

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

This Document contains information affecting the National Defense of the United States, within the meaning of Title 18, Sections 793 and 794, of the U.S. Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law. The reproduction of this form is prohibited.

SECRET/CONTROL - U.S. OFFICIALS ONLY

COUNTRY	Hungary	REPORT	[REDACTED]	25X1
SUBJECT	Formulation of Production Plans and Fixing of Prices	DATE DISTR.	28 July 1954	
DATE OF INFO.	[REDACTED]	NO. OF PAGES	2	
PLACE ACQUIRED	[REDACTED]	REQUIREMENT NO.	RD	25X1
		REFERENCES	[REDACTED]	25X1 640332 25X1

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

FOR CRITICAL SECURITY REASONS
THIS REPORT IS NOT TO BE TRANSMITTED WITHIN THE UNITED STATES, OR BEYOND THE BOUNDARIES OF THE UNITED STATES, WITHOUT EXPRESS PERMISSION OF THE DEPARTMENT OF STATE

[REDACTED]	25X1
------------	------

1. In September or October of each year, the Planning Office sends to each of the industrial ministries a draft plan in which the proposed allocation of quantities to be produced by each industry is shown.
2. Each ministry then distributes the proposed quantities by allotting draft quotas to each of its subordinate concerns.
3. The individual concerns then submit their draft plans to their parent ministry, which collates all the drafts and submits a proposed consolidated plan to the Planning Office.
4. The Planning Office co-ordinates and amends all the proposed plans and returns them to the ministries for submission to the Council of Ministers.
5. After approval by the Council of Ministers, the final plans are sent in December by the ministries to their subordinate concerns.
6. A Soviet adviser is attached to the Planning Office, but the extent of Soviet control over the drawing up of the plans is not known.
7. Prices for the domestic market are fixed mainly by the Planning Office, and for some commodities by the ministries. There is no uniform system. Price changes are the result of ad hoc decisions; neither "current prices" nor retail prices depend on the actual cost of production.
8. Export quotations depend mainly on the barter arrangements in each case, and on the priority of materials which can be obtained only by import or of which there is a shortage. In most cases, export prices are below the actual cost of production.

SECRET/CONTROL - U.S. OFFICIALS ONLY

STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC						
-------	---	------	---	------	---	-----	---	-----	--	-----	--	--	--	--	--	--

(Note: Washington Distribution Indicated By "X"; Field Distribution By "#".)

Page Denied