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CENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT**

COUNTRY **Hungary**

SUBJECT **Budapest Machine Tool Factory**

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1. The Budapest machine tool factory (Forgácsólo Szerezámok gyára) is located at 139 Ferenc Reitter utca (street), in the 13th district of Budapest. The factory existed before World War II but was comparatively unimportant. In 1946 the war damages were repaired and the factory was enlarged and modernized.
2. The factory consists of a main building and two smaller ones. The main building, at the corner of Ferenc Reitter and Kesskenő streets, has four stories and is L-shaped. The offices are on the Ferenc Reitter street side. The wing on Kesskenő street contains: In the basement, sorting department; first floor, grinding and milling shops, maintenance and repairs; 2nd floor, heavy lathe shop, precision workshop, pecking room; 3rd floor, lathe department, grinding shop, precision grinding shop; 4th floor, thread-cutting shop, distribution. There is a small grinding shop in the court at the right of the entrance. The welding shop is on the ground floor near the Kesskenő street entrance. The scrap storage is in the open between the two smaller buildings.
3. Machinery and Equipment. In the milling shop there are six large milling machines, eight Soviet-type heavy chuck lathes, two planing machines, a Skoda turret lathe, and a large drill press. The grinding shop has 40 grinding machines. The heavy lathe department has 15 heavy lathes, 8 small milling machines, 3 small turret lathes, a large thread-cutting machine, 5 small thread-cutting machines, and 3 grinding machines. In the repair shop there are 11 chuck lathes, 3 milling machines, 2 drill presses, 3 grinding machines, and 6 joiner's benches.
4. Production. The factory makes various kinds of boring and cutting machines for

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export. It produces cutter heads, thread-cutting dies, reaming bits, groove cutters, gear bits, taps, twist drills, die heads, pitch cutters, reamers (to an accuracy of 1-1000 mm) etc. About 300 cutter heads, 350 to 400 thread-cutting dies, 350 to 400 taps, and 150 to 200 reamers are produced daily. The production rejected as defective by the Soviet inspecting commission, amounting to about 15 percent, is used in Hungarian industry.

5. **Personnel.** The factory employs about 1,500 hands, of whom 10 to 15 percent are women, besides 100 apprentices. There are two 8-hour shifts. Sunday is a day of rest. The manager of the factory is Director János Gyetvai, about 50 years old, a former workman and a Communist. The head of the repair shop is Béla Farkas, about 45 years old, who worked up from foreman to engineer. The head of the grinding shop is János Gábor, a foreman about 40 years old. Ordinary workers are paid about 700 forints a month. Skilled workmen are paid on fulfillment of quotas; they average 1,000 to 1,200 forints per month. Skilled workers assigned to special work are paid 4.50 to 5 forints an hour. The factory has its own canteen, where the midday meal costs 120 forints a month.
6. **Security Measures.** The factory grounds are surrounded by a stone wall two meters high, topped with barbed wire. Industrial police guard the entrance night and day, and only admit strangers after seeing their personal passes and after inquiring of the management. Workers and other employees are required to show their passes with photographs upon entering and leaving.

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