

ITEM No. 10917/56

SPECIAL ATTENTION:

Political Advisor  
Audience Analysis  
Translation Pool  
Mr. Graveson /2 copies/

KK  
Dec 7  
I-16468

HUNGARY

EXILE /1200/  
Refugees /1204/e/

PERSECUTION /2200/  
Deportations /2201/a/

CSEPEL FOREMAN ON DEVELOPMENTS IN HUNGARY

SOURCE MUNICH: Source a former foreman was a workers' delegate and attended a meeting which designated a body of representatives to negotiate with KADAR. Source left Hungary in the evening of November 19, 1956 accompanied by his wife and six-month old daughter.

DATE OF OBSERVATION: Until November 19 1956.

EVALUATION COMMENT: On November 3 KODÁLY was elected president of the National Committee of the Hungarian Academy of Sciences. On November 1, Ferenc FARKAS, Secretary General of the National Peasant Party suggested the election of KODÁLY to President of a paramount national council to be organized in order to exercise the functions of the head of State.

Radio BUDAPEST claimed on December 1 that 19,000 workers resumed work at the CSEPEL Iron and Metal Works. It is known from Western news agency reports that CSEPEL was one of the areas of BUDAPEST where resistance lasted for the longest time. Therefore, it is probable that the CSEPEL factories suffered very heavy damages.

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Comments on RFE.

RFE was of great service during the critical stage of the Hungarian freedom fight. RFE was the only organ which could help freedom fighters to coordinate their actions by listening to the reports by various free radio stations relayed and re-broadcast by RFE powerful transmitters.

/more/

Source suggested that more broadcasting should be done on the 13 m short-wave band where audibility was almost perfect. Source -- along with many others -- stated that on this wave-length RFE broadcasts were irregular and stopped from time to time without any obvious reason. Jamming was insignificant on the 13 m band.

Workers' Council-Demands.

When the Workers' Council drafted the first list with 10 demands, a suggestion was made; allegedly by secret supporters of KADAR, insisting that the Council name a candidate for Premiership. No candidate was named, source stated, for two reasons: a/ the workers did not have a definite candidate, b/ they were afraid to name a candidate fearing that their man would either be arrested or deported. Source stated that the university students had picked the composer Zoltan KODALY as their choice for Premier.

The Strike.

Source does not think that it was possible to call off the strike completely. Even if the workers returned to the factories, the lack of ~~electric~~ current and raw materials would make production impossible. He also felt that most of the CSEPEL enterprises were so badly damaged that work could not be resumed for months.

Plans for the Future.

According to source, the CSEPEL Workers' Council had decided that in the future all factories should be run along the lines of "Workers-Capitalism." The workers should decide who was to be the director, what wages should be paid, with whom to deal in retail operations. It was further intended to distribute additional profits of the enterprise among the workers and not to follow Yugoslav patterns.

End.