

INTRODUCTION

INDUSTRIAL MAGNATE, MAECENAS, AND PHILOSOPHER: MÓRIC KORNFIELD (1882–1967)

This volume presents the person of Móric Kornfeld and the scope of his activities. He was born under the Dualism and he reached the zenith of his career during the 1920s, and the 1930s. Fulfilling the destiny of so many notable Hungarian public figures, he finished his life in emigration. When we assemble a volume of his essays, recollections and correspondence, it is to do honor to the person and also to his social activities. He was one of the Hungarian industrial magnates about whom little is known by the public and whose activities were studied, so far, only by sociologists and economic historians generally as an abstract model. This volume pays equal attention to Moric Kornfeld's personality and accomplishments. His social position casts a hitherto little appreciated light on Hungarian society between the two world wars. Because he struggled with and pondered over the problems of the period, as a gifted amateur but always with a profound sense of responsibility and a great cultural endowment, he truly deserves the attention of the widest public.

ZSIGMOND KORNFIELD

His father was Zsigmond Kornfeld and it cannot be denied that the father was the more imposing figure of the two and his accomplishments were more lasting. Discussion of Zsigmond Korn-

feld's career will assist us to understand of whom the Hungarian capitalist society consisted.¹ How did a German-speaking Jewish banker, arriving in Hungary in January 1878 become assimilated, how did he become a Hungarian, what was his identity? He was only twenty-six-years old when he arrived. He was an emissary of his bank and he had to fulfill the expectations of his office. His son, Baron Móric Kornfeld left his native country, Hungary, in June 1944. The family spent only sixty-six and one-half years in this country but the traces of their stay and of their activities are present to this day.

The creation of the Hitel [Credit] Bank, the stock exchange, the Budapest-Pécs railway line, a series of financial and industrial enterprises and the Franklin Publishing House preserve his memory. Industrial enterprises and, particularly, intellectual achievements, including the *Magyar Szemle*, were initiated and supported by him, the *Nouvelle Revue de Hongrie*, the *Hungarian Quarterly*, the *Magyar Nemzet*, Pécs university, museums, books, the Green Cross Health Service, and others preserve the memory of the son.²

Zsigmond Kornfeld was received to the country with animosity and an official of the Credit Division of the Ministry of Finance, a person from Somogy County, who spoke Hungarian with a strong German accent, advised him that his plans had no future in Hungary. Years later Móric, the son was excluded from the nation by the cruelest law ever enacted in the history of this country, made defenseless and eventually forced into emigration.

In spite of the advice to the contrary, Zsigmond Kornfeld stayed and soon after came to assist the Hungarian minister of finance and even of the prime minister. He became the initiator of their programs and their helper in the implementation. He became one of the principal movers of Hungarian modernization and thus an important servant of the country. At the time of Dualism, Hungarian society was open and welcoming. A partnership developed between the aristocracy and German, Swiss, Jewish, Greek, Norwegian and other businessmen who were bringing new ideas to Hungary. Hungarian society did not reject the frequently ingenious advisors on racial or ethnic grounds. Kornfeld remained in the country being deeply committed to Hungary. Years later the racial laws excluded him from being a Hungarian and after the events of 1945 he chose to remain in emigration. The liberal conserva-

tive element of which he was a representative had disappeared forever.

Zsigmond Kornfeld arrived in the Hungary of the Austro-Hungarian Monarchy at the time when there was a possibility of creating the prerequisites of Hungarian independence. In time his activities were diametrically opposed to the instructions with which he had originally arrived. He did not attempt to make the Budapest unit of the Rothschild consortium into a link of an international chain but consistently worked to create an independent Hungarian financial institution. For decades, the *Általános Magyar Hitelbank* [Hungarian General Credit Bank] had functioned as a local establishment of the Vienna Credit-Anstalt. When the potential collaborative agreement expired in 1894 it was not renewed but was completely renegotiated. The Hitelbank was no longer a vassal of its former parent organization but a quasi-independent organization, which achieved complete independence in 1900. Independence and parity was shown not only by the agreement drawn up at this time but also by the fact that that Zsigmond Kornfeld, and after his death, the new CEO, Adolf Ullmann,³ became a member of the Board of Directors of the Austrian Credit-Anstalt.⁴

Zsigmond Kornfeld was a first generation intellectual. He was born northwest of Prague, in the small village of Göltsch-Jenikau [Jenikov] on March 27, 1852. He was the seventh child of the family of which only five survived. His father, Moritz Kornfeld was born in 1810, his mother, Marie Rosenbacher in 1812.⁵ The father was a distiller but had ambitions for his children. One son became a physician, one a lawyer, and Zsigmond was destined for a career in economics and finance. The biography mentioned above explains this trend toward a higher social level by the enactment of the emancipation law which opened a pathway in the Monarchy for the Jews toward professional careers. In the mid 1860s, when Zsigmond was a sixteen-year-old high school student, his uncle, Reb Aaron Jenikau,⁶ who had assisted him financially, died and his father became blind and was forced into bankruptcy. The young man could not continue in school but had to start to earn a living. Leaving Jenikau he went to Prague where he found work in a small bank as an apprentice and office boy.⁷ Shortly thereafter the young banker went to Vienna where he worked first for the Torsch Bank and then for the Wahrman Bank. This latter had extensive international contacts and Zsigmond Kornfeld was sent to Paris where he arrived via Berlin and

Sedan. He was in Paris during the Commune in 1871, which provided a lasting and very unpleasant memory for him. This trip, however, was highly educational and gave him an international perspective which led to a much improved position upon his return to Prague. At the age of twenty, he became a director of the newly established Böhmischer Bankverein and later, in 1876, the second in command of the Credit Anstalt.⁸ After only one month he was put in charge and soon made the bank flourish. This success caused Albert Rothschild⁹ to ask to see him in December 1877. Rothschild asked him numerous questions and then offered him a position at the bank in Budapest. Following a brief exploratory visit Kornfeld assumed the position in March 1878 as director. His charge was to supervise, organize and instruct.

That year (1878) the Magyar Általános Hitelbank generated a considerable net profit: 1,167,628 forints. At the same time the Treasury was empty. Political debates managed to obscure the true state of the economic affairs. The science of accurate accounting had not yet been established in Hungary and the nation appeared to ignore its serious economic burdens. Yet, even before the 1867 Compromise, Ferenc Deák, the senior Hungarian statesman, warned,

There are many who believe that because twelve years of absolutism has come to an end and constitutionality has replaced it, everything would suddenly become well. Not so, my friend. The twelve years of absolutism had destroyed the tools of the organic existence of the state and squandered the revenues of the present and of two or three of the subsequent generations....The vital forces had been extirpated, industry and commerce have been cast into the dust. Even constitutionality is unable to eliminate the afterpains and reestablish the squandered forces.¹⁰

Regardless how well the affairs of the bank prospered, Kornfeld realized that the bank would not continue to grow if the affairs of the country did not improve. The government maintained a running debt and there was no intention of balancing the budget. The situation improved slightly, compared to the time when one of Deák's followers, Károly Kerkapoly, was the minister of finance.¹¹ According to contemporary anecdotes the treasury was so poor at that time that the bridge

tolls collected had to be delivered to the Ministry of Finance on a daily basis. In 1875, Kálmán Széll became the minister of finance.¹² He was replaced in this position by Gyula Szapáry in 1878.¹³ The affairs of the state started to improve slowly and there was an economic renaissance. It was at this time that László Lukács started his career in the parliamentary Budget and Finance Committee.¹⁴ It was about the same time that a thirty-year-old ambitious young man started working in the Ministry of Finance, the future prime minister, Sándor Wekerle.¹⁵ In his memoirs László Lukács speaks about these difficult times and says, “It is amazing how insensitive the legislature was vis-à-vis national finances.”¹⁶ Quoting Lukács, József Radnóti claims that the ministers did not consider the parliamentary sessions worthy of attendance and that they felt free to dip into the Treasury to make up for deficits in their districts. There was practically no control and only the young representatives who were given minor committee assignments were assigned to the budget control committee.

The new financial leadership was prepared to initiate more rigorous measures and asked the new CEO of the Hitelbank, Zsigmond Kornfeld, to appear before them to present his thoughts and advice. Kornfeld came with a complete set of recommendations and offered the support of the Rothschild group in resolving the problems. The recommendations were successfully implemented and in 1880 the Rothschild group assumed the responsibility for issuing Hungarian shares. Gradually foreign investors entered the picture and offered money for investments to be made by the Ministry of Finance. The government majority was represented by the Liberal Party, which wished to demonstrate its independence and for which it found a good partner in the increasingly prominent Zsigmond Kornfeld. Against the interests of his own bank he recommended that the government accept open bids for the new railway bonds and sell them to the highest bidder. He also managed to convince the Viennese and it was the Rothschild group that made the highest offer. Zsigmond Kornfeld increasingly favored the interests of the country over the interests of the Rothschilds.

By this time he held the respect of both Prime Minister Kálmán Tisza and Szapáry. When, after a few years of prosperity, the Paris stock exchange crashed, the international crisis which followed made the issuance of all bonds virtually impossible. Kornfeld now began to

be involved in transportation and industrial affairs. He was instrumental in providing the funds for the Budapest-Zimony [Zemon] (today a part of Belgrade) railway line and he also managed to get the Hitelbank to establish a petroleum refinery. The Vienna government did not support some of these activities. It recognized the profitability of a railroad but the endeavors to establish industrial activities were viewed with disfavor because they would have been in competition with the Austrian industries. Zsigmond Kornfeld fought some major battles but did not win them all. It was at the time of one of these temporary setbacks that he became involved in the creation of agrobusiness.

His interests extended beyond agriculture and industry and he made the Hitelbank purchase the Franklin Publishing House which had been created by the merger of the Landerer and Heckenast companies.¹⁷ The Publications Board of the company at that time included László Arany,¹⁸ Pál Gyulai,¹⁹ Gusztáv Heinrich,²⁰ and Mór Ballagi.²¹ Kornfeld did not yet speak Hungarian although his biographer describes him later as a member of the small circle of friends around Gyulai and Heinrich. Acquiring the publishing house was an affair of the heart for Zsigmond Kornfeld because of his deep commitment to the humanities. It was his hope to retire at age forty and devote his life to literature and science. In preparation for retirement he became, in 1890, the owner of a large estate at Rakovice [Rákfalu], which at that time was part of Hungary but later became part of Czechoslovakia. From then on until his death the family spent every summer in Rákfalu. Rákfalu was a Slovak settlement but during the first decade of the twentieth century Hungarian was still spoken in the area.²² As described by Móric Kornfeld, in one of the autobiographical fragments in this volume, the teaching of Hungarian in the elementary schools was taken very seriously and was supervised appropriately by the education superintendents. It is apparent that the Western, Catholic Slovaks could have been easily assimilated into Hungary by the fact that at this time Slovak youths were singing Hungarian folk songs in the street when they were happy. Today there is not one single resident of the village who speaks Hungarian.²³

According to Móric Kornfeld, the discovery of the locations of legendary, historic events was a major thrill for the Kornfeld children. They traveled along the yet unregulated and roaring Vág [Vah] Valley

from Galánta [Galanta] all the way to Trencsénteplic [Trenčianske Teplice]. They saw Csejte [Čachtice] where Erzsébet Báthory, the sadistic wife of a captain general, bathed in the blood of virgins, Beczkó [Beckov] named after the jester of the land steward of Trencsén [Trenčín], Stibor, and the well-preserved castle of Trencsén, the headquarters of the realm of Palatine Máté Csák. These recollections reflect not only the attachment and the sentiments of the son, but also refer to the increasing cultural attachment of the father since none of these excursions would have been possible without the presence of Zsigmond Kornfeld.

We do not know the reason why this particular estate was purchased but perhaps it reminded Zsigmond Kornfeld of his Moravian roots. Rákfalu was in the same province and was both symbolically and literally half-way between his birthplace, Jenikau, and his adopted home in Budapest. He himself was about halfway on the journey towards his new Hungarian identity. He established a small Jewish religious community in Rákfalu and placed his estate manager, Adolf Roth, as president of the congregation. He was very generous with Roth, giving him 30 percent of the profits of the estate so that he managed it as though it were his own.

Zsigmond Kornfeld owned no real estate in Budapest and always lived in a rented apartment. He bought the Rákfalu estate on credit but because of a family “disaster” it took longer to pay it off than he had planned and hoped. In 1879 he married Betty von Frankfurter, the daughter of a prominent and wealthy family in Vienna.²⁴ We can read an interesting aside about this family in the autobiographical fragment by Móric Kornfeld. In his childhood, the family took the train on the first day of vacation and traveled to Pöstyén [Piešťany]. “From there the train went on, along the valley of the Vág, on rails that were laid by my grandfather—my mother’s father—during the last century, sometime in the sixties.”

According to Radnóti, Betty von Frankfurter was given a large dowry. Zsigmond Kornfeld repaid this within a short time and even sacrificed a significant portion of his own fortune for the family because his brother-in-law, Samuel Frankfurter, bankrupted the family business and then committed suicide. Kornfeld paid all the debts incurred by the bankruptcy in order to keep the family name unblem-

ished. Thus his plans for an early retirement could not be realized. Much of his income was used to pay off the Rákfalu mortgage. Zsigmond Kornfeld's name does not appear among the most prosperous in the 1892 national register of names and titles. He used to say that he wished to leave only as much money to his children that they should not ever have to bow down before anybody.²⁵ In the morning he walked to the bank. He was a passionate card-player and his house was one of the first ones in Budapest where bridge was being played. He usually played cards while traveling on the train. On the Riviera and in Belgium he frequently visited the casino. The largest loss he ever incurred was 3,000 crowns, playing roulette.

At this time Zsigmond Kornfeld was studying Hungarian. Early in 1885 József Kőrösy²⁶ recommended Ármin Balog as teacher. Balog, a native of Nagykároly [Carei], was twenty-six years-old at that time and was a faculty member of the Rabbinic Training School.²⁷ He was reluctant to undertake the private teaching job because he wished to focus on scholarly activities but Kőrösy convinced him that this banker was very different from all the others. The first Hungarian lesson lasted from 3:30 P.M. to 8:30 P.M. Balog accepted the job which developed into a relationship that lasted until his death. The close relationship between "Uncle Balog" and the family is illustrated by the old gentleman spending several weeks every summer, at the Kornfeld chateau in Ireg. There he sat in the place next to Baroness Kornfeld, across from Móric Kornfeld.²⁸ According to the Ireg guestbook, still preserved by the family, he was considered a member of the family. He wrote poems on the occasions of family birthdays and the guestbook contains several photographs of him reciting his poem on such occasions.

Zsigmond Kornfeld studied Hungarian with great ability and enthusiasm. The poetry of János Arany and Sándor Petőfi were the principal texts of instruction. The pupil-teacher relationship rapidly developed into one of mutual respect and affection. Balog was a very effective teacher and, while Zsigmond Kornfeld never lost a slight accent,²⁹ he became very proficient in Hungarian, learning to love Hungarian literature and he even translated Petőfi's "End of September" poem into German. His romantic biographer wrote, "During the day he issued securities, turned over assets, converted assets, negotiat-

ed and managed the affairs of a large bank. In the evening he read and wrote poetry. He never went to extremes in anything but extremes found a meeting place in his heart.”³⁰

Two years after beginning his studies, he gave his first speech in Hungarian at the Hungarian Academy of Sciences in March 1887. He spoke in Hungarian for the first time in public at a session of the Committee on National Economy. The session was chaired by Gyula Kautz.³¹ The audience included Sándor Wekerle, László Lukács, other ministerial officials and a number of fellow bankers, including Leó Lánczy,³² Miksa Beck³³ and Fülöp Weiss.³⁴

Zsigmond Kornfeld thought about language in political terms. Even prior to his appointment to the Stock Exchange Council in 1891.³⁵ he felt that the stock exchange was not in tune with Hungary. Now he was certain. He believed that the fact that all work of the exchange was conducted in German did little to make the establishment a part of Hungary. This was the reason why he wished to change the language of the exchange to Hungarian.³⁶ He used the exchange to bring agriculture and industry together, to make peace between the agriculturists and the industrialists and he wished to introduce the Hungarian language in order to gain the confidence of the agricultural masses.³⁷ Such a change was not accomplished easily and finally a regulation had to be issued according to which no transaction was recorded officially unless it was in Hungarian.³⁸

Kornfeld's other activities markedly increased his standing and reputation. These included the fiscal conversion in 1892, the regulation of foreign exchange in 1894, i.e. the move to gold-backed currency. These activities were led by Sándor Wekerle with Zsigmond Kornfeld as the chief of staff.³⁹ Wekerle, who in the mean time had been made prime minister, wished to express his appreciation to Kornfeld for the successful completion of the 1892 fiscal maneuvers. He wanted to grant him a formal citizenship by royal mandate which would have automatically included a patent of nobility. It came as surprise to Wekerle that Kornfeld had already applied for and obtained Hungarian citizenship by the traditional method.⁴⁰ He accepted the patent of nobility only shortly before his death in 1909. It was thus that it was his oldest living son, Móric Kornfeld who appeared before King Francis Joseph for the formal investiture. Zsigmond Kornfeld's decorations included

the Third Degree Honor of the Iron Crown, received from the monarch in 1890. The second level of this decoration was awarded in 1893 and on December 22, 1901, Francis Joseph appointed him to the Upper House of parliament for life.⁴¹

Wekerle and his associates brought order to national affairs. Tax collections became regularized and the Treasury began to have a surplus. New government investments could be made without incurring additional debts. It was at this time that the major banks and industrial organizations were established.

ECONOMIC DEVELOPMENTS

On the basis of the gross national product, the most rapidly growing country in Europe between 1850–60 and 1913 was Sweden. Immediately behind Sweden was the Austro-Hungarian Monarchy which was followed by Germany. In Hungary it was no longer just an increase in agricultural production, but a rapidly increasing industrial output that brought the country to the level of other central-European nations.⁴² Industry and mining increased ten-fold between 1870 and 1913. The production of the three largest machine works in Budapest, MÁVAG, Ganz, and Schlick, increased five-fold in value in just twenty years. According to a memorandum published by the Ministry on Industry and Commerce⁴³ the output of the Budapest machine industry was larger by eighty-five million crowns than the combined output of all the Czech and Moravian industries. The most important part of industrial activities was the production of vehicles and, in the 1890s, the large Budapest banks led the mergers of a number of industrial enterprises, some of them dating back to the era of reforms.

In 1911, the Ganz factory, under the leadership of András Mechwart merged with the Danubius Company which resulted in the largest industrial enterprise in Hungary. Mentioning the Ganz Company is important not only because of its national prominence but also because Móric Kornfeld, after finishing his university studies, began his career as a director of Ganz. In 1873 the construction of railway rolling stock became the major activity of the company. In 1900 the one thousandth engine rolled out of the Budapest factory. This was the era of industri-

al organizers, but it was rich in individual creative talent as well. Hungarian electrical industry took its place among the European leaders. Ányos Jedlik was the one who designed the first dynamo in 1861 but it was commercially exploited by Werner Siemens in Germany and Charles Wheatstone in the United States. There were Jedlik pupils, however, who made major contributions to the relatively new field of mathematical physics. When Edison demonstrated the electric light bulb suitable for mass production in 1879 there was already an independently functioning electrical department at the Ganz factory. In 1885 Károly Zipernowsky, Ottó Titusz Bláthy and Miksa Déri demonstrated their invention, the transformer, thus revolutionizing the electrification of large and small communities. Long distance electrical transmission and major hydroelectric power plant equipment were exported to the major Western countries. The use of electricity for railway engines was the achievement of Kálmán Kandó and this very major contribution was made in 1896. The same technology was used for electric streetcars and thus urban transportation also underwent revolutionary improvements. Kandó returned to Hungary after a successful stay abroad and became the technical director of the Ganz Works. Some years later he became the CEO.

Hungarian communication technology was also in the forefront. The first telephone center in Europe was established in Paris in 1879 by the Hungarian Tivadar Puskás, who was an employee of the Edison Company. The first telephone center in Budapest opened in 1881. The Zsolnay porcelain factory in Pécs also became involved in communications by developing porcelain insulators for wiring systems. The concept of electrical mass communication also originated with Tivadar Puskás and his telephonic news service was the marvel of the world in 1893. Shortly after the turn of the century there already was a telephone manufacturing plant in Budapest that was purchased jointly by the Swedish Ericsson Company and Zsigmond Kornfeld's bank.

Similar modernization occurred in agriculture with the development of advanced educational facilities and major technological innovations.

Transportation also improved and developed. The Hungarian National Railways were established. In one decade the system's lines was expanded by one thousand kilometers while the still prevalent pri-

vate lines expanded by 2,400 kilometers. These expansions were also motivated by increased mining activities in the Salgótarján Basin. The financial backing for all of these developments was provided by the banks, including Zsigmond Kornfeld's Hitelbank. There was a simultaneous expansion in local and regional road and rail traffic and Zsigmond Kornfeld was one of the bankers who realized the economic potential of these short distance transportation systems. Many of these advances were due to commercial interests but there was also the political and public enthusiasm aspect of the forthcoming millennial celebration in 1896.

It was in the same general era that the activities of Manfréd Weiss became significant. The Manfréd Weiss family and the Kornfeld family came together when Móric Kornfeld, Zsigmond's second son, married Marianne Weiss, the second daughter of Manfréd Weiss. This union was viewed as a natural, by linking the families of the largest Hungarian capitalist and of the leading financial expert.

MANFRÉD WEISS AND HUNGARIAN INDUSTRY

Manfréd Weiss's grandfather was not born in Hungary but lived there much of his life. According to family tradition he was born in a small village in Moravia where he was a pipemaker or perhaps a tradesman. It is known that his sons, Adolf B. Weiss and Arnold B. Weiss were born in Pest at the beginning of the nineteenth century.⁴⁴ The brothers traded in Czech plum jam and other produce. Adolf Weiss had six children. The youngest, Manfréd, born in 1857, became the best known. The career of an older brother, Berthold Weiss, born in 1845, was also noteworthy.

Manfréd Weiss attended a commercial training program and then worked in Hamburg as manager for a company engaged in colonial trade. When his father became ill, in 1877, Manfréd returned to Budapest and joined his brother's business. He brought a new perspective to the business. During the occupation of Bosnia and Herzegovina, the brothers, jointly with the Pongráz and Deutsch families, participated in the organization and administration of military supplies and their deliv-

ery.⁴⁵ After Serbia gained independence, following the Russo-Turkish War of 1877–1878 and Bosnia-Herzegovina came to be administered by the Monarchy, the Bosnian railways became part of the Austro-Hungarian network. The families contracted with the Ministry of War for the commercial utilization of the railway. The strength and position of the Weiss family increased both economically and in the opportunities for capital investments. At the time of the agrarian crisis, the family invested their funds in real estate. One of its purchases was a significant block of housing on Sugár út [Avenue] (later Andrásy út)⁴⁶ and it also made major investments in the area of the Új [New] Lipótváros borough of Budapest. There, following the war in the Balkans, Manfréd Weiss and his brother became members of the Board of Directors of the Magyar Vígszínház Rt. [Hungarian Comedy Theater Co.] which ran the Vígszínház, the first Hungarian private theater. It was built on property owned by the Weiss brothers.⁴⁷

In 1883, the brothers, again with support from the military establishment, founded the first Hungarian packing plant.⁴⁸ Instead of the Czech plum jam, they produced canned Hungarian goulash. Several years later, once again with the support of the Ministry of War and in the spirit of the Joint Military Economy regulations, they built a factory to manufacture ammunition, shells and ammunition boxes. Their products gained the approval of the German military leadership and shortly thereafter an affiliate plant was established in Berlin. In 1890, under the presidency of István Tisza, the Magyar Ipari és Kereskedelmi Bank (Hungarian Industrial and Commerce Bank) was established with the Weiss brothers as its principal shareholders. With government sponsorship the Hungarian Arms and Ammunition Factory, Incorporated was established and its management was entrusted to Manfréd Weiss. Working with the bank, the brothers participated in the establishment of the Hungarian (Danubius) Ship- and Machine Company. In 1892, following a minor explosion at the plant in the city, they moved to the Island of Csepel where they built a new and much larger factory.

The family's contacts were broadened by the public life of Berthold Weiss. The activities of the Weiss brothers were viewed favorably by the traditional leading political classes who promoted their assimilation actively and benevolently. It was the Weiss brothers' activities that made Hungarian war materiel acquisition and production

entirely independent from foreign influences. Following the millennial exhibit in 1896 that commemorated the Hungarian conquest of the Carpathian Basin, Emperor Francis Joseph ennobled Manfréd Weiss with the predicate of “csepelel.” Shortly thereafter the brothers formally parted company. The reason was not a family disagreement but the elimination of any potential conflict of interest. Berthold Weiss was elected to parliament on the Liberal ticket and, because the company was working very closely with government agencies, it was appropriate that he resign from active participation. In this way Manfréd Weiss became the sole owner of the First Hungarian Canning and Metal Manufacturing Company. In addition to the above activities the brothers also established the Hungarian Textile Manufacturing Company, in cooperation with Izidor Mauthner, in 1894.

It is not known when Manfréd Weiss and Zsigmond Kornfeld became acquainted. We know, however, of one instance when they were in touch. In 1906 they were both members of the Industrial Council.⁴⁹ Their careers were very different. It was László Varga who pointed out in his repeatedly cited work that Manfréd Weiss was the only one who entered banking from the side of industrial capitalism. In his factories bank capital never played an important role in spite of the fact that Kornfeld and Weiss frequently collaborated.⁵⁰ The career of Zsigmond Kornfeld started in banking. This difference in their careers was manifested in the differences between the various organizations and establishments with which the two men were associated. Manfréd Weiss was one of the founders and the vice president of the Gyáriparosok Országos Szövetsége [National Association of Manufacturers] (GyOSz). The companies that did not belong to GyOSz associated with the Hitelbank and became members of GyOSz only after Zsigmond Kornfeld's death.⁵¹

ON THE WAY OF BECOMING A HUNGARIAN

Sociologists and historians consider awards and honors bestowed on persons as symbols of integration. Of the generation, which included Manfréd Weiss and Zsigmond Kornfeld, few received them. In spite of considerable contributions made by many of the mod-

ernizers, only 28 percent of the official honors or awards given out were bestowed on this group.⁵² It was at the end of the World War I that the Weiss family received this form of recognition. In 1918 it was awarded the barony.⁵³ The coat of arms clearly shows the various contributions made by the family. A large cogwheel emerges from running water. A lion stands on the wheel in full frontal view with the mouth open and the tongue protruding. The right paw holds a black bomb and in the left weaving shuttle. Two black eagle's wings emerge from the crowned helmet. The motto is: *Labor omnia vincit* [Labor defeats all].⁵⁴

On Zsigmond Kornfeld's tomb in the Kozma Street cemetery the following inscription can be seen: "Baron Zsigmond Kornfeld, Member of the Upper House of parliament—III. 27, 1852—III. 24, 1909." The emphasis is on the end results of his life and activities. Shortly before his death Zsigmond Kornfeld accepted the barony. On the coat of arms there is a nest in a crown on a blue field. A pelican in the nest feeds his four offspring with his own blood. Two golden lions support the shield. The motto is: *Breve Est Tempus* [Time is short].⁵⁵ The Kornfeld coat of arms is thus more traditional and refers more to the ideals of the recipient than to his occupation.

Zsigmond Kornfeld's wife, Betty von Frankfurter, is listed in all Hungarian documents with a Hungarian first name as Borbála, an indication of the family's desire to become assimilated. There were four sons and a daughter, György (b. 1880), Mária, (b.1881), Móric (b. 1882), Pál (b. 1883) and Ferenc (b. 1894). The life of the firstborn was tragic: he committed suicide in 1901. According to Radnóti, György showed strong romantic tendencies at an early age and showed little inclination for assuming the responsibilities of adult life. He was engaged to a young lady from a modest family. Móric Kornfeld wrote later that, "My parents not only did not oppose the marriage, but my father indicated that he would give the young woman the same dowry he would give to his own daughter. The only condition he set was that György finish his legal studies before the marriage."

Zsigmond Kornfeld was very understanding of György's ideas because he, himself was very interested in the humanities and in philosophy. One Saturday, going to Rákfalú by train, he left the book he was reading in the compartment. It was the *Imitatio Christi* by Thomas à Kempis, the fifteenth century Dutch theologian. On his way back, on

the following Monday, the conductor returned the book to him and when Kornfeld asked him how he knew that it was his book, the conductor said, "On this train only Your Honor reads Latin."⁵⁶ His library included a history of the papacy that he reread from time to time, a biography of St. Francis, and Renan's *Vie de Jesus* that was very popular at the time.⁵⁷ He frequently read the works of Spinoza, perhaps in the translation prepared by Ármin Balog. In spite of these interests, his daily work firmly anchored him in the present.

Zsigmond Kornfeld considered journalism to be very important and considered his contacts with the fourth estate useful and valuable. He subscribed to several papers, including the Tisza Party's *Budapesti Hirlap* as well as the Social Democratic Workers' Party paper the *Népszava* [People's Voice]. His friends included the great journalist of the era, Jenő Rákosi, the founder and editor in chief of the *Budapesti Hirlap* [Budapest Journal].⁵⁸ He liked and respected Andor Miklós a young journalist.⁵⁹ Elek Gozsdu, the "Foggy Knight," one of the path-breakers of modern Hungarian prose was also a friend.⁶⁰ Miksa Falk,⁶¹ Béla Lederer,⁶² Mór Kármán,⁶³ and Bernát Alexander⁶⁴ were all acquaintances and some were even close friends. The biographer of Ignáz Goldziher⁶⁵ refers to him as one of Kornfeld's friends. Later in life it can be seen that the interests and calling of Móric Kornfeld had their basis in a paternal inheritance and motivation.

The list of friends and acquaintances includes both ethnic Hungarians and Jews in about equal proportions. In spite of his profound interest in Christianity, Zsigmond did not convert. He remained a Jew and his ideal was the establishment of a modern Jewish congregation. He wished to follow the footsteps of Áron Chorin⁶⁶ and Áron Kornfeld.⁶⁷ According to his biographer he had been living in Budapest for twenty years before he became involved with the Budapest Jewish (Israelite) Congregation. In 1896 he was approached by a delegation from this congregation asking him to become a member of the representative body.

It was at this time that the "Reception Movement" was at its height.⁶⁸ In 1868 the law declaring equal rights to the Jewish religion was enacted.⁶⁹ It stated, "The Israelite citizens of the country henceforth will enjoy complete equality with the Christian citizens in all civic and political rights." At this time there were two directions along

which the major movements in this matter progressed. One approach interpreted equal rights very broadly and proposed that the Jews should relinquish special interests and submit to the greater, universal interests of the country and demonstrate that the satisfaction of their own interests was aligned with the universal interests.⁷⁰ Vilmos Vázsonyi was the leading figure of this movement. According to the other approach, the subscribers of the Jewish religion should demand their own special privileges and should fight for them on the political battlefields. Later, Vázsonyi also subscribed to this approach in order to avoid an open clash between a united religious Jewish front and the hegemony of the Catholic Church. In 1892, the so-called Reception Committee was established. This committee, proposed by Vilmos Vázsonyi, picked Zsigmond Kornfeld as its vice president.⁷¹ The principles on which this committee proceeded were, in Vázsonyi's words, "The Jews by virtue of their numbers, education, economic significance and patriotic contributions demand equal rights for themselves." Zsigmond Kornfeld accepted his Jewishness and Hungarian identity with equal pride. On Yom Kippur he fasted, not only because of tradition but, as he stated, because it entailed an effort on his part. He rapidly became the moving spirit behind the Budapest Jewish Congregation, first as chairman, vice president and then president. Nothing happened without his knowledge and approval. It was on his initiative that the chief rabbi of Prague was invited to Budapest. This rabbi had the reputation of being a reformer and this was the reason why Kornfeld chose him. Yet the new man did not support the reforms and, in fact, proved more conservative than his predecessors.

At the time of his death, Zsigmond Kornfeld held twelve paid positions in addition to the presidency of the Hitelbank. He was a member of the board of the Creditanstalt, president of the Cukoripar [Sugar Industry], of the Ganz Villamossági Rt. [Ganz Electrical Company], of the Kőolajfinomító [Oil Refinery, Inc.], of the Fiumei Rizs [Fiume Rice Co.], of the Magyar Folyam és Tengerhajózási Rt. [Hungarian River and Ocean Navigation Co.] (M.F.T.R.), of the Franklin Társulat [Franklin Co.] and of the Hungária Malom [Hungaria Mills], vice president of Ganz-Danubius, the Fegyvergyár [Arms Factory] and of the Beocsin Cementgyár Rt. [Beocsin Cement Works]. Even though twelve such positions did not seem unusual at the time, it triggered serious criti-

cism. In opposition to this concentration of wealth and power there was an increasing development, during the last third of the nineteenth century, throughout Europe of a socialistic, egalitarian and anti-Semitic movement.

The sociologist György Lengyel defined this social group to which the Kornfeld and Weiss families belonged as the “multipositional elite.”⁷² An interesting and typical case is that of Sándor Hatvany-Deutsch who designated Zsigmond Kornfeld as the executor of his last will and testament.⁷³ When the Hatvany-Deutsch family rose to its highest level in wealth and influence, during the 1890s and the first few years of the twentieth century, Zsigmond Kornfeld raised the question of whether the family did not occupy too much of a position in the banking profession. Three members of the same family were in the directorates of four banks and, according to Zsigmond Kornfeld, this family combine had a deleterious effect on the banks. For this reason Kornfeld asked for the resignation of József Hatvany-Deutsch who worked in the Hítelbank. As retaliation Sándor Hatvany-Deutsch removed Zsigmond Kornfeld from being the executor of his will. Kornfeld had not acted for reasons of ethical propriety but simply in the interests of the bank.

The major concentration of positions of wealth and power, characteristic of a large group of Christian aristocratic families as well, raised strong feelings of resentment in increasingly large groups of people. A later member of the Weiss family, Móric's brother-in-law, Ferenc Chorin, Jr., was the moving spirit behind a law that tightened the rules of conflict of interest. When this was enacted Chorin himself had to resign from being a parliamentary representative. He was promptly appointed to the Upper House of parliament by Regent Miklós Horthy. Ferenc Chorin thus maintained his position, albeit on slightly different grounds. There is a very large literature on the concentration of wealth and power even before World War I and an even greater number of such works after.⁷⁴ The Weiss family must be included among the first fifty families of finance capitalism regardless of which volume of statistics or assessment we examine.