

LIMITED DISTRIBUTION

CONFIDENTIAL

READ AND DESTROY

28

ITEM NO. 4604/36

/ NOTE: This is the English Translation
of Special Report No. 212./

BS
April 30
XII-3265

HUNGARY

EXILE /1200/
Refugees /1204/
Balloon Campaign /1207/f/

ANSWERS TO AUDIENCE ANALYSIS
SCHEDULE.

SOURCE LONDON: Confidential source.

DATE OF OBSERVATION: Until the beginning of December 1955.

EVAL. COMMENT: The conspiracy referred to in the report by the initials of its organizer /L.G./ is not covered in our files.

The factual details supplied in the report on various aspects of the Hungarian economy /e.g. great losses due to heavy exports to the Soviet Union; harsh pressure put on the population during the subscription campaign of the 1955 "peace" loan; mismanagement at the sovkhoses; tightening up of norms and the ensuing drop in wages; poor conditions of the railroads; shortcomings of other branches of communications etc./ are concordant with a large number of earlier reports.

The "blasphemous" Saturday afternoon program also known under the name of a "Game of Cards" was started in the fall of 1955 and is still going on. It would like to be a caricature of "reactionaries" who find fault with everything. Their "reactionary" way of thinking is underlined - in the intention of the author -- by the frequent

/more/

references to the name of God, so that it sounds mockingly exaggerated.

X X X X

Comments on Western Broadcasts.

"I was only occasionally able to listen to foreign broadcasts on my four-tube Standard radio set. In BUDAPEST, reception of stations like MUNICH, LONDON and WASHINGTON was very bad. In the Trans-Danubian parts of Hungary the broadcasts were much clearer. However, workers had good reception of RFE night broadcasts and used to discuss the programs at the workshop. Every morning we "evaluated" the news heard on RFE. We usually did this in the most optimistic way, which made our daily work easier."

Source was transferred from the plant in 1955, because he tried to rescue two workers who had been arrested by the AVH for reading and spreading leaflets.

"Every year, I usually visited friends living in the Trans-Danubian parts of the country. There receiving conditions were good. I was able to listen to some of my friends broadcasting on Western radio programs. We knew the exact time of these and if one program fell out, we got worried. Workers, farmers and intellectuals living in the country obtain their information through the Western radio; the news is the most important topic everywhere.

"There are confirmed optimists and pessimists among the listeners. The optimists - under the influence of foreign broadcasts - expect liberation within the next six or eight months. They have been doing this for years. The pessimists do not have such hopes anymore.

"At our plant we listened hopefully to news commentaries and military programs. Everyone is aware of the military significance of the Middle and Far East. They are pleased by Germany's rearmament, which they consider a sure promise of military action. But people find the speed of preparations very slow.

/more/

"These questions are openly discussed in bars. No-one is afraid of informers and I never heard of anyone informing on these discussions. Newspaper quotations and press summaries are among the most interesting items, and people get to know the names of Western columnists. LONDON cultural programs are also liked. Listeners learn about British actors and film stars through these programs, and are proud of knowing something about LONDON's cultural life. The popularity of BBC cultural broadcasts is increasing.

"The writers' 'November revolution' was not much discussed at home. Western broadcasts attached too much importance to it. The writers in question were Muscovites. Sooner or later they will confess their sins and go on serving the regime. We at home found it much more important, that circumstances had deteriorated to the extent that even Communist writers rebelled. This fact should be emphasized to the West and not to Hungary. People were pleased that the Muscovite writers were attacked in the "Literary Program," although we at home hardly read anything of their works.

"Andrew MARTIN's Tuesday commentaries in the BBC program are not so popular as they were during the years following the war. His sarcastic tone and the optimistic way he lectures the Communists lost its magic after ten years of oppression. A quiet toned, clear and clever picture on the situation would have more effect.

"But on the whole it is difficult to say which is better: an objective news service, or an offer of hope. The present situation is so bad, with the withdrawal of concessions given last year and the deterioration in the economic situation /lower wages, lack of food stuffs the threat of being pensioned off/ that it would be the end if people lost hope. Only those with deep religious feelings are able to bear the hopelessness which comes with the objective news received from Western broadcasts.

"I personally was very disappointed to see the present indifference shown by the West for our cause. Especially that DUELLES, in his New Year's message for the people

/more/

behind the Iron Curtain, emphasized their liberation by peaceful means. I know that at home this message caused great distress because in Hungary no one believes in the idea of liberation by peaceful means.

Balloons, Leaflets.

"In September 1955 I saw the first leaflets in BALATONFURED. The vineyards were covered with them. I do not remember much of the content, only the fact that it encouraged opposition. The same day the AVH ordered the population to hand all leaflets in. At the same time, someone coming from VESZPREM brought the same leaflets. Others were dropped on the same day over KOROSHEGY and BALATONFOLDVAR.

"The notice to surrender the leaflets threatened up to eight years imprisonment. Such drastic punishment was given in the environs. The AVH heard about the leaflets being circulated at the plant and we were taken by the AVH, together with an older employees, to the police station of the XI district.

"From 0800 hours till 1800 hours I was questioned every half hour. The AVH did not believe that "I was not interested in the leaflets." By the evening, the extremely aggressive tone of the hearing changed a little. I learned later that 50 per cent of the plant's employees were arrested and questioned in separate rooms. From their confessions it was apparent that I did not want to see the leaflets. I, as the administrative superior should have reported to the Party secretary that leaflets penetrated into the building. In the evening, I was offered a glass of water and a cigarette. I had to promise not to tell anyone about the hearing. This promise was taken from all of us. Within two weeks I had to return twice to the police station and was questioned from morning till evening, and always asked the same questions. The sad result was that two of our honest workers /NU/ were sentenced respectively to two and two and a half years imprisonment.

"Afterwards I heard that this balloon trial was planned to be a show-trial and the whole Trans-Danubian

/more/

country was to be involved. I was informed from reliable quarters that the BUDAPEST public prosecutor turned to his counterpart in NAGYKANIZSA to investigate simultaneously with the trial of our plant: who was in possession of leaflets and who circulated them? The public prosecutor of NAGYKANIZSA replied that such a large number of leaflets was dropped over the area that people were using them for fuel and therefore an investigation would be useless. At the trial, eight employees of our plant were present as witnesses. The court consisted of the presiding judge, four lay judges and the prosecutor; the defendant was not allowed to say a word. The courtroom and the building were invaded by AVH men and the witnesses carefully watched.

"The leaflets undoubtedly have a morale effect: they give tangible link with the West. People can read counter-propaganda to the Soviet-Communist variety they get in Hungary, and this fact makes it worth while. At the start of the leaflet action, simple minded people held it as a preliminary step for an armed liberation - this was foolish.

Precautions by the Public.

"Whenever apartments are searched, police make a point looking at the dial of the radio set. If it stands at a Western station they invent an additional charge, involving radio listening, against the tenant of the apartment.

"Middle-class people only discuss foreign broadcasts in secret, but workers discuss them openly in bars. Bars and restaurants are known to have informers on the staff.

Influence of Western Broadcasts.

"I do not believe that Western broadcasts influence the Government. The halting of deportations and the 'improvements' were on orders from MOSCOW. Imre NAGY was MOSCOW's puppet. I believe that the Communists were compelled to set RAKOSI aside for a short time while preparing for the GENEVA talks and trying to bring the West's opinion slowly round to their advantage. RAKOSI, the

/more/

"iron hand," could not disavow himself by concessions, therefore he stood aside and remained prepared in case the peace policy of MOSCOW took a turn. It can be attributed to his Communist discipline that when Imre NAGY took over power in RAKOSI's presence ^{made} serious accusations against him, he did not even drop his head, but cheered at NAGY's speech with the others. Both of them were merely acting parts.

"In the view of our plant's Party secretary, the majority of leaders of the Party are believers in a Communism independent from MOSCOW. They are admirers of RAKJ and want to follow TITO's example. He heard in the Party itself that some considered the possibility of a Danube Confederation with the help of the West and under TITO's leadership. Rumania would belong to this Confederation too. The whole plan would mean TITOist Communism.

"But the population hopes for more. The concessions by Imre NAGY raised hopes higher than TITOist Communism, but then RAKOSI stepped in again and switched back to terror. According to our Party secretary, RAKOSI was the only one able to control the TITOists within the Party - at MOSCOW's orders. The majority - according to the Party secretary - are prepared for an "inner revolution" /within the Party/ the moment a slight split appears.

Calling for Resistance.

"According to the opinion of friends and regular radio listeners, the call for resistance has got less since summer. I approve of this. Resistance movements in the geographically more favorable East Germany and Czechoslovakia came to a standstill too. The suppression of the East German uprising left very sad memories in people's minds. In an isolated position and without any serious Western military cooperation -- meaning Hungary in particular, which has more Soviet troops than ever before and where even the Hungarian Army is ruled by Soviet officers -- any uprising would end in tragedy.

"In the event of success, the East German uprising could have had a stimulating effect, but as it was so

/more/

quickly suppressed, and because this fact was repeatedly emphasized by the Communist radio and press, it did not result in any serious resistance movements elsewhere. People used to complain at the time that RFE hardly mentioned the East German uprising. They felt the West had let the East Germans down.

Resistance in Hungary.

"It is quite obvious to people in Hungary that open resistance would have terrible consequences. There were a few childish, irresponsible resistance groups, the members of which,-- though their activities had little importance -- had to suffer deportation and lifelong prison sentences. Often people who had not connection with the organization were punished.

"A few months ago the resistance movement of L.G. was discovered. I met him several times but had no idea about his plans. One day the place where we used to meet was searched, but nothing was found. Later on, we heard that a list of men whom L.G. considered fit for government posts was found at his apartment. L.G. was sentenced to life imprisonment, and many of the imaginary "government members" are still under arrest. Such kinds of childish play are unforgivable. Only the old bourgeois class would make such experiments, men who are unimportant but can do harm to other people by involving them in their plans without their knowledge.

"It is only the working class which can carry on resistance activities in the factories. After the introduction of the new norms, wages dropped considerably but food prices remained high and even increased. Arbitrary leaving of the place of work has been severely dealt with since summer. Nightly control visits at the enterprises, in which desks are inspected and a search is made for stolen goods, faulty products etc., were started again. Those who were found to have been careless lost their jobs.

"In return, the resistance of the embittered working class is expressed in a slack attitude toward the working

/more/

competitions, large scale production of faulty articles, non-fulfilling of the plan, damaging of machines and pilfering.

Conception of Hungary's Liberation.

"I can merely record the opinion of my own circle, which included doctors, engineers, workmen and former shopowners. They do not believe in a collapse of Soviet economy. The USSR lives on despite all economic crises. It even keeps a huge army just to suppress any resistance among the captive nations.

"We consider China dangerous and think that the Soviets are mainly afraid of this country. The Soviet Union was helped by the Western powers, when they handed over the peoples behind the Iron Curtain, with their huge economic power, to the Soviets. It was mainly the captive nations which provided what the USSR needed after the war for the modernization and build-up of its army.

"Hungary's exploitation in this respect was enormous. The factories -- like the one in which I was employed -- are working for export. And for the exported goods the State and the factories get a ridiculously low return. I was told by a MAWAG workman that the Soviets pay only one quarter of the production costs of a modern railway engine.

"People are not afraid of war, and are not aware of the effects of a hydrogen bomb. No-one can imagine a liberation through peaceful ways. BUDAPEST people say the city's population would die of hunger after two days of siege, because there are no food reserves, either in private houses or the shops. They imagine a new war would be like a shortened version of the 1944/45 siege. In November we hoped that German re-unification would bring a permanent solution. If Germany were re-united, Imre NAGY would take over leadership within the Party. We even accepted the idea of a transit period of TITOist Communism in the country.

"All this sounds very naive, in the free world, but at home people used to say favorable things about TITO's

Yugoslavia. According to our workmen, in free elections the Communists would get hardly one per cent of the votes.

Conferences at GENEVA.

"EISENHOWER's opening speech at GENEVA caused delirious joy in Hungary. Parts of the speech, concerning the captive nations, were displayed in the windows of the American legation in BUDAPEST. People stood in masses in front of the windows and did not care about the police. BULGANIN's refusal did not surprise us, but we felt very hurt when the Western politicians stopped mentioning us. The closing address of EISENHOWER was again eagerly read by people and they started to hope again. We were encouraged by the Western radios as well, but unfortunately without foundation.

"The optimists among my friends continued to hope even after the conference, that a secret agreement had been reached between EISENHOWER and ZUKHOV and political terror would be eased. Disappointment after the foreign secretaries conference was all the greater. We were not much surprised. We felt there was not possibility of agreement, as RAKOSI had already issued orders for tightening norms and to force the over-subscribing of the peace loan. Employees had to pay more than in preceding years. An employee in our factory lost his job because he refused to subscribe. AVH men knew the names of workers at the RAKOSI works who encouraged others not to subscribe. These men were "removed" and the remaining workers signed what was asked of them. At the time of the subscription, permanent AVH committees sat in the factories and the sums had to be signed in their presence. According to rumors, only 50 per cent of the Peace Loan was subscribed, but the press announced, that it was exceeded. People of the rural areas refused to subscribe -- it was said -- but I do not know if this was true.

"At the time when we still hoped for a favorable outcome of the GENEVA Conferences there was much talk among former factory leaders and engineers about how the economy should be set right after liberation. It was obvious that first of all the unhealthy, over-developed heavy industry

/more/

should be reduced. Only the agricultural machinery, the consumer goods industry, precision mechanics and small craftsmanship have a future. In 1944, the precision engineering industry employed around 100,000 well trained mechanics. This number has sharply decreased because there is no replacement and the training of apprentices is very poor. Without good technical books, the precision mechanics cannot develop.

"We could see from the foreign scientific reviews, which once in a while we had a chance to read, how dated the machinery in our factories was. Most of the modern machines imported in 1950 stand still in want of spare parts. The workers have to fulfil the "plan" on old machines; this results in poor quality. There was an opinion that the best thing to do after liberation would be to get new, modern machines from factories abroad.

"Who would advance the capital needed if the factories return to private ownership? This is a problem. If the factories remained nationalized, their start would be more difficult. In pre-war times the MAWAG and DIOSGYOR enterprises were in the hands of the State; they had a clumsy administration and worked with a deficit, while at the same time the privately owned factories were prospering. The food-and-canned food industries should be modernized. The same applies to the agricultural factories and to the small craftsman industries. Hungarian craftsmanship is still excellent.

"The trains are inferior, the rolling-stock is poor. Workers travel to the outskirts of BUDAPEST in cattle-trucks. Bad quality coal hard use and the neglecting of repairs have ruined the engines. Engine-drivers on holiday in MURED complained to me about this. For many years the yearly production of engine and truck factories has been absorbed by the USSR. Transportation is backward. The plan of building a subway has been abandoned. Street-car traffic is slow and crowded. Engine trouble on buses is frequent, several buses a day having to be withdrawn from service. BUDAPEST got trolley-buses which had been rejected by the USSR. They are uncomfortable, the doors are narrow and their construction is bad. Taxis, with the exception of a few new Czechoslovak and Soviet ones,

are old-fashioned. Old drivers say that the taxis are ruined by women drivers. State owned carrier firms use inferior trucks, are over organized and hardly do any work. Cooperatives or private firms are unable to get trucks for deliveries.

"Frequently the nationalized "Elektroimpex" was unable to obtain a truck to collect the finished goods from our co-operative, although a ship was waiting for the goods and a penalty had to be paid for the delay. Transport difficulties also occurred with goods manufactured for export. Harvesting gets behind time. The fruit is taken from the producer by a state trading company and reloaded several times. By the time it reaches the BUDAPEST distribution center the majority of it is rotten and thus wasted. The fruit bought by the consumer is unenjoyable. Rotten vegetables are used up by canning factories and canteens. BUDAPEST is sometimes flooded with cabbage, but no other vegetable is available. In case of a change all this has to be improved upon, and the welfare of the workers has to be ensured.

Future Form of Government.

The majority think of a neutral republican form of government, similar to Austria, and a state treaty with Czechoslovakia and Austria to form an economic unit. People do not like the idea of a long lasting economic treaty with Yugoslavia as "Titoism is, after all, Communism." Men of the old school consider it necessary that people in the leading positions should co-operate with those emigres who acquired good connections in the West. Young people do not even want to hear about this, as they think the exiles would merely serve their own interests at home. Advisers will be needed who have lived and gained experience in the West.

"A great amount of tact will be required, particularly as regards political screening. A number of Communists joined the Party to ensure an existence for their families. Many of the departmental heads, vigilants and State Security informers are women from BUDAPEST who serve the Party with great devotion. This

/more/

means that all Communists cannot be judged alike. In the factories objective witnesses will have to be found as personal revenge will be enormous. One has to reckon with atrocities especially in the provinces.

Measures to be Retained.

"From the measures introduced after 1945 only social services should be kept. Peasants should also be covered by sickness benefit. The Communists made political capital out of the social services. Pensions existed previously but were called civil-list pensions. In private firms the workers' interests were often better protected than now. The sickness benefit of agricultural laborers is still unsolved.

"Large estates should not be restored. Estates of 500 "holds" which are well equipped and have an energetic owner-farmer produce the best results. The new farmers, who received a couple of "holds" lead a miserable existence; in the future, therefore, they should be given more land or it should be bought from them. Former owners of large estates also should receive compensation. Co-operatives should be maintained; individual, competent farmers should join them. Yet the co-operative as a method has lost its reputation to such an extent that even the Danish kind of cooperative production would be objected to. Cheap ploughing will be needed, on a paid work basis, allocation of choice seeds, corngrain, state loans etc.

"In 1947/1949 Communist propaganda drew the destitute peasants and farm laborers to BUDAPEST to work in factories. The Party was best able to control these new working masses. Some of them will again try to find a livelihood in the villages, through working a day at a time driving trucks or gardening. Their social welfare will have to be taken care of. They have to get healthy apartments, schools and good doctors and should not be left at the mercy of large landowners. These destitutes were at the beginning the most devoted Communists. Now they yearn for the olden days to come back, although they were much worse off then.

/more/

"Some of the old agricultural experts were called upon two years ago to investigate the working of State farms. One of them, the manager of a 3,000 'hold' estate, told us that one liter of State-Farm milk costs eight or nine forints, the corn ten times the delivery price. The model farms which are shown to foreign visitors, work at a great loss. They have culture halls, luxurious farm buildings,, cinemas and terrible administration. The State farms have three white-collar workers to every laborer. All this will have to be stopped. It should be done early on, as people are suffering from nervous exhaustion, they have become indifferent, elderly people are afraid to accept responsibility, and the young ones have no qualifications. Nevertheless the young would learn fast.

Radio BUDAPEST.

"I did not listen regularly to Radio BUDAPEST, just occasionally to a concert at the home of friends. For many months BUDAPEST had a Saturday evening cabaret program to which I listened regularly. It was broadcast after the 2000 hours news and included the cabaret numbers of Endre MAGY and Vilma MEGGYASZAY. As far as I remember the cabaret on the first Saturday of November consisted of making fun in words, songs and sketches of the expression "Thanks God." The program was build up on slandering God. One of the charwomen at the BUDAPEST studio told us that anonymous telephone calls and letters arrived at the radio station the same evening."

Western Broadcasts.

"Objective and detailed political, military and economic information and press reviews are the best method of fighting Communism; but the objective truth should not stamp out that hope which is always reckoning with an imminent change. People was particularly upset with the two GENEVA Conferences and the news broadcasts on them.

"People expect the liberation in various forms, yet

/more/

always with Western interference. It cannot be resented that after ten years of oppression, suffering, poverty, economic destruction and bundling the Hungarian people would not mind if their liberation was at the price of bombing MOSCOW, LONDON and NEW YORK.

End

LIMITED DISTRIBUTION

READ AND DESTROY