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(C) RT- (H) DRAFT 2nd 5-YEAR PLAN
 Munich, April 27, Monit/Leason...The Hungarian regime's draft plan for the second Five-Year Plan which was ~~submitted~~ "to the workers of the whole country" yesterday to enable "public discussion" of its aims provides for continued emphasis on heavy industry and collectivization. Polit

The plan was considered here as proof that in Hungary de-Stalinization has not yet extended to economic policy. D-26

It said industrialization as a whole must be increased by from 50 to 52 per cent during the second Five-Year plan. "One must start from the principle that the basis of the entire development of the peoples' economy is heavy industry," the plan said. Production in heavy industry must be increased by 60 per cent; in light industry (consumer goods) by about 40 per cent.

"The proportion of light industrial products must be reduced for economic reasons," it said.

The Hungarian draft plan was in contrast to aims set by the Polish prime minister, Cyrankiewicz, in a speech to the Polish Sejm on Monday, April 23rd. He said the disproportion between industrial and agricultural production must be adjusted. He said that industrial investments will be "relatively slower" in the next Polish plan.

In Hungary, industrial investment for the next five-year plan will be 78 billion (milliard) forints. This is a 12 billion forint increase over that in the first plan.

At the same time the plan provided that workers' wages and salaries will be increased by only 25 per cent. This was the lowest percentage figure presented in the draft plan.

It was considered here that the second-five year plan for Hungary is much the same as the first, with no expression of any of the "new course" ideas prevalent in 1953-54.

The draft plan calls for an increase in labor productivity by 46 per cent in heavy industry, 20 per cent in light industry, 34 per cent in the food industry and 34 per cent in the state construction industry. At the same time it calls for a "regular" reduction of production costs.

Observers thought that in the light of the aim to lower production costs, the 25 per cent wage increase will be difficult for the regime to meet. It was noted that no firm promise was made ~~to this extent~~ as to when this increase can be expected ^{or} in what form.

The plan called for a 40 per cent increase in foreign trade, one of the most favored areas of the Hungarian economy.

Agricultural production must be increased by "only" 27 per cent. In the "first place" will be development of "large-scale socialist farming". The individual peasant should also "be economically interested in making the best use of his existing reserves and in increasing his output."