

1956

CURT H. ETC PRODUCTION SITUATION

Munich, March 27, Monit/Lesson... Sunday's issue of Szabad Nep, the Hungarian communist newspaper, revealed serious shortcomings in the export-producing branches of Hungarian industry and backwardness in commercial relations with both the Soviet bloc and the west. D-23

The paper said that communist Hungary is short of raw materials "which are needed for the development of industry and agriculture". The paper wrote that "we have to earn indispensable foreign currency by exporting finished articles. In other words, we have to increase the quantity of our exported goods."

Trade with the other countries of the Soviet bloc was "far less" during the first two months of this year than in January and February 1955; trade with the west in 1955 was 28 per cent lower than had been planned.

The paper stated that no improvement in the export-producing enterprises can be noted for the first two months of 1956. The first quarter-plan, which should have been 65 per cent completed at the end of February, was fulfilled by only 52.6 per cent.

Western observers said that if the situation in the export sector of the Hungarian economy is as serious as Szabad Nep says it is, then it must be far worse in the consumer-goods and food-producing industries. They said ~~that~~ this latest emphasis on the importance of export goods confirms that there will be no change in the Hungarian regime's stress on heavy industry over the consumer goods industry.

Szabad Nep of Feb. 27th had stated that the sale of export goods was "exceedingly important in the first third of the year, for the money thus received enables us to buy foreign raw materials needed for the continuity of industrial production..." Sunday's editorial cited these examples of what raw materials have to be imported: 90 per cent of the furnace coke, one hundred per cent of the raw cotton and 70 per cent of the mining timber.

The Ganz Wagon Factory of which Comrade Istvan Nagy is chief manager, the paper said Sunday, has not fulfilled any of its plan for the first two months of the year. "This situation cannot be endured any longer," Szabad Nep said. In its Feb. 27th editorial, the paper had named the Ganz Wagon Factory as one of the export-producers which had been forced by a combination of bad weather, bad management, transport failure and shortage of coal partially to close down its operations.

If the consumer goods industry was similarly affected, no mention of it was made at the time.

(Alt. ① ④) *Production Situation*
Sunday's Szabad Nep goes on to relate the failures of the communist approach to commercial competition. D-24

First, "in the capitalist world market the most important condition for competitiveness is the term of delivery" of new products---that is, the time required to get a new product from the drawing board to mass production. In communist Hungary, "the introduction of the great majority of newly manufactured goods takes an exceedingly long time."

Second, "another condition for good trading is also the compliance of the seller to the demands of the buyer..." In this respect, the paper says, "our foreign trade organization is still characterized rather by bureaucratism than by commercial work style... The unorganized internal state of our foreign trade enterprises is extremely great... Records are unreliable... Business letters are often not answered for many months... The Komplex Trade enterprise has sent to Indonesia a business letter written in the Hungarian language..."

On March 21st, Szabad Nep had ~~announced~~ called for an overall increase in production in the first quarter of 1956---"the pre-condition for the realization of the entire 1956 plan". The Feb. 27th issue of the paper had said that the production ~~was~~ lag was greatest in the rolled steel sector which in turn greatly restricted the activities of ~~the~~ heavy industry.

Szabad Nep of March 18th claimed that increased production was the first of "two essential problems" treated by the 20th Communist Party Congress in Moscow.

The March 21st editorial demanded that "trade union committees must see to it that a lively interest is paid to competitions in order that achieved results may be published in the shortest possible time..."

"Seeing to it" was also discussed in the Moscow Pravda of March 20th. Pravda said that the material improvement of the Soviet people "obligates" trade union functionaries "to put an end to the vicious practice of not being willing to worsen their relations with economic workers and to prefer 'calm and harmony' to devotion ~~and~~ to principles, high exactness and intolerance towards shortcomings. It is known," Pravda said, "that obligations assumed under collective agreements are not observed in many enterprises. Trade union organizations do not note such violations, do not want to argue with the economic functionaries."

Szabad Nep of Feb. 22nd said "the majority of our party organizations in the plants also tolerate that in the organization of competition, the bureaucratic mistakes condemned (by) the central committee should

be repeated."

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The question of the treatment accorded innovation suggestions is also raised in the Hungarian press. D-25

Szabad Nep of March 5th said "very many innovations get covered with dust for weeks, months and even---although rarely---for years in the desks of one or another person responsible for innovations...It is intolerable that there are innovations presented one ~~year~~ year ago which some experts have not yet dared to touch."

Speaking of the deep impression on the Hungarian workers of "those resolutions of the 22th Congress which aimed at the material and cultural improvement of the workers' standard of living," Szabad Nep of March 19th said that "when and how we can introduce the reduction of working time depends on technical development, on the introduction of modern technical methods but chiefly on the fact that ~~the~~ working time should be properly observed, with the greatest discipline."

Rude Pravo, the Czechoslovak communist newspaper, discussed the seven-hour day in an editorial March 9th. Rude Pravo said "our party" is determined to take all possible measures so that "even in our country the seven-hour day can be introduced during the second Five-Year Plan."

However, the paper went on, the shortened day will be authorized only "when we manage to produce in those seven hours as much or even more products than in eight hours."

And then the communist paper complained that "in almost every enterprise", people are "willfully" granting themselves a seven-hour day or leaving the factories early or wasting time on the job.

Sunday's Szabad Nep, speaking of the "amelioration of conditions of working life" ~~was~~ stated that "twenty-six per cent of the Hungarian workers work forty-five hours per week for a salary of 48 hours and in certain branches (work) days are six or seven hours." The paper did not say what branches these were or what type of workers.

All the eastern European communist press has now given the same excuse for not following the Russian lead in ~~reducing~~ ^{AT LEAST} reducing the Saturday work-day: that individual productivity is not yet high enough to make this economically feasible. Likewise, all the East European communist regimes have printed appeals to their workers to increase labor productivity, make better ~~use~~ use of their time and to conserve raw materials.

Scanteia, the Rumanian communist paper, said on March 16th that during the second Five-Year Plan (1956-60) labor productivity must increase at least 45-50 per cent in industry and up to 55 per cent in construction.

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By 1960, production costs in industry must be reduced by 15-20 per cent in ~~industry~~ and by at least 20 per cent in construction. Production "must be better organized," Scanteia wrote, "and communists have the honorable mission of mobilizing all workers and leading them in the struggle against all difficulties." Scanteia of March 7th wrote that too much metal was being used by some industries: The Bucharest Matyas Rakosi plant produces a type of motor (RM-31) which weighs 12 kilograms per horsepower more than the same motor produced in Czechoslovakia. Railway freight cars made at the Gh. Dimitrov plant are one and a half tons heavier than a similar Russian freight car. D-26

The Bulgarian ~~communist~~ communist paper Rabotnichesko Delo's leading article of March 15th called on party and trade union functionaries to broaden their control over enterprises in order to raise productivity and reduce costs.

The Czechoslovak, Polish and Hungarian coal miners are behind in production, according to regime reports. Prague Radio said on March 20th that brown coal production is constantly behind plan and that absenteeism continues to be the main cause. The radio said that on March 17th, 703 tons of coal were lost in Slovak mines because of absenteeism.

Rude Pravo of March 14th complained that Czechoslovak miners "owe the republic 225,000 tons of coal as a result of plan non-fulfillment in February." Unless the lag were made up, the paper said, the national economy would be endangered.

Hungarian coal production was said to be behind in the beginning of March despite overcoming the February lag by extra Sunday shifts.

Extra Sunday shifts have also been reported in Poland and Czechoslovakia.

Warsaw papers said at the beginning of March that "bad weather" had cost a loss of 162,000 tons of coal during February.

Szabad Nep of March 8th said that "it would not be right for Sunday shifts to become regular", but western observers noted at the time that the Hungarian miners had already worked three consecutive Sundays.

The Hungarian communist trade union paper Hepszava (USIS, March 23) ~~says~~ ^{says} that the accident rate in the mines is rising weekly because of the overtime shifts. One Hungarian miner is quoted as saying that after 12 or 16 hours work "here in the dust, one neither hears nor sees anything". Hepszava claimed that it often takes up to 16 hours to accomplish an eight-hour norm because of the scarcity of trucks and pit props.

A report reaching the west on Feb. 28th told of a Polish mine disaster in the Rokitnica mine in Silesia in which at least 15 and probably many more miners lost their lives.