

Background for Three-Year Plan Preparations

Uua

Need for Structural Changes

Iaszi Gyáros, of the Foreign Ministry, told the Press that work on the Three-Year Plan was in progress. Government and Party had already dealt with matters of principle, and the National Assembly would debate it later this year.

The speaker gave the following background information. Industrial output labour force and productivity had risen substantially in recent years, but discrepancies and difficulties had also appeared. The structure of industry had not developed in accordance with the relative dearth of industrial raw materials and the country's poor sources of energy. Largely as a result of the counter-revolutionary events, these difficulties had become more pronounced, notably because coal and oil production had declined.

This state of affairs was to be remedied by raising productivity and substantially lowering production costs. Great efforts were being made to increase supplies of energy from home resources and through bigger imports, and also to use energy to better advantage. Within the next few years a saving of 400,000 to 500,000 tons of coal could be expected solely through the construction of industrial power stations, supplying electricity and steam to industry.

Investments at the "Stalin" ironworks had been completed and would yield substantial quantities of fine sheet metal, which hitherto had to be imported. Aluminium production was to be increased in proportion to the available supply of energy. There would also be an increase in the production of building materials, both traditional, such as bricks, cement and lime, and more modern, lighter and cheaper building materials, and prefabricated parts.

Chemical and Engineering Industries

Chemical raw material supplies of fertilisers and other chemicals for agriculture would be significantly improved, and to this end construction projects at the Tiaza combine, fuelled by natural gas, would be continued with foreign help. This would produce large quantities of fertilisers and "PVC" basic material for synthetic fibre, alcohol and other important commodities.

In the engineering industry a structural change was specially urgent. Many obsolete lines must be abandoned. It was intended to concentrate on telecommunications and precision instruments, high-voltage equipment, diesel motors and diesel motor-powered vehicles, ships and buses.

The three-year plan would provide for relatively few new industrial projects, but instead for reconstruction and modernisation. Construction would, however, begin of the thermal power station of 140 mw. strength in Grosslitz, and construction would be completed of the Borsod chemical combine. The VISKOLA works would have a new perlone factory built. (Hungarian information service 17.10.57)