

Hungary & Eastern Europe - Sixty Years Ago A Press Review by a Hungarian Refugee

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Hungary Pursues Confused Path As She Begins New 5-Year Plan

Special to The New York Times.

VIENNA—Hungary will embark in 1956 on her new five-year plan. For the first time the country's economic planning is supposed to be coordinated with that of the Soviet Union and its satellites with the exception of Bulgaria.

Actually, from what has been said in the Budapest Parliament by Premier Imre Nagy and the chairman of the State Planning Commission, Hungary will continue at least for 1956 to concentrate on the development of her own heavy industry and agriculture.

Last year represented for Hungary a period of reorganization. The "new course" of Premier Nagy with its emphasis on consumer goods and food, its sabotage by the rank and file of the Hungarian Communist party and its reversal in 1955 disorganized heavy industry without doing much to stimulate production of consumer goods. As a result, at the end of 1955, Hungary had done little more than achieve what had been originally planned for 1954.

Pre-war Hungary was an agricultural state with a few industries. The country has virtually no iron ore and no substantial quantities of other ores except bauxite, of which it has 17 per cent of Europe's total supply. Hungary lacks high-quality coal but has reserves of about 1,400,000,000 tons of lignite and other

low-quality coal. As she has not yet harnessed the Danube and her only other source of important hydroelectric power is the Tisza, she powers her aluminum industry from thermal plants burning low-grade coal or powdered lignite.

In the last five years industry has been expanded to the point where it produces three times as much as in 1938, according to the Government. This figure does not allow for a high percentage of rejects, low quality and uneconomic production.

Hungary is supposed to be producing 2,200,000 tons of steel, but it is doubtful if she is producing much more than half this figure. Recently her new iron and steel complex at Sztalinvaros had only one blast furnace and two steel furnaces working, whereas the plan called for two and four respectively.

Hungary's coal production has been increased to more than 11,000,000 tons, which is less than half the plan figure, and her aluminum output to 32,000 tons. She produces 1,120,000 tons of oil and has brought in a new field at Nagylengyel. Her chemical industry is believed to produce 140 per cent of the pre-war figure and her cement output to have doubled. Her production of electric energy is estimated at under 5,000,000,000 kilowatt hours, whereas the plan goal was 6,050,000,000.

Farm production this year was good, about 10 per cent higher than in 1954.

Times 41256

Egyptian Trade With Soviet Bloc Is Arousing Concern in the West

By OSGOOD CARUTHERS

Special to The New York Times.

CAIRO—The most important development in Egypt's economy in 1955 was the expansion of Egyptian trade commitments with the Soviet bloc.

This expansion, accompanied by a marked increase in foreign Communist efforts to spread Soviet influence throughout the Middle East, caused deep concern among the Western nations that were seeking to seal off the awakening and troubled Arab world from the menace of Red infiltration.

The most dramatic single development was Egypt's agreement with Czechoslovakia for the purchase of large quantities of arms in exchange for cotton and rice.

Since Egypt has never announced officially the extent of this agreement, it is impossible to analyze the effect the arms barter arrangement has had or will have on the future of the Egyptian economy.

West Receives a Push

The political impact of the arms deal with the Communist bloc had, however, one salutary effect: it pushed the West into speedier approval of aid in the building of the gigantic High Dam project at Aswan on the Upper Nile.

The revolutionary Government of Premier Gamal Abdel Nasser has staked tremendous hopes on this project for pulling Egypt out of her poverty-stricken past. The High Dam, which is expected to be completed in fifteen to eighteen years, will create the largest man-made lake in the world. It will give Egypt 2,000,000 more acres of irrigated land on which to provide for her crowded population. It will add 750,000 kilowatts to Egypt's power grid, enabling her to expand her industry.

The West, by offering to help on this major development program, has managed to offset some of the Soviet bloc's tactical gains in the Arab world.

In 1955 the Egyptians concluded a new barter agreement with the Soviet Union and Rumania by which Egypt will hand over £3,000,000 worth of cotton for petroleum products. (The Egyptian pound is valued at \$2.89). Hungary will send ninety-three Diesel switch locomotives to Egypt in exchange for £2,000,000 worth of cotton. Egypt's 1951 trade agreement with Czechoslovakia was expanded and a new three-year agreement was concluded for the bartering of £2,500,000 worth of cotton a year for Czechoslovak industrial, transport and metallurgical products.

A new Communist country came to the market for Egypt's surplus cotton in 1955—the mainland of China. In August, Egypt signed her first trade

agreement with the Peiping Government. The three-year pact calls for the shipment of £10,000,000 worth of cotton and superphosphate to China in return for items from a scheduled list of Chinese industrial and agricultural products valued at only £2,000,000.

This shift to Communist markets already has shown its effect on the over-all foreign trade picture, although the non-Communist world still holds a dominant position. By order of importance, Britain and the United States were at the top of the list of ten leading suppliers of goods to Egypt, with West Germany, France, Italy, Switzerland, India, Ceylon, the Netherlands and Sweden following. But the ten leading purchasers from Egypt in the order of their importance were France, India, Communist China, West Germany, the United States, Britain, Japan, the Soviet Union, Italy and Czechoslovakia.

It can be seen, therefore, that Egypt still was a long way from solving the growing problem of her foreign trade deficit. While she was buying most of her goods from sterling bloc and dollar areas, thus depleting her credits in these hard currencies even further, she was selling more and more to countries where her credits would be good only in bilateral exchanges.

Economy Is Sound

Internally Egypt's economy appeared basically sound despite the difficulties seen in the foreign trade and foreign currency picture. The Government has kept a close rein on inflation.

But the cost of living index continued its gradual rise. The Government estimated the index, based on 100 at 1939, at 283. An important private concern estimated the index at 300. And, though wages had risen, the great mass of low-scale workers in field and factory could average little more than from £5 to £10 a month. Skilled workers were getting up to £50 a month.

Egypt's total trade with the United States during the first eight months of 1955 amounted to the equivalent of £19,680,627, compared with £16,354,187 for the comparable period of 1954.

Since Egypt depends largely on foreign trade against virtually a one-crop economy, cotton, the picture was none too bright in 1955. The following table from the Economic Bulletin of the National Bank of Egypt illustrates this worsening condition:

| Year. | Imports. | Exports. | Balance |
|--------------------|---------------|----------|---------|
| | (000 omitted) | | |
| 1954+ | £296,007 | £294,919 | -1,088 |
| 1955+ | £313,838 | £289,604 | -24,234 |
| +Jan. through Aug. | | | |

Egypt has been forced to take

stringent measures to offset this decline.

The Cairo Government has begun to tighten import controls and already has sharply reduced the number of import permits granted to Egyptian buyers. Egypt also virtually has abolished the arrangements whereby Egyptian exporters could sell abroad at a reduced rate and make up the difference through the sale of the Egyptian pounds earned at a reduced rate on the free market. This latter move has had the effect of pegging the Egyptian pound at the official rate.

Another move was to open the Alexandria Cotton Exchange, which had been closed since the Colonel Nasser's military group overthrew the monarchy three years ago. The Alexandria Exchange, coordinated with the Liverpool Cotton Exchange, has been permitted once again to deal in cotton futures. And the pegging of the Egyptian pound to the official rate in foreign exchange has served to protect futures dealings.

Payments Position Eased

Egypt's balance of payments position was eased in 1955 by the revision of the Egyptian-British Sterling Release Agreement of 1951. Under terms of the revision, Britain released from her blocked account of Egyptian pounds a total of £20,000,000 during the year and agreed to release £20,000,000 more annually from 1956 through 1960.

King Cotton continued to be the backbone and, indeed, virtually the complete basis of Egypt's economy during the 1955-56 season. Increased acreage and improved methods brought production to 8,754,000 cantars (a cantar is 99.05 pounds) for the season. This is an increase of 1,008,000 cantars over last year.

Another important development during 1955 was the adoption of the largest budget in Egypt's history, totaling £238,300,000. Of this amount £54,250,000 is to be spent on economic development projects and £53,730,000 on defense.

Internally Egypt's economy appeared basically sound despite the difficulties seen in the foreign trade and foreign currency picture. The Government has kept a close rein on inflation.

The Government's development program has had a good effect on the building industry, which is working at near capacity.

N. Y. Herald Trib. 61256

Penetrating Iron Curtain With Free World Radios

TO the N. Y. Herald Tribune:

I read with great satisfaction Mr. Ansel E. Talbert's article, "Free Voices Vs. the Iron Curtain," in the New York Herald Tribune of Jan. 1. In this the author states that "Soviet cold war strategists today are finding it impossible to keep the free voices of American democracy from penetrating the Iron Curtain."

* * *

Mr. Talbert's article carries at long last a refreshing tone against all those who steadily report that the Soviets have been successful in jamming the reception of free American broadcasting stations, and that their information does not reach the ears of the peoples behind the Iron Curtain.

According to my information, each news item of major significance, which is transmitted by American radios, makes the rounds within hours inside all captive countries. All ministries and propaganda bureaus of these countries, maintain special offices for receiving foreign broadcasts, which are stenographed and mimeographed on the spot, and relayed to the proper departments. The dissemination of most of the foreign news, therefore, starts out from the government offices themselves. The secret police is unable to restrain secretaries and typists from passing on news items to their relatives and friends, swearing them to secrecy which is not observed.

* * *

The controlling of radio sets proved ineffective. Neither was the introduction of the so-called "people's radios"—on which one could listen only to the broadcasts of one's own country and to the ones of Moscow—of avail. Despite the watchfulness of the secret police clandestine radio sets receiving Western stations are constructed by the tens of thousands. With a little know-

how even the people's radios can be converted.

The inmates of prisons are always hungry for news from the outside world. Even concentration camps have at least one hidden radio set each. We know from former inmates of the slave-labor camps of Karaganda, Kolyma and Vorkuta that news about the East Berlin uprising on June 17, 1953, had reached these camps within days.

The prisoners of concentration camps are inventive. Whenever their sets are detected and confiscated, they fashion new ones within twenty-four hours out of parts stolen from workshops. The guards themselves frequently smuggle in parts, which are unavailable in camp, from outside.

* * *

The peoples behind the Iron Curtain know from the free world all about the national councils which aim to promote the liberation of their oppressed nations. They know all about Radio Free Europe and the Voice of America. The statements broadcast by exiled statesmen are a permanent subject of discussion.

For years the governments of captive countries have tried to suppress the existence of national councils in the United States. However, in recent months they have changed tactics and are viciously attacking the national councils, Radio Free Europe and the Voice of America over their radios, in their press and at Communist party meetings.

This is the best proof that Radio Free Europe, the Voice of America, the national councils and their joint organization, the Assembly of Captive European Nations, are doing a fine job.

BELA FABIAN,
Member, Executive Committee,
Hungarian National Council.

New York, Jan. 6, 1953.

Times 11I 256

13 Flee Hungary, Safe in Austria

VIENNA, Jan. 10 (AP).—Thirteen Hungarian anti-Communist refugees, who crawled through minefields and under barbed-wire entanglements, have reached the safety of Austria. To make the flight, a mother drugged her year-old baby with sleeping pills so the child would not cry out and awaken Hungarian border guards.

The thirteen refugees—including two families with seven children—made their freedom dash at Klingenberg, in the Burgenland. They told Austrian police they fled because they found life in Hungary "intolerable."

Wall Post 14 T 256

Around the World

Writers' Revolt Fails in Hungary

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VIENNA Jan. 13 — Matyas Rakosi, Communist Party leader in Hungary, has suppressed a month-long rebellion by more than 100 writers against the ideological strait jacket imposed on Hungarian literature.

Observers here say the writers, all members of the Communist elite but now under "investigation," showed that nation-wide discontent has spread to the Workers' (Communist) Party itself.

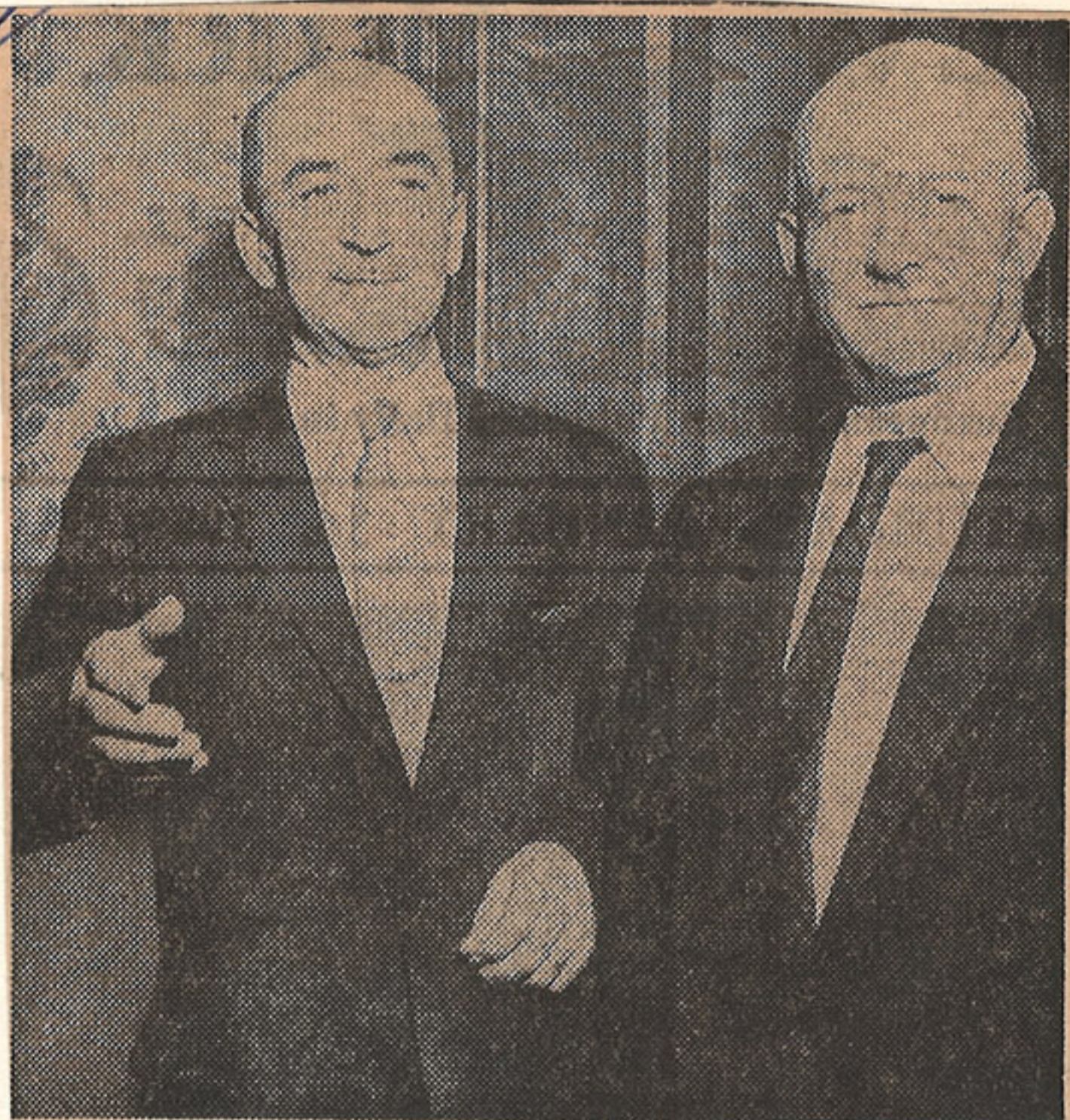
Imre Nagy, who replaced Rakosi as Premier in 1953, had granted the writers considerable freedom before Rakosi deposed him for deviation last April.

The conflict came into the open Sept. 16 with publication of a poem by Laszlo Benjamin, a rising poet, attacking Jozsef Darvas, Minister of Popular Culture, as an "ex-officio father of the arts." Another poem referred disrespectfully to "the old man"—the name by which 63-year-old Rakosi is known. Rakosi then told the Federation of Communist Writers personally that they were failing to "follow the correct Socialist line."

The rebellion collapsed when party members in the writers' federation later passed a resolution affirming complete obedience to the party line.

Rakosi crushed the revolt as one of his many steps to improve Communist discipline, which went to pieces under the Nagy regime.

N.Y. Herald Trib 14T 256



Herald Tribune photo by Ira Rosenberg

Ferenc Nagy, left, former Premier of Hungary, and Stanislaw Mikolajczyk, former Prime Minister of Poland, entering the University Club, 1 W. 54th St., yesterday for a meeting of the International Peasant Union. Mr. Mikolajczyk is president of the union.

'Voice' Urged to Inform Japanese of Communism

The Voice of America was urged yesterday to increase its efforts to reach the Japanese people and help them overcome their "lack of knowledge" of Soviet communism. The appeal came from Stanislaw Mikolajczyk, former Polish Prime Minister, who recently returned from a visit to the Far East.

Mr. Mikolajczyk spoke at a luncheon of the International Peasant Union at the University Club, 1 W. 54th St. Other speakers included Ferenc Nagy, former Premier of Hungary, and Dr. George M. Dimitrov, former Bulgarian Prime Minister.

Reporting on his two-month

trip to Japan, Mr. Mikolajczyk noted that the danger from communism in Japan lies largely in the "passive attitude" of the people. This, he declared, is due largely to ignorance of the average Japanese about communism.

Mr. Mikolajczyk suggested that this ignorance might be overcome by increased activities of the Voice of America. He said Voice broadcasts in Japan are now heard by few and are jammed by Soviet transmitters in most of the country, anyway. One solution, Mr. Mikolajczyk suggested, might be for the American government to obtain Japanese permission to use local radio networks for Voice broadcasts.

Times 151256

Hungary Sentences AP Man and Wife

By The Associated Press.

VIENNA, Jan. 14—The Budapest radio announced tonight that Endre Marton, a correspondent of The Associated Press in Communist-ruled Hungary, had been sentenced to six years in prison on a charge of espionage. His wife, Iona, who worked for The United Press there, was sentenced to three years, the broadcast said.

The Martons are Hungarian nationals. Dr. Marton, 44 years old, had been a part-time correspondent for The Associated Press in Budapest from 1947 until he was arrested, apparently last February. Mme. Marton had written for The United Press about the same length of time. They were accused of spying for the United States intelligence service.

The Budapest radio said the Martons and three other Hungarians had been sentenced by

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MARTON FAMILY: Iona and Endre Marton, who were sentenced to prison in Hungary, are shown with their daughters, Kati, left, and Julia. Photo was made in 1953.

Associated Press

posed in police states upon news sources and reporters.

"Marton's dispatches were always filed through open channels and passed by Hungarian Government censorship. In recent years they had consisted mainly of governmental announcements or material published in the controlled Hungarian press.

"The definition of espionage in Iron Curtain countries differs materially from the Western concept. In totalitarian states an individual can be convicted of espionage merely because he showed interest in subjects which the regime has decided are its secret property. That apparently was Marton's crime in addition to having been an outspoken anti-Communist."

2 REPORTERS GET JAIL IN HUNGARY

Continued From Page 1

a Hungarian military court. No date of trial was mentioned.

Of the other defendants, Bela Koposi was sentenced to life in prison, Arpad Ferenc to fifteen years and Balasz Cornel to eight years. All were reported to have been found guilty of espionage.

The broadcast said Mr. Koposi and Mr. Cornel had been employed by the United States Legation in Budapest before their arrest.

Dr. Marton dropped out of sight eleven months ago. The last telephone contact with Mme. Marton from Vienna was June 19. Soon after that, reports circulated that she too had been arrested.

Confirmation came in an announcement by Hungary's government July 9. It said the two had been arrested on suspicion of "having carried out espionage for the American intelligence service."

Efforts of the Associated Press to learn the nature of the specific charges were unavailing. Reports reaching Vienna last fall said the five persons had been tried Nov. 28, but that Hungarian authorities prohibited disclosure of the verdicts in the press.

Martons Have 2 Children

The Martons, who lived in a Budapest apartment, have two small daughters. The daughters, Kati and Julia, were reported to be living with a pensioned Hungarian professor in a suburb of Budapest.

Dr. Marton was educated in England and has a doctorate degree in economics from Budapest University.

His byline became familiar to Western readers in the eight years he covered events behind the Iron Curtain.

Though subject to all the regulations a Communist state uses to keep its citizens in line, Dr. Marton depicted many phases of Hungary's economic, cultural and political life in stories such as a Western-born reporter turns out in the ordinary course of his work.

He covered such events as the trial of Josef Cardinal Mind-