

Curt - (A) ECONOMIC PLAN

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MUNICH, August 9, 1956 -- / GEN. DESK - ERS / -- The Albanian Telegraph Agency /ATA/ yesterday published a short digest of the "Directives concerning the Second Five-Year-Plan" of the Albanian People's Republic for 1956-1960, dealing exclusively with "tasks of importance for lending impetus to agriculture" / see yesterday's news items D5, D6. /

The directives do not contain anything new which has not been already said by the Albanian Premier Mehmet Shehu and Communist Party secretary, Enver Hoxha, at the 3rd Congress of the Albanian Workers' Party held in Tirana between May 25 and June 3, 1956. The First Five-Year Plan was called by Hoxha "the Five-Year Plan of building a new modern industry in Albania." Hoxha said that "the proportion of industrial production in the total production of the country increased from 9.8 per cent to 43.5 per cent in 1955. In 1955 gross industrial output was almost 2.8. times the 1950 level and 10.5 times the prewar level."

In economic matters the Albanian Communists are still in the Stalinist jungle of percentages. These have led specialists on the Economic Commission for Europe to the ^{CONCLUSION THAT THE} plan for oil has been fulfilled. Yet the Albanian prime minister, Mehmet Shehu, in his report to the 3rd Congress, listed oil with natural bitumen and coal among the sectors where the plan has partially failed. Nevertheless, the Albanian leaders boast that "factories, transportation, railways, roads, tractors, agricultural machinery, bridges, higher educational institutions, museums, ports and even the trees along the streets are new."

Total investment for the Second Five Year Plan is to be 21.9 billion Lek [official rate: 100 Lek = 8 rubles; 4 rubles = 1 \$/ or 27 per cent more than for the First Five Year Plan when the investment according to Mehmet Shehu, amounted to 15.6 billion Lek. Shehu said that 80.4 per cent of the total investment will be used "for the productive sector" and 19.6 per cent "for the unproductive sector." Radio Tirana on May 11, 1956, announced that "more than 4 billion Lek will be invested in agriculture." No exact figures were given as to what part of the total investment will be used for heavy industry and the consumer goods industry. In 1955 40 per cent of the total investment was used for industry as a whole and 25 per cent for agriculture. Since "more than 4 billion Lek" to be invested in agriculture during the Second Five-Year Plan means about 25 per cent of 21.9 Lek, it seems that the proportion between investments in agriculture and industry have remained the same.

The new "directives" deal mostly as stated above, with the future of agriculture.

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"About 75,000 hectares of new land will be put under cultivation in the course of the Second Five-Year Plan." To remedy the disastrous food situation, the Second Five-Year Plan provides for an increase in grain production from 309,460 tons in 1955 /when there was a good harvest/ to 450,000 tons. On the contrary, in his speech before the 3rd Congress Hoxha said that 516,000 tons of grain should be produced in 1960.

By putting stress on agriculture in the Second Five-Year Plan, the Albanian Communist leaders are eager to avoid the failures they encountered during the first Five Year Plan. Hoxha said in his May 25th speech: "The results achieved in agriculture are still inadequate: some important tasks set to agriculture by the Second Congress of the party have not been accomplished. The government has been compelled to import a large amount of grain and there is a shortage of animal products..."

In order to increase grain production the Albanian Communists intend to speed up collectivization, one of the worst failures of the first plan /1951/55./
By 1960, according to Shehu, there will be 1,800 agricultural cooperatives /now 694/ covering about 70 per cent /now over 24 per cent/ of the land. During the last quarter of 1955 alone, as many kolхозes were set up as in the whole period for 1946 to 1954, and since the beginning of this year their number had doubled again.

On August 7, 1956, the Albanian Statistical Directorate published a communique on the fulfillment of the 1956 half-year plan. The communique said that by the end of June the 1956 spring sowing plan "was fulfilled by 106 per cent compared with the corresponding period of last year." According to various crops, the spring sowing plan was fulfilled as follows: corn - 112 per cent; cotton - 102 per cent; sugar beet - 101 per cent; tobacco - 115 per cent; The statistical Directorate communique also said: "During the first half of 1956 the tempo of agricultural collectivization advanced rapidly. The workers of the countryside, realizing the great advantages of collectivized agriculture, are constantly joining agricultural cooperatives. By the end of the first half of this year the number of agricultural cooperatives reached 218 per cent and that of families which have joined agricultural cooperatives reached 192.5 per cent compared with the beginning of 1956." According to Enver Hoxha there were 315 agricultural cooperatives by the end of 1955.

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