

A delegation representing the Hungarian coalmining industry left for Moscow on 18th February to attend a meeting of the Council for Mutual Economic Aid on technical developments in coalmining. The delegation is led by Senator Czotner, the Minister of Heavy Industry (Budapest 17.00, 18.2.8). A five-member Soviet transport delegation has arrived in Budapest from Warsaw to continue the discussions of the Council for Mutual Economic Aid Transport Committee. Istvan Kossa, Minister of Transport and Communications, received the members of the delegation (Budapest 19.00, 17.2.8).

Ship for USSR Launched: Passenger Vessel No.57, which is being built for the USSR, was launched at the Obuda shipyard on 18th February. (Budapest 17.00, 18.2.8)

Soviet Ships' Deliveries in Hungary: L.V. Kuprianov, head of the Budapest agency of the Soviet Danube shipping enterprise - SDGP - has stated that last year Soviet Danube vessels delivered at Hungarian ports 260,000 tons of iron ore, 5,000 tons of wheat and more than 150,000 tons of oil products. The figures will be higher this year. The Soviet Danube Shipping enterprise will deliver 400,000 tons of iron ore at the Danube Ironworks in Sztalinvaros. The Hungarian shipping line MAHART will bring in 120,000 tons of oil products. (MTI 18.2.58)

In a statement to MTI, Jenő Ince, the Minister of Foreign Trade, said that the volume of goods exchanges between Hungary and the USSR had more than doubled since 1949. The USSR supplied Hungary mainly with industrial raw materials and semi-finished products. The latter accounted for 90 per cent of Hungary's imports. In 1958, the USSR would supply Hungary with 50 per cent of her coke imports, 60 per cent of her imports of rolled goods, 90 per cent of her pig-iron imports and 50 per cent of her requirements in pit props. A large proportion of the hides, ores and chemical raw materials, and virtually all the oil imported by Hungary, were also supplied by the USSR.

As to the exports, 75 per cent of Hungary's exports to the USSR consisted of machines and precision instruments. This situation was "very advantageous for our national economy". Trade relations between the two countries were to the advantage of both but were "more advantageous to Hungary than to the USSR". Exports to the USSR gave Hungary a stable market. The fact that many of the machines and precision tools destined for the Soviet market could be mass-produced made it possible to cut production costs.

Referring to Soviet aid to Hungary in the past 10 years, Ince said the USSR had granted Hungary agricultural produce on credit on two occasions to compensate for poor harvests. The commercial agreement between the two countries for 1958, signed last month, together with an agreement for the period 1958-1960, was "the basis of our future economic development." The Minister also spoke about Soviet loans to Hungary since the counter-revolution and of technical and scientific co-operation between the two countries. The economic relations between the two countries testified to their indestructible friendship and were "a guarantee against any imperialist reactionary attempt." (MTI 18.2.58)

Technical and Scientific Co-operation

Plans for Co-operation with USSR

In a statement to 'Nepszabadsag', Peter Valyi, Chairman of the Hungarian Committee for Technical and Scientific Co-operation with the USSR, spoke of the recent meeting in Moscow of the mixed co-operation committee. At that meeting it had been agreed that 52 Hungarian groups would visit the USSR this year to study such things as open-cast coal mining, the use of oxygen in metallurgy, rolling mill technology, gas turbine and turbo-compressor construction, the manufacture of high- and low-tension electrical equipment and the latest Soviet building methods. Soviet aid had been most valuable to Hungary in the rolling stock, machine tool, and preserves industries. Thanks to Soviet experience, the output of the Diosgyőr Lenin foundry's blast furnaces has been considerably raised, and new production methods had been adopted in Hungarian rolling mills. Hungarian economic plans for 1959 and subsequent years would provide specific directives concerning the scientific and technical co-operation of the two countries. Hungary would make available to the USSR information concerning several fields of her national economy. The next meeting of the Hungarian-Soviet Scientific and Technical Co-operation Committee would be in Budapest in June. (Hungarian information service and MTI 20.2.58)

Incze Report

Budapest, MTI, in French Hellschreiber to Europe, Feb. 18, 1958, 2200 GMT--L

(Summary) Jeno Incze, Minister of Foreign Trade, in a statement to MTI about economic and commercial cooperation between Hungary and the USSR, pointed out that, compared with 1949, the volume of goods exchanged has more than doubled. The USSR is supplying mainly raw materials and semi-finished articles, the latter representing 90 percent of the imports. In 1958, the USSR will deliver 50 percent of the coke imports, (100 percent?) of the oil imports, 60 percent of the imports of laminated goods, 90 percent of pig iron imports, and 50 percent of the requirements of mine props. A large proportion of the hides, ores, and chemical raw materials are also supplied by the USSR.

Regarding Hungarian exports, 15 percent of exports to the USSR are made up of machines and precision instruments. Trade relations are to the advantage of both countries but carry greater advantages for Hungary than for the USSR. Exports to the USSR assure Hungary of a stable market and the fact that a large proportion of the machines and precision tools destined for the USSR can be serially produced assures a reduction of production costs.

The Minister emphasized further that during the last 10 years the USSR granted substantial economic credits. Twice the USSR granted agricultural produce credit to make up for the deficiencies of poor harvests as well as credits for the first five-year plan. Following the counterrevolution, the USSR extended great economic assistance. On the basis of the convention signed Mar. 28, 1957, the USSR supplied goods totaling 1 billion rubles, of which 60 percent were delivered on credit, and the USSR also granted foreign currency worth 60 million dollars.

Last month the commercial agreement for 1958 and another agreement to cover the period 1958 to 1960 were signed. These agreements constitute the basis of Hungary's future economic development. At the end of last year Hungary signed an economic convention with the USSR allowing Hungary a credit of 300 million rubles.

Bognar on Soviet-Hungarian Trade

In a home service broadcast Jozsef Bognar, described as "Professor at the University of Economics" noted that the volume of goods exchanged with the USSR accounted for 35-38 per cent of Hungary's entire foreign trade and added that trade with the USSR had been attacked by "revisionists, nationalists and reactionaries". Their arguments had been believed by well-meaning people. The truth was that the USSR was the largest country in the world with virtually unlimited economic resources, while Hungary was small, relatively poor in natural resources and had a limited domestic market. She was far from being the "land of milk and honey claimed by economic romantics". With sense and diligence, Hungarians could overcome these disadvantages. But "we have no grounds for silly bragging, nor must we fall victim of illusions" and "lose our sense of proportion". Between the two world wars, Hungarian agriculture had remained stagnant and the country lagged behind industrially.

Socialist industrialisation was the only solution. But industrialisation required more raw materials, which a small country could only obtain by imports bought in exchange for exports. It also called for substantial investments and material efforts. Being a small country, Hungary must specialise. All this could be done only "through and within the limits of Soviet-Hungarian economic co-operation and international division of labour among the socialist countries". Most of the materials Hungary needed - coal, coke, iron ore, cotton, non-ferrous metals, pit props, timber, crude phosphates - had been guaranteed to her in long-term contracts with the USSR. Fluctuations in world prices, such as had occurred during the Korean war, could be "fatal" to small countries with limited raw material resources. "It is on the basis of these considerations that we should assess the advantages of our people's economy of the fact that the USSR has been delivering these vitally important raw materials to us at stable prices."

Another factor favourable to Hungarians was that "90 per cent of our engineering exports are to the socialist countries - mainly to the USSR - at prices higher than those on the capitalist world market". The division of labour among socialist countries gave Hungary safe markets and enabled her to develop branches of her industry best suited to her natural resources. Hungary repaid Soviet investment loans with the goods produced by the investment projects thus financed. This meant that "we are not only guaranteed loans, but presented with a market as well". Soviet technical aid helped Hungary to modernise and overhaul her industrial structure. "For the first time in history, a great Power is giving small countries manifold assistance with their industrialisation. It is therefore in the fundamental interest of our country, people and our economy that our relations with the USSR should continue to develop fruitfully". (Budapest 20.50, 21.2.58)

COOPERATION CONTACTS INCREASE WITH USSR

Budapest (Official), in Hungarian Morse to Diplomatic Missions,
Feb. 20, 1958, 0900 GMT--L

(Text) Peter Valyi, chairman of the committee for technical and scientific cooperation with the Soviet Union, to the question of the new features of scientific and technical cooperation between the two countries since the meeting in January in Moscow replies as follows in NEPSZABADSAG:

In latter years there has been an increase of scientific and technical contacts between the USSR and Hungary. About 150 experts are being sent yearly to the Soviet Union to exchange experiences. At the January meeting we agreed to send 52 groups on study trips to the Soviet Union. The Soviet Union provides free technical and technological documented material of great importance in connection with the wagon, machine tool, preserved food industries, and other branches of industry.

(Editor's Note--MTI at 1200 GMT adds: The 52 groups which are to visit the USSR will study, among other things, open cast coal mining, the utilization of oxygen in metallurgy, the technology of rolling mills, the manufacture of gas turbines and turbocompressors, the manufacture of high and low tension electricity installations and the latest methods of Soviet house construction. A total of 35 Hungarian research institutes are in close contact with similar institutes in the Soviet Union.

(Hungary is also to make available to the Soviet Union documented material and experiences concerning several fields of the national economy. The forthcoming 10th session of the committee for scientific and technical cooperation with the Soviet Union will take place in June in Budapest. The results of the cooperation will then be made public. Thanks to the documented experiences of the Soviet Union, the production of the blast furnaces of the Lenin foundry works of Diosgyor has risen considerably and, adopting Soviet experiences, new methods of production have been introduced in the rolling mills. As of 1959, the national economy plans will contain concrete directives concerning the scientific and technical cooperation of the two countries.)