of the Kádárist restoration. It argues that Friss was acting as a patron of the research economists and that everything he did in this respect during 1957–8 was intended to provide an *optimal* defence of the economists and of the empiricist research programme of his Institute. To my mind, such an account alone is capable of reconstructing a coherent whole out of the seemingly contradictory bits and pieces that previous historiography has found so hard to handle.

István Friss and the drive against ‘revisionist’ economists

Comrade Preis. An educated, diligent comrade, loyal to the Party. He always tries, to the best of his abilities, to help the Party. Side by side with these positive characteristics, there are also some great deficiencies which should be fully considered in our political evaluation of him. As a heavy burden, he carries the marks of his bourgeois origins. He has never had an opportunity to participate in the proletarian mass movement, and thus he could never really and solidly become one of the Proletariat. This deficiency of his becomes manifest mainly in that he tends to look at various political or economic questions not always with the eyes of a Communist, not from the Proletarian class point of view. Rather, he would look at these problems in a detached manner, disregarding the interests of the working people, with the eyes of a statistician, or an ‘objective’ researcher. Therefore, it is in fact embarrassing for him when the Party leadership has to make up its mind over an important question and arrive at a decision.²⁷

Born into a Jewish, capitalist middle-class family, István Friss (1903–78) received a good education, including studies at the Berlin Handelshochschule (1922–4) and the London School of Economics and Political Science (1924–5). His membership of the illegal Hungarian Communist Party (KMP) was documented from 1922 on.²⁸ In the second half of the 1920s he worked as a white-collar worker in his father’s factory and participated in the illegal communist movement. In 1928 he became one of the editors of *Kommunist*, the illegal newspaper of the KMP. His work in the party led to his being arrested a number of times and serving short prison terms until in 1930 he received a sentence of three and a half year. In 1935 he was instructed and assisted by his party to move to Moscow, where he taught political economy at the Lenin School, and became a member of the central committee of the KMP. Between 1936 and 1940 he was in Prague as a member of a committee of three sent out by the KMP central committee to keep in touch with and supervise the communist movement back in Hungary. In 1940 he fled to Sweden through

²⁷ Author’s translation of German typescript excerpt from Zoltán Szántó, ‘Bericht über die Tätigkeit des ZK der KP Ungarns vom März 1937 bis Januar 1938’, to Comrade Manuilskii, Secretariat of the Communist International, 1 Feb. 1938, in Friss Papers, MOL 861. f. 9. ö.e., with Friss’s handwritten note from 28 Dec. 1962 (when he received and saw the extract, probably, for the first time) expressing his surprise and sorrow over the fact that Szántó never informed him personally of his alleged shortcomings. (‘Preis’ was István Friss’s pseudonym in the illegal communist movement.)

²⁸ Biographical material from Friss’s papers held in MOL, 861.f., and the biographical introduction to the catalogue of the Friss Papers (‘Friss István életrajzi adatai’) produced by an archivist at the former Party History Archives of the MSZMP. See also Henrik Vass *et al.*, eds., *Munkásmozgalomtörténeti Lexikon* [Dictionary of the history of workers’ movement], 2nd revised and enlarged edn (Budapest: Kossuth Könyvkiadó, 1976), 185.

Poland. In 1941 he was back in the USSR and worked, until his return to Hungary in 1945, as a member of the editorial board of Kossuth Radio broadcasting in Hungarian from Moscow to Hungary. From 1945 on, he was always very close to top Party political bodies responsible for economic policy-making. He was a member of the ruling party's Central Committee throughout the period between 1948 and 1978, and from the communist takeover in 1948 until 1954 he was the head of the Division of Economic Policy of the Central Committee apparatus. On 10 October 1954, he was sacked because of his opposition to the New Course policies of Imre Nagy, whereupon he was appointed director of the newly established Institute of Economics of the Hungarian Academy of Sciences. He was among the top functionaries of Kádár's renewed communist party, the Hungarian Socialist Workers' Party (MSZMP). From December 1956 to 5 December 1961, he was again head of the Division of Economic Policy (*Allamgazdasági Osztály*) of the Central Committee apparatus. Even after that he held various significant positions on committees and other collegial bodies, in the Party and elsewhere, advising or/and supervising economic policy-making.

While Friss was certainly not a simpleton Stalinist apparatchik, there is no denying that he was a Marxist and a communist of conviction and consequence. He felt and exhibited a strong loyalty towards his party and towards what he believed to have been his party's cause. His political and ideological loyalty and his party discipline certainly constituted powerful restraints on both his political and intellectual action and his vision. But the very same characteristics should also be seen as resources that lent him an authority and standing in higher Party circles which few other persons enjoyed.

Much is known about Friss as one of the former Stalinist Party leaders who conducted a rearguard fight during 1954–6 against radical critics of Rákosi's regime and against protagonists of reforms. Friss as a reform communist, on the other hand, is part of the postwar history of Hungarian communism that still remains to be written. Indeed, the idea of Friss as a reform communist would still strike many as hilarious. One explanation for this is, of course, the Janus face (all the ambiguities manifest in the utterances, actions and inaction) of Friss himself. The other lies in the fact that the preoccupation of previous historical research with political and economic matters overshadowed one of the major domains of Friss' activities: the academic. When he lost his position as divisional head in the Central Committee in 1954, Friss had spent six frustrating years as the country's economic policy-maker no. 2. There is no doubt that Friss unconditionally accepted at least one important dimension of the critique exercised by the protagonists of the New Course against the disastrous policies he had stood for: the one that suggested that the Rákosi era's failure on the 'economic front' was a result of the lack of scientific understanding of the economic process under the conditions of socialism. Indeed, Friss had not only accepted this view but he was among the first to draw the necessary pragmatic political lessons from it. It was hardly a coincidence that, when he was removed from the central Party apparatus, he was 'given' the directorship of the new Institute of Economics. Quite probably, Friss himself wished to take care of the Institute

from the preparations for its establishment on. Friss had a (normative) idea about the significance of economic (social science) knowledge in the political process under state socialism, and he had an idea about the causes of the crisis (stagnation) of economic research in Rákosi's Hungary. He came to believe quite firmly that good policy-making could only be based on a solid (scientific) understanding of the social process and that solid scientific social research would not be possible until a clear distinction was made between serious empirical research and the scholastic exegesis of 'classical' texts and until the two genres were separated from one another in institutional terms. Such a separation was crucially important if what Friss believed to be the fundamental criterion of truly scientific practices – *the meticulous study of facts* – was to be restored to its rightful place within the field of economic research. The success of this empiricist research programme presupposed, however, that its practitioners enjoyed a certain degree of autonomy so that they could freely discuss their findings and even critically assess actual policies of various governmental and Party authorities. Similarly, free access to relevant statistical and other data had to be secured for the researchers. The promotion of solid empirical research and genuine professionalism throughout the community of economists did, furthermore, need all the encouragement and protection that a relatively freely developing infrastructure of professional life could offer.²⁹ The years 1955–6 saw Friss working tirelessly to achieve progress in all the above enumerated issues. Although he was facing mighty opposition, especially on the part of his conservative comrades in the central Party apparatus, he succeeded in making considerable advances, most notably both in asserting and re-asserting the empiricist research programme of his Institute, and in asserting and defending the relative autonomy of policy-oriented empirical research vis-à-vis the ideological (legitimacy-oriented) Marxist-Leninist political economy of socialism. Therefore, while he himself accepted and believed that what 23 October 1956 started off in Hungary was a counter-revolution, he was also determined to protect the achievements of his pre-revolutionary efforts in economics against the excesses of Kádárist restoration.

Friss understood quite well how disastrous the anti-revisionist drive might be for economic research. Where he actually stood in the question of 'economic revisionism' is clearly articulated in his letter of 20 October 1957 to Berei. In it he complies, after a rather long delay, with Berei's request to comment on the latter's article. No copy of Berei's manuscript is to be found among the Friss papers and it is therefore impossible to establish whether the manuscript on which Friss commented was identical to the one presented and discussed in detail by Berend. From Friss's comments it is quite probable that it is the same. Friss started by saying that he was largely in agreement with the article *except* for its polemical/critical sections directed against the allegedly revisionist views of Péter (which obviously constituted the bulk of the ms). In this latter respect, Friss shows in great detail that Berei's debunking 'critique' is based on a systematic misreading and misrepresentation of Péter's texts,

²⁹ On developments in the field of academic economics during 1954–6 see further G. Péteri, *Academia and State Socialism*, 1998, esp. Ch. 6.

where Berei fails to make the most elementary distinctions such as that between descriptive and normative statements.³⁰ Friss also objected strongly to Berei's insinuation that Péter's and others' revisionist views were responsible for most of the gravest problems of the Hungarian economy.

As mentioned previously, Berend emphasised that the Berei article was discussed by the Provisional Executive (Political) Bureau of MSZMP. We know of only one documented occasion when the Provisional Executive Bureau can have discussed the article: the 14 June 1957 meeting. But the matter was obviously a relatively low priority for the Executive Bureau: it was presented as the last (fourteenth) item of the last (ninth) point of the agenda (under the heading 'miscellaneous') and there is no indication that there really was a discussion about the text. The question whether to publish the article in the *Népszabadság* had been considered rather summarily on the basis of Károly Kiss's verbal proposal with the conclusion that 'The Executive Bureau does not regard the publication of Comrade Andor Berei's article by the *Népszabadság* necessary.'³¹ This decision might very well have been one promoted eagerly by Friss (who was present at the meeting). Anyway, an article in the Party's daily by one of Rákosi's well-known lieutenants in exile in Moscow was hardly desirable even for those members of the Bureau who had no objection to the content of Berei's writing.

As mentioned previously, the very same meeting of the Bureau decided on the timing of Friss's lecture on 'The socialist planned economy and decentralisation', and scheduled it for September. This implied that Friss would not have to engage in the discussion over economic revisionism for six months after the first attacks in the *Gazdasági Figyelő* appeared. Considering that he was the highest Central Committee apparatchik responsible for economic policies and that members of the agitation and propaganda division of the same apparatus engaged in the fight against economic revisionism as early as March/April, he joined the discussion remarkably late. Indeed, he seems to have waited as long as possible to articulate publicly his own views on the question, probably because he knew that if and when he was no longer able to avoid going public it would be almost impossible for him to avoid damaging his own institute in particular and economic research in general. What Friss was facing here was a genuine 'optimisation problem': the further he went in defending his economists and the cause of the empiricist research programme by denying and rejecting the leftist agit-prop accusations of revisionism and rightist deviations, the more he would jeopardise his own authority and respectability as a good communist and a loyal Party soldier among the circles of the apparatchik elite. In the end, the legitimacy of his high formal and informal position in the Party hierarchy would be questioned and therewith all the resources he could offer as a patron. On the other hand, the further he went in adopting publicly the position of the leftist agit-prop critique of the economists, the weaker the moral-political

³⁰ István Friss to Andor Berei, Budapest, 20 Oct. 1957, typescript, copy. MOL, István Friss papers, 861. f. 146. ö.e., fos. 27–8.

³¹ The protocols of the meeting are included in Baráth and Ripp, eds., 111–19.

ground he would occupy when trying to protect the field from the devastation the very same critique might bring about.

The lecture to the Political Academy

What Friss could do was to find out the optimum combination of these seemingly opposing tactics through a series of trial and error experiments – first, as we saw, he tried to avoid and/or postpone engaging in the public debate. When this was no longer possible and he had to deliver the lecture to the Political Academy, he tried to minimise the concessions made to his opponents. As mentioned earlier, historians of Hungarian (economic) reform ideas and policies noticed that Friss ‘wish[ed] to come to a more differentiated assessment’. Apparently, they found this perplexing rather than clarifying as, in the end, the September 1957 lecture was treated by them as sending an ‘unequivocal’ message to the public to herald the triumph in the Party of the conservative line over reform policies and ‘revisionist tendencies’ and the silencing of the voice of reform economists. As Berend put it, ‘By October 1957 the readers of the *Népszabadság* [where a condensed version of Friss’ lecture was published on 2 October] could have been in no doubt about which view had prevailed.’³²

A fresh look at Friss’s text, however, reveals that the reconstruction provided by Berend and, after him, many other scholars is grossly spurious. The second part of Friss’s lecture, covering ‘theoretical issues’, begins with a statement emphasising the considerable developments in economic research after it was freed from the stifling regime of the ‘personality cult’ (Stalinism), between 1953 and 1956. Friss registered that, after spring 1956, economic debates had tended to merge with the broader social and political debate of the era when even ‘the spiritual preparations for the counter-revolution’ had played some part. But he hastened to add that in the latter stages no professional economist had been involved:

The dissemination of anti-Marxist and anti-socialist economic views went on in broad circles. As is well known, when it comes to economic issues everybody is an expert, or everybody would claim to be an expert, and, therefore, the economic critique [of the socialist economic system] was manifest almost everywhere, either in the form of a whispering campaign, or loudly in the various organisations and meetings of the intelligentsia, and in a concentrated manner during the so-called economic debates of the Petöfi Circle where, of course, the great majority of the participants and of those who talked were not economists . . . Nevertheless, the economists should rightly be blamed for having failed, with a few exceptions, to reject and to distance themselves from the various hostile criticisms which could not even pretend to be scientific.³³

One of the most important features of the rhetoric of this second section of Friss’s lecture is that it does *not* undertake to identify directly (detect) and confront ‘revisionism’ in economics – it was not meant, that is, as a contribution to the purge. Rather, Friss undertakes to (re-)consider individual cases that had by then

³² Berend, *The Hungarian economic reforms*, 68–9.

³³ Friss, *Népgazdaságunk vezetésének néhány*, 28–9.

become the prime targets of the agit-prop campaign. He thus could in a detached, 'objective', manner consider the evidence presented and judge whether or not the accusations held.

When describing the views of individual economists, especially those of Péter, who were exposed to the heaviest attacks from the agit-prop fundamentalists, Friss deliberately used the expression 'revisionist tendencies' as a distinction from 'revisionism', a fact which should have been clearly pointed out by Berend and other historians of reform communism:

*György Péter is not a revisionist. . . . [his first article, published in *Közgazdasági Szemle* in December 1954] has proved to be useful and inspiring, the majority of his ideas presented there are accepted today. But there are some vague, not quite correct, or even contradictory statements [in it] . . . Summing it up: some of György Péter's views have indeed come rather close to revisionism. Thus, there is a certain revisionist tendency in his writings due to the fact that the arguments are not consistent and mature enough. This tendency, although [Péter] himself is not a revisionist, implies the danger of producing revisionism in his or in others' [work].³⁴*

When it came to two senior members of his own institute, Tamás Nagy and Erdős, Friss rejected outright all accusations of revisionism against them. The only case in which Friss appeared to yield to the anti-revisionist campaign was that of Kornai. Careful reading could, however, even here have revealed some significant nuances:

What the booklet of János Kornai, 'The overcentralisation of economic management' does is basically to assess critically the methods of industrial management that were in force until the end of 1955. His empirical material is taken almost exclusively from the light industries and [he] was careful, in general, not to jump to any conclusion without foundation in his [empirical] material. Underlying the book was his dissertation, and Kornai emphasised during the defence of his dissertation that in his opinion the main danger was 'that we still are inclined to generalise without the requisite evidence and factual grounds'. Yet he wrote in his book that our economic mechanism should be changed, and he defined 'economic mechanism' as 'the totality of methods of economic management, the form of organisation of economic life, the whole machinery of economic activity'. *This can be understood as meaning* that Kornai fully rejects our socialist economic system. As there is no other alternative, he would presumably replace it with capitalism. *If this is what Kornai thinks [Ha Kornai így gondolja]*, this would be no longer an anti-Marxist view, this would be the open rejection of Marxism.³⁵

The first half of this paragraph reasserts the empiricist research programme by praising Kornai for having kept to its basic principles. Indeed, Friss makes his audience see what *might* be wrong with Kornai's book as a direct result of his deviation from the norms of the empiricist programme. But even this latter critical comment is tamed by a few well-placed conditionals, so as to make it obvious for the careful listener and reader that Friss was *not* ready to label Kornai as an anti-Marxist. He gave him not only the benefit of doubt, but also the chance (and encouragement) to dispel the suspicions raised against his work by his Stalinist critics.³⁶

³⁴ *Ibid.*, 42–4 (emphasis added).

³⁵ *Ibid.*, 44 (emphases added).

³⁶ This benevolent intention, however, failed to come through to Kornai at the time. Kornai was in

In the conclusion of this section of his lecture, Friss returned to what had probably been his primary concern in connection with the anti-revisionist campaign and what, he felt, needed protection above all: the cause of empirically oriented social science research.

the struggle against revisionism is necessary, but it is just as necessary to be very careful to whom we mete out the adjective 'revisionist', as we should be very careful with labelling people in general. In the debate [over economic revisionism] some people were accused of revisionism with no reason at all. This style of [political] fighting can easily undermine intellectual courage and research. We are not yet perfectly armed against dogmatism and the danger of oppressing scientific debate and criticism is still real. But we should, under all conditions, support scientific debate and criticism. Let us, therefore, fight against revisionism in such a manner that it should really be revealing, scientifically convincing and worthy of Marxism!³⁷

To describe Friss's lecture, then, in such a way that it appears as the decisive act concluding, in the favour of old and new Stalinist forces in the Party, the debate on economic reforms and revisionism, is not simply an exaggeration but a breakdown of professional historical interpretation and sound judgement.

The contemporary Kádárist Party bureaucracy, wary of any tendencies challenging what they understood to be the fundamental interests of the restoration of communist power, understood Friss's message better and reacted promptly. Their reaction all but corroborated the view of the reform-communist and reformist historians of the 1980s and 1990s. For those who tend to subscribe to the common image of Friss as a relatively sophisticated but conservative communist, it may come as a surprise that, by the latter half of 1957, his 'credit' with the Central Committee apparatus was low. Only four days before Friss would deliver his lecture at the Political Academy, a leading official at the Soviet embassy in Budapest, V. S. Baikov, had a conversation with József Sándor, chief of the staff of the First Secretary's office, head of the division of party and mass organisations of the Central Committee, and member of the Central Committee of the MSZMP. Sándor told Baikov that the country was in a lamentable economic situation. Then he surprised his Soviet comrade by explaining the economic problems of Hungary like this: 'In my opinion, comrade Sándor said, we won't get out of this [economic] blind alley as long as our economy is led by comrade Friss, who was just as skilful and smart in camouflaging his rightist views under Rákosi as he is today, under Kádár.' Sándor then told his curious contact how Friss protected bourgeois elements 'pretending' to be economic experts at the Ministry of Foreign Trade against the efforts of a high Party functionary to purge the ministry's personnel. After he had assured Baikov that they (the good communists) would take care of those intruders and would 'put

the audience when Friss delivered his lecture in 1957. In my interview with him, Kornai remembered having been shocked, scared and scandalised at the time. According to him, Friss said that he had betrayed Marxism which, during those days when people were hanged for political 'crimes', was like turning him in to the political police. But he also remembered having been encouraged informally publicly to withdraw some of his propositions for that would improve his situation considerably. János Kornai, interview with the author Budapest, 14 May 1987.

³⁷ Friss, *Népgazdaságunk vezetésének néhány*, 45.

even comrade Friss in his well-deserved place', Sándor concluded by saying that the conditions and, therefore, forms of class war in Hungary had changed since October 1956:

Today, we have to engage in the struggle with those counter-revolutionaries who, after having suffered defeat in the open clashes in October, try to achieve their objectives with more 'sophisticated' means. And exactly these elements receive assistance from a few high functionaries like Friss, who used to belong to the inner circle around Rákosi and who try to find their place today, who are afraid that they will be taken to task for their old mistakes and who would often adopt opportunistic [*elvtelen*] and mostly rightist policies.³⁸

If some of the 'centrist' apparatchiks in the Central Committee were only suspicious of Friss before his lecture, the lecture convinced them of Friss's 'rightist opportunism'. The resounding backlash came from none less than the first secretary of the Central Committee, Kádár himself.

On 11 October 1957, at the meeting of the Party organisation of the Central Committee apparatus, Kádár heavily criticised Friss's lecture at the Political Academy. Friss was not present at this meeting but he was informed of it, hearing that Kádár maintained that Friss lacked political courage and was unable to say 'no' or 'yes'. On 13 October Friss wrote a short letter to the members of the Political Bureau of the Party, telling them that he could not stay on at his post if the highest leaders of the Party did not trust him. In the letter, he said,

Already, a few months ago, I had my doubts as to this trust and I alluded to it in front of several members of the P[olitical] B[ureau], saying that it was perhaps not advisable for me to stay in my position [as head of the division of economic policy]. I was more or less reassured by what I was told then. Comrade Kádár's words on Friday, however, brought this question onto the agenda again, and I think it would be good if the PB made a decision promptly as the insecurity [in this matter] will inevitably affect my everyday work.³⁹

In his answer Kádár denied that he had given Friss any reason to believe that the Politburo (or Kádár personally) no longer trusted him, and he asked Friss to learn from the critique instead of being excessively sensitive and taking Kádár's words as a declaration of lack of confidence:

You criticised some incorrect economic propositions of György Péter and Tamás Nagy in a public lecture with such indulgence that it made part of our party *aktíva* seriously concerned – this is [regarded to be] a political matter, especially as far as Tamás Nagy is concerned. I do not wish to discuss whether the Hungarian people had anything to gain, worth at least the price of two kilos of stone-powder,⁴⁰ on account of the fact that there was and there is an economist called Tamás Nagy active in Hungarian social life. But, I would maintain, the political damage he caused has been pretty considerable.

³⁸ V. S. Baikov, 'Note of a conversation conducted with comrade József Sándor, head of the Division of Party and Mass Organisations of the MSZMP, member of the CC of the MSZMP, 16 Sept. 1957', Document no III/24 in Éva Gál, András B. Hegedüs, György Litván and János M. Rainer, eds., *A Jelen-dosszié. Szovjet dokumentumok 1956-ról* (Budapest: Századvég Kiadó & 1956-os Intézet, 1993).

³⁹ Letter to the members of the Political Bureau of the MSZMP, 13 Oct. 1957, *MOL*, István Friss papers, 861. f. 38. ö.e., fol. 2.

⁴⁰ 'Stone-powder' seems to have been Kádár's favourite expression at the time in relation to persons or activities he regarded as worthless. He used it frequently, probably because he believed it lent his texts additional popular appeal through its 'folkish humour'.

There is a serious and legitimate concern that, as the normalisation of the situation advances, we tend to consign to oblivion even such things that cannot be forgotten. This applies to György Péter's grave economic mistake closely related to the well-known Yugoslav views worshipping the market [*a piacot fetiszáló nézetek*] which, in my opinion, are harmful for the Yugoslavian economy too. And this applies even more to the totality of activities of people of the kind of Tamás Nagy which I hope the party will never forget.

Although, I am sure, it has not been your intention, the concern has been enhanced by your all too tactful critique exercised in your lecture. I felt it was my duty, also publicly, to still this concern.⁴¹

Clearly, this was a defeat for Friss, and yet neither his lecture nor his threat to resign were entirely fruitless. He managed to make Kádár declare that he still wanted him in the Central Committee apparatus and he obtained important information regarding the mood in that same apparatus towards him, his Institute and his economists. This mood made a high-level Party investigation against the Institute of Economics unavoidable, and it was ordered in February 1958. While this, of course, increased the pressure on Friss to yield to the apparatus's wish to revenge the betrayal of the intellectuals (economists), Friss, now strengthened in his position, still had opportunities and the resources to protect his researchers and their research programme.

The higher party investigation into the Institute of Economics

We have relatively little information concerning the background and the administrative history of the Party investigation,⁴² This was one of a whole series of Party investigations – the target of one of them was Péter and the Central Bureau of Statistics⁴³ – which had as their main objective the regimentation of various institutions and the intellectuals working in them.

The Party organisation of the Institute had already been instructed to deliver a report to the Central Committee some time in January 1958.⁴⁴ This was probably in preparation for the investigation, because the investigation committee was set up by the division of scientific and cultural affairs of the Central Committee on 8 February 1958.⁴⁵ Among the members of the committee were István Antos, Ödön Barla Szabó, László Háty, Árpád Haász, Emil Gulyás, János Keserü, György Lázár, Endre

⁴¹ János Kádár to István Friss, letter, with copies sent to all members and substitute members of the Political Bureau, 15 Oct. 1957, MOL István Friss papers, 861. f. 38. ö.e., fols. 3–5.

⁴² The higher party investigation had been preceded by the initiative of the party organisation of the fifth district of Budapest to investigate the party life of the Institute of Economics. Their work was then co-ordinated with that of the higher party committee. (László Orbán, 'Note on the investigation of the situation and cadres problems of the Institute of Economics', 8 Feb. 1958, scientific and cultural division, Central Committee, MSZMP, MOL 288. f. 33/1958. cs. 19. ö.e.) Even the party investigation into the Central Bureau of Statistics (actually the CBS president, György Péter) was initiated by a district party organisation and was then taken over by higher party organs.

⁴³ Gelegonya, *Adalékok a magyar*, Ch. 4.5.1.

⁴⁴ Report from the leadership of the Institute of Economics party organisation, dated 3 Feb. 1958, MOL 288. f. 33/1958. cs. 19. ö.e.

⁴⁵ Orbán, 'Note on the investigation'.

Molnár, Sándor Sebes, Aladár Sipos and Gyula Vörös. This was a mixture of people of high position in practical economic life (governmental and Party authorities), from the agit-prop apparatus of the Party, and quite a few with university positions in economics and Marxist-Leninist political economy. István Tömpe, then deputy minister of agriculture – newly transferred from the position of deputy minister of the interior, responsible for political affairs – chaired the committee. He took charge of the counter-revolutionary campaign against the writers and the Writers' Association, which led to the forcible dissolution of the latter.⁴⁶

The investigation had four major phases: first, the committee divided itself into smaller groups to cover various aspects and/or various sections of the Institute; then the groups reported to the chairman, who called a plenary meeting to discuss the findings on the basis of a preliminary version of the committee's report produced by the chairman; the third and decisive phase came when the final committee report was discussed by the secretariat of the Central Committee and the investigation itself was concluded by a resolution of the secretariat. Finally, a meeting was arranged at the Institute of Economics, the main function of which was to provide an opportunity for criticism and self-criticism. The latter, was especially important for those individuals who were singled out by the Party investigation as the worst sinners. Public remorse was expected if one was to receive absolution. It was not enough to repent in front of the meeting of the Institute – one also had to go against one's own and others' revisionist sins in articles published in journals and the daily press.

Had he been only the director of the Institute, Friss would have had no access to the process of investigation until the final report of the investigation committee was prepared and submitted to the Central Committee secretariat. But Friss was well informed of the committee's work from the start, and there are a number of indications that he tried and managed to influence it. The sources reveal his concern with the composition of the committee and its groups and, of course, with the wording of the report and the secretariat's resolution. On 28 February 1958, Friss wrote to László Orbán, head of the Central Committee's division for scientific and cultural affairs,⁴⁷ protesting not only at the inclusion of Endre Molnár, an agit-prop functionary of the Central Committee, in the investigation of the general (theory) section of the Institute but also against the focus and method of investigation as conducted by László Háý and Molnár. He objected to Molnár because he was convinced that Molnár had been strongly biased, to the disadvantage of several members of the section. He objected to the interviews which by then Háý and Molnár had conducted with eight members of the section, because they all concentrated on political activities, ignoring the scientific work which, according to

⁴⁶ See Éva Ständeisky, *Az írók és a hatalom 1956–1963* (Budapest: 1956-os Intézet, 1996), 473.

⁴⁷ István Friss to László Orbán, 28 Feb. 1958, copy, István Friss papers, MOL 288. f. 33/1958. cs. 19. ö.e. Friss wrote his letter as head of the economic policy division of the Central Committee to another division chief in the same apparatus. He addressed the letter to 'Orbán László elvtársnak, KB Agit. Prop. Osztály', although Orbán at the time was head of the division for scientific and cultural affairs and not of the agitation and propaganda division. Molnár was one of the lower level apparatchiks at the Agit-Prop division.

Friss, should have been the proper subject matter of the investigation. He also found it upsetting that the investigators knew or understood hardly anything of the scholarly work performed by the section. All these deficiencies, made the report of Háy and Molnár's report unacceptable in Friss's eyes.

This letter reveals several aspects of Friss' efforts as a patron to protect his Institute. The mandates of the investigation committee did indeed include the assessment of the professional, scientific work carried out by the Institute, but only as one of six points.⁴⁸ One of the questions under this heading which the committee wished to look into was the extent to which the Institute participated in solving the economic problems of the day and contributed to forming the economic policy of the Party. Friss, therefore, not as the director of the Institute, but as the head of the Central Committee's economic policy division, had been consulted and offered access to the process of investigation from its very beginnings. This provided him with the opportunity to try to influence the composition of and the methods applied by the committee and its various groups. He also tried to affect the focus of the whole investigation by strongly emphasising that, according to his understanding, the Institute's professional-scientific work constituted the subject matter of the investigation. This he did, of course, because this is what he hoped would yield the least trouble for the Institute.

Friss had good reasons to fear the possible consequences of Endre Molnár's participation, especially in the investigation of the general (theoretical) section of the Institute. Molnár had by then established himself as one of the most visible agit-patron personalities engaging in the anti-revisionist campaign. László Háy, an old Muscovite Communist who was made rector of the university of economics under Kádár, was also a well-known representative of the conservative wing among Communist Party intellectuals, thanks especially to his central role in establishing and running the economic weekly, *Gazdasági Figyelő*, a major forum for the anti-revisionist attacks. It came as no surprise that, in the whole documentation of the Party investigation, their report on the general section carried the only critical remarks on the Institute's empiricist research programme. They even claimed that there was a causal connection between the 'political distortions' that could be found in works such as Kornai's book and 'the empirical character [of] the analysis of partial problems' typical of the Institute's research programme. They claimed that this programme made it possible for the Institute's researchers to avoid revealing their true ideological and political views as well as making them underrate 'the achievements of the [Marxist-Leninist political] economy of socialism and [adopt the view] . . . that scientific research should be made independent not just of daily political concerns but of politics in general'.⁴⁹

⁴⁸ The other five were to assess the situation of the Institute of Economics historically (before, during and after the 'counter-revolution' of 1956); to assess the composition of the Institute's staff (both from the professional and from the political point of view); to assess the present political situation in the Institute; to assess the management of the Institute; and to assess the work of the *Economic Review* (*Közgazdasági Szemle*). Orbán 'Note on the investigation'.

⁴⁹ László Háy and Endre Molnár, 'Jelentés a Közgazdaságtudományi Intézet Általános Közgazdasági

The entire Party investigation used a rather strange rhetorical question as their starting point: why, they asked, did the Institute of Economics not enjoy the confidence of the Party (apparatus) any longer? One of the menacing implications of the question was, of course, that an organisation that had not enjoyed the confidence of the Party apparatus *must* have done something profoundly wrong. Normally a question like that should have been posed to members of the Party apparatus. Yet in their report, Háy and Molnár claimed that they had found the answer in the course of their investigation of the general section. They named the critical attitude adopted by the Institute's Party organisation against the old (Stalinist) Party leadership before October 1956 and claimed that, in shaping this attitude, 'voices originating from the group of Imre Nagy' had their role too. During the Revolution of late October and even after 4 November, this critique turned into 'grave political mistakes' and 'wavering', with ramifications in some strata of the Hungarian intelligentsia. On top of all the mistakes, members of the Institute failed to offer reparation by participating in the struggle after 1957 for 'ideological cleansing'⁵⁰ and 'political consolidation'. Instead, Háy and Molnár emphasised, the economists in the Institute had shirked the ideological struggle, which only corroborated, among the ranks of the apparatus, the suspicion that the old political 'mistakes' (i.e., political opposition against the Party) were still alive within the Institute.

Háy and Molnár suggested that the Party should take the following measures in order to 'strengthen' the Institute (from the political-ideological point of view). A new director should be appointed who, unlike Friss, could devote all his energies and time to managing the affairs of the Institute with a firm hand. The leaders of the Institute's Party organisation should be replaced by those who would exhibit uncompromising resolution in their ideological and political work and would put a stop to the present leadership's 'pacifism and self-complacency'. They also suggested improving the composition of the Institute's personnel by bringing in reliable, firm [*szilárd*] communists with experience in economic work. On the other hand, members of the Institute who had been 'wavering in theoretical and political issues' and who lacked experience in [practical] economic work, should be transferred to practical economic positions. In this respect they named Kornai, András Nagy, Antal Máriás, and Béla Csendes. In connection with these suggested replacements, however, they stressed that 'it would be better not to touch anyone than to remove only Kornai', meaning that the purge should be massive or else they would run the risk of making a 'martyr' of the prime target, Kornai.

Osztályának helyzetéről' [Report on the situation obtaining in the General Economic Section of the Institute of Economics], 1 Mar. 1958, MOL 288. f. 33/1958. cs. 19. ö.e.

⁵⁰ I use the word 'cleansing' as a translation of 'tisztázódás' in the Hungarian document. There is no doubt that the Hungarian 'tisztázódás' is more expressive, as its connotations include both a process of moving from 'wrong' to 'correct' ideas, from confusion to clarity, and a process of moving from a situation characterised by impurity towards a situation characterised by purity, i.e., a process that can be promoted by purge. 'Tisztázódás' could thus be correctly rendered as clearance as well as cleansing, or as purge.

Háy and Molnár's suggestions for changes in personnel were so radical that they implied that Kornai and the others should be prevented from continuing their scholarly careers altogether. This is clearly implied by the logic of their conclusions on Tamás Nagy. They emphasised that, on account of his education and organising capabilities, Nagy was clearly the most appropriate person to lead the general section. While they were aware of the 'grave political mistakes' Nagy committed before, during and immediately after the revolution, they found that his 'present political behaviour' (Nagy wished to become a member of the MSZMP and unconditionally accepted and praised the Party line) did not require his replacement. They then emphatically added that, whatever decision the Party should take over Nagy's fate, 'it would in no way be desirable to make it impossible for Tamás Nagy [to carry on] his research activity in the field of economic science.' There is an obvious preference here for the ideologically oriented political economist⁵¹ as opposed to the empirically and professionally oriented economist.

The first, preliminary version of the investigation committee's 'synthetic' report had obviously been influenced by Friss. The explanation is to be found in his good rapport with those functionaries who were hierarchically close to him and who were entrusted by the top leadership with administering the investigation: István Tömpe and László Orbán.⁵² It must have been also helpful for Friss that, while at the lower level there were a number of eager zealots in the Central Committee's agit-prop apparatus (such as Géza Ripp and Endre Molnár), the agit-prop division's leader, István Szirmai, clearly did not wish to become engaged in the campaign against revisionist economists. In fact, the preliminary report signed by István Tömpe⁵³ follows the pattern of Friss's lecture to the Political Academy in 1957: it talks of 'revisionist tendencies' (but not revisionism) and it makes a sharp distinction between the professional–scientific activities of the Institute and the political activities of individual members during 1956–7. Háy and Molnár's critique of the empiricist research programme failed completely to affect the text of the report. Indeed, an outline of the synthetic report reinforced empiricism as the intellectual foundations of good Marxist economic research, by making it a duty of the communists of the Institute 'To ensure that the members of the Institute remain in close contact with factories, etc., and that their writings are based on detailed and many-sided empirical materials [*munkáikat részletes és sokoldalú tényanyag támassza alá*].'⁵⁴ But the report also indicates that some kind of purge was inevitable, as it

⁵¹ Tamás Nagy was half-jokingly called 'the pope of Hungarian [Marxist-Leninist] political economists' in the 1950s and early 1960s. Even though he should be credited with important contributions to the development, in the 1960s, of Hungarian reform-communist thought, he could never really transcend the limits of the discourse of Marxist-Leninist political economy.

⁵² Orbán belonged among the 'internal critics' of Kádár's renewed communist party representing a more 'liberal' shade when it came to practical political measures than György Marosán, Gyula Kállai, Antal Apró or Dezső Nemes.

⁵³ István Tömpe, 'Jelentés a Közgazdaságtudományi Intézet munkájáról' [Report on the work of the Institute of Economics], 14 Mar. 1958, *MOL* 288. f. 33/1958. cs. 19. ö.e.

⁵⁴ The quoted section did not make it into the final text, probably because the whole document had to be reduced in length.

does incorporate the suggestion that '[research] workers that have been wavering in theoretical and political issues (e.g. Kornai, A[ndrás] Nagy, Máriás) should be redirected to [some practical] economic field'.

Tömpe's preliminary report was discussed at a meeting of the committee and the documents indicate that Friss was present at this discussion. It seems to have been an inconclusive discussion with strongly diverging views and suggestions as to the situation at the Institute and the kind of measures called for. The members of the committee were asked to let the chairman have their views in writing. Emil Gulyás (who was member of the group investigating the agriculture section in the Institute) protested against the report's soft line towards the political and ideological sins the Institute had fostered. On the other hand, he pleaded for calm and restraint when it came to 'organisational measures' (which was a euphemism for sacking and replacing people): 'In general, I would . . . not suggest the removal from the Institute of those people who committed mistakes; however, I would think it proper to mete out Party and work [disciplinary] punishments exactly in order to emphasise the pedagogical message [about the grave nature of the mistakes committed].'⁵⁵

János Keserü, of the division of agriculture of the Central Committee, wrote comments that offer valuable insights into the investigation committee's debate. His letter makes it clear that the main dividing line was between Friss and Molnár. The latter maintained that, typically for the work of the Institute, a group of researchers opposed Marxism-Leninism, albeit temporarily. Friss, on the other hand, maintained that while some members of the Institute had 'incorrect views' and some of their practical-political acts 'served, objectively, the counter-revolution', this did not mean that they opposed Marxism-Leninism. Keserü demanded that the report honestly register how revisionist ideas gained influence and ground within the Institute. On the other hand, he warned against misrepresenting the situation so as to depict the members of the Institute as if they had been conscious enemies of socialism. 'This, perhaps, would not be entirely correct to maintain', Keserü wrote, 'not even about Kornai.' He concluded his comments by emphasising that

our aim should be to avoid turning these people away from us. We should not obstruct their development, rather we should help them. This cannot be achieved either in the way suggested by comrade Molnár or in the way [preferred by] comrade Friss. I agree with comrade Molnár that the report on the Institute should not embellish the situation . . . I agree with comrade Friss in that we should be careful in drawing our conclusions and also in establishing the facts in an unbiased and very impartial manner. One should not 'deliver a blow to them' [*közéjük csapni*], as comrade Molnár suggests, nor can we treat them as 'innocent sheep' as comrade Friss would wish us to do.⁵⁶

These interventions from the committee members indicate that the tactics of rejecting accusations of revisionist sins could not serve to protect the Institute of

⁵⁵ Emil Gulyás, 'Hozzászólás a Közgazdaság Tudományi Intézet munkájáról összeállított jelentés vitájához' [Comment on the report on the work of the Institute of Economics], 24 Mar. 1958, *MOL* 288. f. 33/1958. cs. 19. ö.e.

⁵⁶ János Keserü, 'Feljegyzés a Közgazdaságtudományi Intézet munkájáról' [Note on the work of the Institute of Economics], 20 Mar. 1958, *MOL* 288. f. 33/1958. cs. 19. ö.e.

Economics. But they also revealed how the attitude of quite a few members of the committee provided Friss with considerable room for manoeuvre to prevent the worst from happening (massive replacements and/or the dissolution of the Institute).

The final report, dated 16 April 1958, was presented to the secretariat of the Central Committee by the division for scientific and cultural affairs.⁵⁷ This text was more critical of the Institute than the earlier, preliminary version. It mentioned critically that the members of the Institute did not engage themselves in the fight against revisionism after the Twentieth Congress of the Soviet Communist Party; it alluded to revisionist views in [the work of] some members of the Institute, without specifying the latter and their views; it carried a critique of the editorial work performed at the *Közgazdasági Szemle*, singling out the Chief Editor Ferenc Fekete as responsible for the inclusion of ‘incorrect’ articles, and suggesting that Fekete’s ‘wavering’ had been making it impossible for the journal to adopt the ‘communist party spirit and the spirit of uncompromising struggle against bourgeois and revisionist theories’. Háy and Molnár’s suggestion that Friss should be replaced by a new director at the Institute had already been discarded by Tömpe’s preliminary report. In the final report, Friss’s position was reinforced, and his contribution to everything valuable that the Institute achieved was generously acknowledged. The suggested resolutions to be adopted by the secretariat criticised the Institute and its leaders for their sins of commission and omission in relation to the ideology and politics of revisionism; requested them to amend their mistakes by actively and publicly engaging in the struggle against revisionism; and entrusted the director, István Friss, with the task of improving the [social and political] composition of the research personnel at the Institute as well as of the editorial staff of *Közgazdasági Szemle*. However, while they urged strengthening loyalty towards the Party (*pártosság*), they also urged coupling the general theoretical contents of Marxist economics with ‘the many-sided and detailed empirical study of partial problems of our economic life’, and they confirmed Friss in his position as director and ordered the appointment of a new deputy director to assist him.

All this would have implied some reproach of Friss, even more for the rest of the Institute, and it requested some gestures of political correctness (in the form of a series of Agit-Prop articles against revisionism with sections for self-criticism), but no immediate and demonstrative blood-letting⁵⁸ and no retreat from the empiricist research programme of 1954–5. If these conclusions, especially the obligation to replace three of his researchers, struck Friss as hard and severe, he would realise, in the course of the discussion of the secretariat of the Central Committee, that he and

⁵⁷ Signed by Sándor Szerényi, deputy head of division, ‘Jelentés a Közgazdaságtudományi Intézet munkájáról’, 16 Apr. 1958, Tu/487, MOL 288. f. 7. cs. 26. ö.e.

⁵⁸ The investigation committee agreed not to tie the hands of the Institute’s leadership by naming the politically–ideologically most troublesome personalities from the Institute and requesting their removal by a particular deadline. But their understanding was that three researchers ‘should be gradually sent away [from the Institute, to “practical economic work”] as and when they can be replaced by new cadres of worker–peasant origins’ (Sándor Szerényi’s introduction to the 24 Apr. 1958, meeting of the secretariat of the Central Committee, Minutes, MOL 288. f. 7. cs. 26. ö.e., p. 2). I believe that this was a compromise solution achieved as a concession granted to Friss.

his patronised Institute could lose considerably more if he continued open resistance.

The bulk of the talking during the 24 April meeting of the Secretariat was done by György Marosán.⁵⁹ Marosán began menacingly. He said that he could not accept the report, nor the proposed resolutions, because they tried to whitewash the Institute, which he claimed ‘was the centre [góc] of the counter-revolution in the economic field in the summer of 1956.’⁶⁰ He was also critical of the all too soft treatment handed out to Friss, who carried the main responsibility for the Institute, and he expressed his wish that the Institute was exposed to yet another Party investigation so that one could see for each research worker individually ‘what the situation is’.

Sándor Gáspár appeared to be in agreement with Marosán, at least over how to judge the Institute: ‘It seems that a lot of people went wrong [tönkrement], half or fully. In my opinion, the work has to be started afresh, even if only with fifteen persons, we have to make a tabula rasa. [We should] start again with fifteen such people who are capable of assisting the Party.’⁶¹

Kádár was not happy with the report either, but he made some gestures of understanding towards the needs of social research under communist rule: he said that he would be happy if researchers were ‘loyal to the government and the Hungarian People’s Republic’, and he would not expect them to agree in all questions of day-to-day policies with the Party.⁶² On the other hand, Kádár found the idea of a tabula rasa appealing. He thought that economists who did not believe in centralised economic management, who rejected planning, ‘cannot usefully work in a country with planned economy’. He maintained that the investigation should have concentrated on this sort of issue in order to be able to answer the question

whether we should allow the Institute to go on as it is, or we should rather reorganise it completely. The question has several times been raised whether it would not be more

⁵⁹ Marosán (1908–) was a leftist social-democratic top leader until 1948. His assistance was crucial in the merger between the communist and the social-democratic parties carried through, on the terms of the former, in 1948. He held senior party and governmental positions until August 1950, when he was arrested together with some other former social-democratic leaders. He was rehabilitated in 1956, and in November he joined Kádár’s Revolutionary Worker-Peasant government and the MSZMP. Although keen on distancing himself from the former Stalinist leadership of the country, Marosán was arguably the leading hardliner in the early Kádárist leadership. At the time, he held concurrently the positions of Central Committee secretary responsible for administrative (police, justice and military) affairs, Kádár’s deputy in the party, chairman of the executive committee in the Budapest party organisation (from where a number of retaliatory actions against various organisations of Hungarian cultural and intellectual life had their origins), and Minister of State (i.e., deputy prime minister). Marosán deeply mistrusted and disliked ‘wavering’ intellectuals, and he was probably the most skilful rhetorician of the early Kádár era’s worker-demagogy.

⁶⁰ Minutes of the 24 Apr. 1958 meeting of the secretariat of the Central Committee, *MOL* 288. f. 7. cs. 26. ö.e., p. 3. Throughout his interventions, Marosán repeatedly used the infamous expression ‘revizionista góc’ following the model of Rákosi’s right hand in scientific-political matters during 1955–6, Erzsébet Andics (who used to call the Institute ‘gennygóc’ – originally a medical expression for the centre or focus of infection, where pus is gathering).

⁶¹ *Ibid.*, 5–6.

⁶² *Ibid.*, 6–7.

rational to [re-]start in a new form, with new people, on new bases. It should also be decided whom [of the members of the Institute] we should retain and I don't think of people who agree with the Party in all questions, but of such people who agree with us in such fundamental questions as the planned economy, in which they believe, and the more or less centralised management of the economy, etc. This is now the question. One thing is whether [this Institute is] the basis of some opposition and another thing is whether it gives anything to the country, to the Party. In an Institute like this it might be that for two to three years they would do nothing that would call for their arrest, but at the same time [what they do] gives hardly even the value of five kilos of stone powder to the country. To maintain such an institute for one or two dozen people and to cherish the illusion that we have a scientific institute of economics, would not be correct . . . The question raised by comrade Gáspár is legitimate, the Institute may stay, but we should achieve some sort of a *tabula rasa*. . . . I could conceive that we retain twenty-three out of sixty scientific researchers and let them work orderly, continuously, and later on we would complement the personnel. This problem has remained unsolved [in the report].⁶³

Before Friss joined the discussion, the *tabula rasa* idea received mild but unexpected opposition from László Házy:

If we analysed [what people did in] 1956, five people could perhaps stay [at the Institute], if we analysed the present situation, perhaps five people should be removed . . . I and comrade Endre Molnár, who looked most critically at the work of the Institute, and who reviewed the general section which, even in the composition of its personnel, is the most objectionable section of the Institute, have come to the conclusion that the wisest course of action would be to retain the great majority of these people, to remove gradually a few people, to strengthen and reorganise the Party leadership [in the Institute], and to clarify all controversial issues. This I can suggest in the best faith.⁶⁴

Árpád Haász was against purges in science and in economics and he spoke against many of the critics of the Institute because, he claimed, they applied norms that could not be fulfilled in any socialist country. He stressed, quite openly and courageously, that differences of (ideological) opinion with scholars could only be solved through scientific debate and persuasion: 'one cannot conduct ideological struggle with heavy artillery'.⁶⁵ He also emphasised that a decision to dissolve the Institute would be of grave consequences and one should not believe that serious scholars of economics 'could be [easily] bred from one year to another'.

Friss joined the discussion at a relatively late stage, and he started by reiterating how the Institute's work had been positively received in the other socialist countries and that it concentrated on and carried out solid scientific studies of relevant problems that were on the research agenda of the other socialist countries too. He asked the gathering to consider how young the Institute was. He pleaded that the Institute should not be ordered to sack anyone, as it would create the undesirable appearance that 'those who frankly gave their opinions will be removed from scientific life'. Friss also wanted to confront the members of the Central Committee Secretariat with the possible consequences of a radical '*tabula rasa*' solution:

⁶³ *Ibid.*, 7–8.

⁶⁴ *Ibid.*, 10–11.

⁶⁵ Speaking against György Marosán. *Ibid.*, 11.

By the complete reorganisation of the Institute, I believe, we would lose a lot, indeed, we would lose much more than if we would start the purge [*tisztítás*] from within . . . it is very hard work bringing up scientific cadres, it takes a lot of time. Of course, it would not be a catastrophe if economic science stopped for a few years, but these few years would mean regressing by two to three years.⁶⁶

Although Haász's and Friss's interventions made Marosán so mightily irritated that he no longer could talk in a consistent and intelligible manner,⁶⁷ Kádár's concluding remarks settled a number of hitherto unresolved issues. He wished the resolutions to contain a clear statement of the negative role the Institute played in producing and disseminating 'incorrect views', but on the other hand, he also wanted the revised report and resolutions to let bygones be bygones so long as they did not affect the present life and work of the Institute. He demanded that the surviving remnants of the sinful near-past should be eliminated through internal political work and discussions which should yield both critique and self-critique – a process which might show which researchers would not be able to carry out useful work in the Institute and who should therefore be removed.⁶⁸

These points were to constitute the final resolutions of the Central Committee secretariat,⁶⁹ practically obliging the leaders of the Institute to carry out a purge by means of a major and, to a great extent, public campaign of criticism and self-criticism which enabled them to identify those incurable cases that had to leave their posts.

Conclusion: the dialectics of purge and patronage

The final resolutions of the Central Committee secretariat of 24 April 1958 restored Friss to complete control over his Institute, but it did so only on condition that he would bring about the regimentation prescribed by the resolutions. By then, Friss must have understood only too well that, under these particular circumstances, the efficiency of his patronage over the field of economic research was entirely a function of his determination to carry out the purge in the Institute and to discipline his clients in accordance with the expectations of the top Party leadership.

In fact, he can be said to have secured remarkably favourable conditions for this purge. He ensured that the empiricist research programme of the Institute was not 'criminalised' by the resolutions, and he succeeded in maintaining the community of research economists at the Institute of Economics largely intact. The Institute was not dissolved; no massive replacements or other 'tabula rasa' type of 'solutions' were

⁶⁶ *Ibid.*, 16.

⁶⁷ 'I am so upset because one should not hold it as a gun against me that all the excellent economists agree with this [Marosán probably meant the general understanding Friss referred to that professionally the Institute had done a good job]. I should at least be allowed to say what I want [to say]. My self-esteem is hurt when I am regarded as an economic illiterate.' *Ibid.*, 17.

⁶⁸ *Ibid.*, 19–22.

⁶⁹ MSZMP KB Titkárság, 'A Titkárság 1958. április 24-i határozata a Közgazdaságtudományi Intézet munkájáról' [The Secretariat's resolutions on the work of the Institute of economics, April 24, 1958], *MOL* 288. f. 7. cs. 26. ö.e.; another copy can be found in *MTA LT*, Rusznyák István Elnöki iratai, 36/2.

imposed by the Central Committee secretariat. Even though his suggested to distinction between ‘political’ and ‘scientific’ was rejected, he won the acceptance (thanks to Kádár) of the norm that no ‘errors’ and ‘sins’ of the past, but only what could be seen as contemporary opposition and resistance, would be regarded as grounds for retaliation. Last but not least, he successfully regained the initiative and control over the process of integrating with and adapting to the new political conditions.

Undoubtedly, the price to be paid was high and threatened longer-term damage. The Institute had to undergo a painful and humiliating process of ‘critique and self-critique’. This included a major meeting of the Institute’s personnel where all the main ‘sinners’ (Tamás Nagy, Erdős, András Nagy, Kornai, Antal, etc.) were allowed (and, indeed, compelled) to carry out self-criticism and/or to declare their faith in the superiority of the socialist, centrally planned economy.⁷⁰ The same people were expected publicly to make their own contribution, this time on the ‘correct side of the front’ to the ‘struggle between the revisionist/capitalist and genuine Marxist-Leninist economic ideas’. And so they did: except for András Nagy, all the accused researchers of the Institute did publish one or another (and sometimes several) articles attacking revisionism and/or Western capitalist economic views and stressing the author’s faith in Soviet-type socialism.⁷¹ Surely, this wave of political and ideological correctness hardly helped serious economic research and thought. But it did not squeeze the latter out of existence either. The very same people who, during 1958–9, produced those ideologically correct articles, at the same time continued their own research and continued writing and publishing articles and books of genuine scholarly and economic–political importance. Most of these people defended their ‘candidate of sciences’ thesis in the early 1960s, and participated actively in the new wave of reform politics from 1962–3 on.

The price to be paid also included the fact that Friss dismissed two important colleagues, Kornai and András Nagy.⁷² However, he also managed at the same time to arrange immediate transfers for both of them to research positions where they

⁷⁰ The meeting took place in the presence of head of Central Committee division László Orbán. ‘Jegyzőkönyv a MTA Közgazdaságtudományi Intézet 1958. június 24.-i gyűléséről’ [Minutes of the meeting of the Institute of Economics of the Hungarian Academy of Sciences, June 24, 1958], MOL István Friss papers, 861. f. 77. ö.e., 54 pp.

⁷¹ Examples of this literature of repentance include Péter Erdős, ‘Értékkategóriák a szocialista tervgazdaságban’, *Közgazdasági Szemle*, 6, 1 (1959); Róbert Hoch, ‘Az államelméletben megnyilvánuló jugoszláv revizionista nézetekről’, *Közgazdasági Szemle*, 6, 2 (1959); János Kornai, ‘“Mennyiségi szemlélet” és “gazdaságossági szemlélet”. Tapasztalatok a könnyűipar köréből’, *Közgazdasági Szemle*, 6, 10 (1959), esp. 1086–7, where Kornai critiques Pierre [Péter] Kende’s “neoliberal” illusions’ and ‘scientifically unfounded and biased distortions’ [referring to an article of Kende, – ‘L’intérêt personnel dans le système d’économie socialiste’, *Revue Economique*, May 1959 – where Kende built much of his arguments on Kornai’s *Overcentralisation of Economic Administration*]; András Bródy, ‘A közgazdasági ‘modellek’ kérdéséhez’, *Közgazdasági Szemle*, 7, 8–9 (1960).

⁷² ‘A Közgazdaságtudományi Intézet pártszervezetének jelentése a Titkárság és az V. ker. V.B. határozatai óta végzett munkáról’ [Report of the Institute’s party organisation regarding the work accomplished since the resolutions of the /Central Committee/ Secretariat and of the E/xecutive/ C/ ommittee/ of the /Budapest/ Vth district’s /party organisation/], 29 Nov. 1958, MOL 288. f. 33/1958. cs. 19. ö.e. This document reported that Kornai, András Nagy, and a third person (Groó) of whom I

could carry on working on the same projects as at the Institute. András Nagy went to the economic studies department of the Ministry of Foreign Trade, where he continued his project on the economics of foreign trade which yielded him, by 1961, the degree of 'candidate of economic sciences'. For Kornai, a research position was found at the Planning Bureau of Light Industries and, later, at the Research Institute of Textile Industries, both of the Ministry of Light Industries. András Nagy returned to the Institute of Economics as a senior research worker in 1973, when Friss was still director. Kornai returned to the Institute at a part-time post as early as 1964 or 1965 – then, in 1967, he was offered a full time position by Friss as the head of the section for mathematical economics.

Finally, there was a personal price to be paid by the patron forced to combine open protection and purge in his tactics of patronage: the price was the bad reputation of a 'conservative communist', ill-will and often even hatred on the part of those whom he wished to assist and protect. And this we should never underestimate: as a patron of social science research under state socialism, Friss was indeed acting like a 'broker between disparate institutional cultures, the agent who actually makes things happen [or prevents them from happening] by virtue of being able to comprehend and authoritatively to speak and interpret such differing idioms as that of politics, bureaucratic administration, various groups of professionals, and various academic and/or artistic fields'.⁷³ For Friss, this role included an element of tragedy too. While he tended to identify himself as an economist and, of course, wanted dearly to be (and to be seen as) a member of the community of professional economists, the latter tended to see him as a faraway (and high above) representative of another (hostile) world, that of the apparatchiks.⁷⁴ It seems that communist patronage was of necessity a project of loneliness and tragic frustration – a genuinely 'unproductive' activity, as it is defined in Marxian economics, brought to life and shaped by the particular conditions of a historical (and, thus, temporary) socio-political formation called socialism. In another world, even Friss could have had a chance to test his own talents as a professional economist. However, even then, he and his colleagues would have needed the support and protection patrons can render. One might hope, though, that there would have been no need for protection by purge.

know little, had already been transferred to other workplaces and that three new, politically reliable colleagues of worker and peasant origins had been employed.

⁷³ György Péteri, 'Patronage under Social-Democracy and State Socialism: A Comparative Study of Postwar Academic and Artistic Life in Scandinavia and Eastern Europe', theme description for the international workshop held in Trondheim, 13–17 Aug. 1999, accessible at: <http://www.hf.ntnu.no/peecs/PatronPro.htm>

⁷⁴ 'I know that Friss tried to protect us. Throughout, he tried to ensure that no one would get fired from the Institute. It was said, he had also exposed himself on our behalf. . . . Friss behaved extremely correctly with us and gave expression to his disagreement with our removal [from the Institute]. This was quite clear from what he did [for us] although, of course, he would never tell us anything. After all, he was too loyal to the Party, he kept himself to the [Party] discipline too much openly to oppose a party resolution' (András Nagy in an interview with the author, Budapest, 21 and 27 Dec. 1988).