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31 August 1961

SELECTED TRANSLATIONS ON EAST EUROPEAN FOREIGN TRADE

No 5

19980205 167

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SELECTED TRANSLATIONS ON EAST EUROPEAN FOREIGN TRADE

No 5

This is a serial publication containing selected translations on Eastern European foreign trade policy, organization and planning, technical and economic cooperation, CEMA activities, economic assistance and penetration commodity trade, balance of payments, and international financial relations.

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BULGARIA

THE GOODS EXCHANGE BETWEEN BULGARIA AND THE MEMBER COUNTRIES OF CEMA DURING 1961

Following is the translation of an article by Aleksandur Kasabov in Vunshna Turgoviya (Foreign Trade), No 6, June 1961, pages 3-7./

The constantly growing economic relations between the socialist countries and the increasing volume and diversity of their mutual goods exchange promotes the steady growth of their national economies towards socialism and communism. The increase of multilateral foreign trade between the People's Republic of Bulgaria and the socialist countries, primarily with the Soviet Union, also opens new, great possibilities for the systematic and highly effective development of this country's productive resources.

"The Seventh Congress of the Bulgarian Communist Party," states the approved directives, "considers the further stabilizing and enlarging of economic collaboration between the People's Republic of Bulgaria, the Soviet Union, and the other countries of the socialist camp an especially important task.

"The further economic development of our country must materialize in conformity with the division of labor, specialization and cooperation in production, exchange of scientific-technical achievements, and the progressive, productive experience of the socialist countries."

These Party directives have found real expression in the long-term agreements for 1961-1965 which our country concluded with the member-countries of CEMA.

To realize the directives of the 12th Session of the Council for Economic Mutual Aid and the resolution of the Permanent Committee for Foreign Trade, Bulgaria negotiated, and on the basis of long-term agreements, concluded and signed protocols for mutual deliveries of goods during 1961 with the member-countries of CEMA.

During the negotiations for 1961, our country had for a guiding principle the decisions of the Council for Economic Mutual Aid, especially the decisions on this matter of the Fourth Session of the Committee for Foreign Trade, 8-9 June 1960.

The existing long-term trade agreements were the sound basis of these negotiations. The deviations made in the protocols for 1961 are, in comparison with the long-term agreements, not basic; and in the majority of cases they provide for further increasing and diversifying the goods exchange.

In accordance with the protocols signed, the total goods exchange during 1961 between Bulgaria and the member-countries of CEMA is expected to amount to 967 million rubles (exports, 471.3 million; imports,

495.7 million rubles.) In comparison to the 1960 goods exchange, 877.3 million rubles (exports, 420.8 million; imports, 456.5 million), an increase of 10 percent, is expected; in detail, for exports, 12 percent; for imports, 9 percent. The goods exchange is increasing with all member-countries of CEMA.

In comparison with the figures of the goods exchange outlined in the long-term agreements for 1961, in total 815.5 million rubles (exports, 389.6 million; imports, 425.9 million), the increase fixed in the protocols for the same year amount to 19 percent; in detail, exports, 21 percent; imports, 16 percent.

Table 1 shows the participation of the various member-countries of CEMA in the goods exchange of Bulgaria (in millions of new rubles).

The share of the socialist countries of the total goods exchange of Bulgaria during 1961 is expected to be, according to prognosticative data, approximately 84 percent, or 82 percent for the member-countries of CEMA.

As in past years, the Soviet Union, whose share of our exports and imports to member-countries of CEMA is almost 60 and 68 percent, respectively, will take first place in the goods exchange of Bulgaria during 1961.

In accordance with the goods exchange protocols, more than 65 percent of our exports of machines and equipment to the member-countries of CEMA during 1961 will go to the USSR. This fact shows most convincingly that even a highly industrialized country like the USSR can be the main market for our industrial production. In comparison with last year, the exports of machines and equipment to the USSR will rise by 12 percent, chiefly because of the larger quantities of electric motors, electrocars, electrotelphers, lead accumulators, spare parts for cars, etc.

An important part (51 percent) of the food commodities intended for export to the member-countries of CEMA will be exported to the USSR. Compared to 1960, exports of these goods will drop slightly during 1961, by two percent. The share of this group of commodities is more than 27 percent of the volume of our exports to the USSR and is continuing to take first place.

The Soviet Union is the most important market for our industrial production of consumer goods; more than 88 percent of the total volume of these goods, designed for export to the member-countries of CEMA during 1961, will go to her. The share of this group of goods in our exports to the USSR is 27 percent.

Imports from the Soviet Union during 1961 are designed to increase by approximately 13 percent, comparable to 1960.

An important part -- more than half the total volume of our imports from the USSR during 1961 -- will be taken by machines and equipment (including equipment for comprehensive projects); this is increased by 19 percent in comparison with deliveries in 1960. In this group the quantity of agricultural machines and equipment will rise greatly, as will automatic transportation equipment, railroad equipment, building machines and equipment, and apparatus for the metallurgic, mining, chemical, and other industries. These deliveries will have a crucial importance for the

materialization of plans for the accelerated economic development of our country.

A significant increase is outlined for 1961 -- more than 32 percent over 1960 -- for imports from the USSR of fuel raw mineral materials, and metals. This is because the quantities of oil derivatives and cast iron are increased, and coal and iron ore from the Donets basin are included in the group. This group of goods is in second place in our imports from the USSR, and its share is 28 percent.

In our imports from the Soviet Union, the quanta of chemical products, fertilizers, rubber, building materials and parts, and consumer goods of industrial production are also increasing.

The indicated data make clear that the growth of our national economy, in the past as well as in the future, is not possible without the decisive, generous, brotherly help of the Soviet Union. It is also not possible without further enlarging and intensifying economic collaboration in all its diversities, primarily foreign trade.

The second place in Bulgaria's trade is taken by the German Democratic Republic. Her share of the total volume of the goods exchange with the member-countries of CEMA during 1961 is 14 percent, with exports approximately 15 percent and imports 13 percent.

An important part of our exports to the German Democratic Republic (47 percent) continues to be consumer goods, which in 1961 will rise by 35 percent compared to 1960. This comes from the increased quanta of fresh and processed fruits and vegetables.

The group of machines and equipment in our export to the GDR is increasing because of including such new goods as accumulators, spare parts for tractors, etc. Nevertheless, the share of this group of our exports to the GDR is scarcely 12 percent, or far below the level of the same group in our exports to the USSR, Czechoslovakia, and other countries, which also have a highly developed machinery production.

In accordance with the recommendations of the Council for Economic Mutual Aid with regard to the specialization of production in some fields of industry, our country will have the possibility to expand still more exports of machines and equipment to the German Democratic Republic.

In our imports from the GDR during 1961, first place (70 percent) is taken by machines, equipment, and complete projects. The equipment for the third and fourth kilns of the Wilhelm Pieck cement plant, the equipment for the R. Devnya cement plant, carding machines for the third stage of the Sliven spinning mill, equipment for the second and third stages of the Maritsa-Iztok briquette plant, the cellulose-paper plant in Buk'ovtzi, an installation for polyvinyl chloride, an installment for chlorine-alkaline electrolysis, the Tundzha cotton spinning mill in Yambol, various machines, and so forth will be imported from the GDR.

Products of the chemical industry, fertilizers, etc., take second place in our imports from the GDR. During 1961 more than 17,000 tons of potassic fertilizers, 8,800 tons of sodium sulfate, 30,000 tons of nitrate fertilizers, and various paints, acids, and other chemicals will be imported from that country.

The Czechoslovak Socialist Republic takes third place in our goods

exchange with the member-countries of CEMA during 1961. Her share of the total export volume is 13 percent, and of imports, 10 percent.

Of our exports to the Czechoslovak Socialist Republic, consumer goods are the most important part, over 40 percent. In comparison with 1960, consumer goods are increasing this year by 39 percent, chiefly because of the increased quanta of fresh fruits and vegetables, wine, cigarettes, etc.

The machines, equipment, and spare parts group will increase during 1961 by 86 percent compared to 1960. This is because drilling tools, telephones, and other machines were included for export in the Protocol, and the contingents for electrocars, electrotelphers, accumulators, equipment for telephone exchanges, etc. were also considerably increased.

In the structure of our import from the CSSR, some changes are also anticipated.

Fuels, mineral raw materials, and metals will rise by 14 percent, because of larger quanta of axletrees, creosote, and so forth.

The imports of chemical products are also increasing.

Imports of machinery, equipment, and spare parts will drop by about 11 percent. In 1961, compared with 1960, deliveries of raw materials of vegetal and animal origin (non-consumer goods), and consumer goods of industrial production will also decrease.

Considerable increases in goods exchange will take place during 1961 also with the Polish People's Republic, more than 24 percent in comparison with 1960. Poland's share in our goods exchange with the member-countries of CEMA is close to 5 percent.

In 1960 an important share of our exports to Poland was raw materials of vegetal and animal origin (non-consumer goods); however in 1961 first place will be taken by consumer goods. Next come raw materials of vegetal and animal origin, and in third place, fuels, mineral raw materials, and metals. The remaining groups are an insignificant part of our exports to Poland.

The share of machinery and equipment is still small. Regardless, during 1961 it will jump to 1.1 million rubles from .3 million during 1960, chiefly because of including in exports a larger quanta of metallurgical machines and agricultural machines.

Fuels, mineral raw materials, and metals will increase by 28 percent because of the enlarged contingents of oil and manganese ore.

Consumer goods show a more significant growth, as they will rise from 6.2 million rubles to 9.8 million, or by 58 percent, mainly because of increasing quotas of grapes, tomatoes, wine, apricots, peaches, and so forth.

Some change in the structure of our imports from the Polish People's Republic during 1961 is also anticipated. Machinery and equipment will rise by 22 percent, because the contingents have been increased for metallurgical machines, mining equipment, ship equipment, spare parts, and so forth.

A nine percent increase is designated for the fuels, mineral raw materials and metals group.

The protocol forecasts a reduction in the imports of raw materials of vegetal and animal origin (non-consumer goods) and of consumer goods of industrial production.

The share of the Hungarian People's Republic of our goods exchange with the member-countries of the CEMA during 1961 is close to three percent.

In our exports to the Hungarian People's Republic, machinery, equipment and spare parts take first place, nearly 30 percent. The plan is that Bulgaria will increase exports of spare parts of tractors, machinery for the preserves industry, accumulators, electrotelphers, etc.

Second place in exports is taken by industrial consumer goods. Compared to 1960, an increase of over six times is provided for this group of goods during 1961. This comes from enlarging the quantities of furniture material, television cabinets, etc.

Our exports of raw materials of vegetal and animal origin (non-consumer goods) will more than double; this is the result of cotton fabrics sent to Hungary for processing, as well as of increased quantities of tobacco, processed beech-wood, etc.

In imports from the Hungarian People's Republic, a rise is anticipated in industrial consumer goods, because the quotas of radio tubes, thermos bottles, hunter's materials, cotton textiles, etc. have been increased.

A drop in imports is forecast for machinery and equipment because of the inclusion in the imports list of a lesser number of trucks and busses.

In percentages, the largest increase in our goods exchange with the member-countries of CEMA during 1961, in comparison with 1960, is designed for the Rumanian People's Republic -- more than 30 percent.

Exports, which will increase from 7.6 million rubles to 12.9 million, more than 70 percent, will show the greatest increase.

Machinery, equipment, and spare parts is designed to rise from .2 million rubles in 1960 to 2.8 million during 1961. In this way, this group, in next to last place among the exports of 1960, will take second place during 1961. This increase results from the inclusion in the export lists of larger contingents for electrocars, electrotelphers, accumulators, looms, etc.

Fuels, mineral raw materials, and metals will be increased 42 percent, due to the inclusion of barite in the contingents planned for export and to the bartering in exports and imports of reinforcing iron for angle iron and other semi-finished iron.

A certain decrease, about 21 percent, is planned in exports of consumer goods, a result of decreasing the quotas for sheep cheese, beans, and of eliminating rice. In spite of this decrease, the share of this group in our exports to the Rumanian will also be the highest during 1961.

In imports from the Rumanian People's Republic, an increase in the group of machinery, equipment and spare parts is planned -- over twice the quantities of 1960, because of a rise in the contingents for bearings, as well as inclusion in the list 60 automotive cranes, etc.

Fuels and mineral raw materials will increase 14 percent, due chiefly to the larger amounts of gasoline. This group, of which the share of imports from the Rumanian People's Republic is 61 percent, will continue to hold first place, as it has been in former years.

The protocol with Albania for 1961 forecasts the goods exchange to reach 3.2 million rubles.

Our country will furnish Albania nitrate fertilizers, wheat, barite, caustic soda, tip carts, etc.

Albania will furnish us bitumen "5," bitumen "3," oil, tobacco, cotton, salt and canned fish, etc. Particular changes in the structure of our goods exchange with Albania during 1961 will not take place. It is planned that a certain decline will take place in our exports of machinery, equipment, and spare parts.

The structure of Bulgaria's goods exchange with the member-countries of CEMA during 1961, in comparison with 1960, is represented by the following generalized data (in millions of new rubles):

TABLE I. (in millions of new rubles)

COUNTRIES	1960		1961		Index for 1961 basis 1960
	Conforming to the protocols	Executed (non-final date)	Total conforming to the protocols	Detailed, con- forming to the long-term agree- ments	
<u>GOODS EXCHANGE</u>					
Member countries of CEMA total	849.3	877.3	967.	815.5	110
in detail					
Albania	3.1	3.4	3.2	3.2	94
Hungary	22.	20.9	26.8	18.3	128
GDR	108.4	113.8	135.4	131.7	119
Poland	41.1	38.1	47.1	45.	124
Rumania	16.2	15.2	19.6	14.8	130
USSR	546.	580.	621.7	497.2	107
Czechoslovakia	112.5	105.9	113.2	105.3	107
<u>EXPORTS</u>					
Member countries of CEMA total	422.1	420.8	471.3	389.6	112
in detail:					
Albania	1.4	2.4	1.8	1.8	75
Hungary	11.5	10.5	16.6	8.8	158
GDR	51.6	50.8	70.4	57.7	139
Poland	22.	18.7	25.	22.3	134
Rumania	8.8	7.6	12.9	7.9	170
USSR	267.6	280.5	281.8	237.3	100
Czechoslovakia	59.2	50.3	62.8	53.8	125
<u>IMPORTS</u>					
Member countries of CEMA total	427.2	456.5	495.7	425.9	109
in detail:					
Albania	1.7	1.	1.4	1.4	140
Hungary	10.5	10.4	10.2	9.5	98
GDR	56.8	63.	65.	74.	103
Poland	19.1	19.4	22.1	22.7	114
Rumania	7.4	7.6	6.7	6.9	88
USSR	278.4	299.5	339.9	259.9	113
Czechoslovakia	53.3	55.6	50.4	51.5	91

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TABLE II. (million of new rubles)

GROUPS OF GOODS	Exports		Imports		Index 1961	Index 1961
	1960	1961	1960	1961		
	actual data according to the Protocols	actual data according to the Protocols	actual data according to the Protocols	actual data according to the Protocols	1960 = 100	1960 = 100
Total	420.8	466.5	111	456.5	494.7	108
Machines & equipment (equipment & materials for complete projects, including spare parts)	62.4	88.3	142	226.9	257.5	113
Fuels, mineral raw materials, metals	40.4	39.1	97	100.9	127.7	126
Chemical products, fertilizers and rubber	7.7	8.7	113	29.7	32.9	111
Building materials	2.1	3.4	162	4.1	4.5	110
Raw materials of vegetal & animal origin in (non-consumer goods)	74.6	73.4	98	36.1	33.8	94
Livestock (except for slaughter)	-	-	-	.3	.4	133
Raw materials for production of consumer goods	16.6	16.2	98	10.	.15	-
Consumer goods	134.1	150.5	112	9.3	1.1	12
Consumer goods of industrial production	82.9	87.2	105	39.2	36.7	94

The adduced data of exports show that an increase of 42 percent is foreseen for 1961 in comparison with 1960 in machinery and equipment. Thus this group, which in 1960 was in fourth place in the exports, during 1961 will occupy second place and will slightly surpass the consumer goods group.

The increase results chiefly from including in our exports lists much larger contingents for electrocars, electrotelphers, accumulators, spare parts for automobiles and tractors, some kinds of agricultural machines, etc., in the production of which our country has become specialized, conforming to the decisions of the Council for Economic Mutual Aid. By way of general appraisal, it is thought that this group, which accounts for 19 percent of the exports, could increase still more. As has previously been mentioned, the share of machinery and equipment in our exports to the Polish People's Republic, the German Democratic Republic, and others is very low and does not answer the existing possibilities.

Consumer goods will also increase by 12 percent. This is due to the larger quantities of grapes, tomatoes, wine, apricots, eggs, slaughtered poultry, paprika, etc. entered in the lists.

This group, which accounts for 32 percent of our exports during 1961, continues to hold an important share.

Raw materials for the production of consumer goods show an insignificant decline -- less than two percent. This is due chiefly to the decreased quantities of some goods in exports to Hungary, Poland and Rumania.

An increase of five percent is also shown by industrial consumer goods, due to the inclusion in the lists of larger quotas of silk and cotton fabrics, etc. This group takes third place in exports during 1961 and its share is 19 percent.

Chemical products, and fertilizers and building materials are increasing by 13 percent and 62 percent respectively, because of increased export quotas of ammonia, etc., and including in the exports 50 thousand tons of cement to the USSR. Though these groups increase significantly percentagewise, it must be said that their increase in plain figures is very insignificant.

Fuels, mineral raw materials, metals, and raw materials of vegetal & animal origin (non-consumer goods) show a negligible decline, due to the decreased quantities of lead, lead concentrate, tobacco, rose and mint oil, etc. Also, in the imports during 1961, in comparison with 1960, there are some structural changes.

This year machinery and equipment, the share of which is 52 percent of the total volume of the imports, also take an important place in our imports from the member-countries of CEMA. This group will increase from 226.9 million rubles to 257.5 million, or by 13 percent. The increase results from inclusion in imports more equipment for complete projects from the USSR and GDR, and from the increased quantities of metallurgical machines, mining equipment, ship equipment, etc. planned for import from Poland.

Second place in imports is taken by the group fuels, mineral raw materials, and metals; their share is 26 percent. The increase in this

group is due to the enlarged quota of cast iron from the USSR and Czechoslovakia, of oil products from the USSR and Rumania, and of the Donets coal included in imports from the USSR.

The rise in the imports of chemical products, fertilizers, and rubber (11 percent) is due to the larger quotas of rubber and some kinds of chemicals included in imports.

A certain increase is forecast also for building materials, chiefly because the supplies of linoleum and fireproof materials from the USSR are enlarged; an increase is also designed for livestock (in addition to animals slaughter). Though the increase of these groups is high in percentages, the real rise in quantities is insignificant.

Raw materials of vegetal and animal origin (non-consumer goods) declines slightly because of the decrease in quotas of paper imported from Czechoslovakia. This decline, to a certain degree, is not real because it is due to an artificially enlarged value during 1960 in this group by a quantity of cotton which our country received from Czechoslovakia as a loan.

Raw materials for the production of consumer goods will decrease greatly; in fact, they drop completely from imports during 1961. Unlike past years, this year no import of wheat is foreseen from the USSR. This is the main reason for the decline in this group.

Because our own production will meet our needs, the group of consumer goods of industrial production will also decline, by six percent. This results from dropping motorcycles & other things from imports from Czechoslovakia and from lowering the contingents for watches, musical instruments, and other industrial goods imported from the GDR.

A large decrease, more than 88 percent, is designed for our imports of consumer goods. An important reason is the great reduction of meat import quotas during the present year.

In conclusion, it is necessary to mention that most of the indicated structural changes of our goods exchange with the member-countries of CEMA are the result of the accelerated economic development of our country.

The results of the negotiations and the signed protocols for goods exchange and payments during 1961 between the member-countries of CEMA tell in a most convincing manner of the close economic collaboration existing between these countries, of their striving to meet mutually their needs for goods on the basis of the further enlargement and intensification of the international socialist division of labor.

The further increase of the goods exchange with the member-countries of CEMA and with the other socialist countries will contribute greatly to the successful materialization of the basic directives of our plan for development of the national economy during 1961.

The volumes, fixed in the protocols for goods exchange with the socialist countries, do not represent a limit. Prior experience shows that in the course of the year possibilities always present themselves for complementary goods exchange; they have been materialized on the basis of complementary negotiations. Such a possibility is presenting

itself during this year also, and it will, by all means, be realized within the framework of the regular goods exchange over and above the protocols, as well as in the framework of the goods exchange from internal goods funds.

BULGARIA

THE STRUCTURE OF BULGARIAN EXPORTS TO WESTERN EUROPE

[Following is the translation of an article by Ivan Kutev, published in Vnshna turgoviya (Foreign Trade), Vol IX No 4, April 1961, pages 6-10.]

Our trade with West European countries has increased significantly during the past years. On the one hand, this was due to an increase in our purchases from these countries of vital industrial raw materials and other materials, the needs of which quickly increased parallel to the growth of our industry. On the other hand, this is due to our increased exports to these countries, in spite of the difficulties which we meet in all of them.

The trade with these 12 economically highly developed countries of this part of the world (Austria, England, Belgium, the German Federal Republic, Denmark, Italy, Norway, Finland, France, Holland, Switzerland, and Sweden) amounted to 423 million in 1956, and in 1960 it reached 1008 million. Their part in Bulgaria's total foreign trade turnover now is 13.3%, and their share of the total trade with the capitalist countries is 76.3%, which includes 70.7% of exports and 81.4% of imports. The fast tempo with which the turnover increased and the relative high importance of these countries in our trade with the capitalist world require a more serious analysis of this development and its eventual consequences.

The further development of our trade with the West European countries depends upon our ability to keep the level of our exports as high as the level of the imports from these countries. The main possibilities in this respect are an increase of their purchases, and an improvement of commodity composition of our exports.

The commodity composition of the exports of capitalist Bulgaria to these countries was in line with the general character of the Bulgarian economy of that time. Agricultural raw materials dominated exports and only a few materials played an important role. For example, only raw tobacco, livestock, eggs, cereals, oil-yielding seeds, and pulped fruit represented 2/3 of all exports. At the same time, unprocessed agricultural products [sic; "processed"?] were only 1/10 of all exports. No products processed by industry were exported, but only slightly processed agricultural goods, processed raw materials and foods like slaughtered swine, fowl, vegetable oil, dried fruit, wine, fodder, and charcoal. These represented 2/3 of all exports of industrially processed agricultural goods directed to these countries.

A few new industrial goods which resulted from socialist industrialization and which enriched the export assortment were included in Bulgaria's export to the West European countries during the post-war period. However, the relative importance of these goods

was insignificant, and the commodity composition continued to be dominated by agricultural goods.

According to the preliminary data, during 1960 Bulgaria's total export to the above West European capitalist countries is divided according to product as follows (in millions of leva at current prices):

Group of Products	Millions of leva	1960		Exported to the capitalist countries
		Percentage of total exports	Percentage of total exports for category	
I. Industrial goods	160	4.3	6.3	55.2
A. Of non-agricultural origin	66	1.8	4.1	42.2
B. Of agricultural origin	94	2.5	10.1	69.9
II. Unprocessed agricultural goods (including tobacco)	287	7.6	23.1	82.1
Total	447	11.9	-	-

The distribution of exports to these countries according to this group of products shows that in spite of the changes which have taken place in the proportion, the basic trend, in which unprocessed agricultural products have a dominant position still continues. While in 1939 the proportion between the industrial and unprocessed agricultural goods was about 1:10, now it is 1:1.8. This is only partially due to an increase in exports of industrial goods since 1939, which, if prices are compared, amounts to 60%. An increase in exports of industrial goods of non-agricultural origin, which in comparable prices increased 16 times while the volume of the export of processed agricultural goods in 1960 approached the prices of 1939, also played a role in this.

The changes in the distribution of exports to these countries according to this group of products are more significant. During 1960, the relative portion of the export of industrial goods to these countries, in the total export of these goods, decreased to 6.3%, the export of processed agricultural goods to 10.1%, and of industrial goods of non-agricultural origin to 4.1%, while the portion of the unprocessed agricultural products decreased from 82.9% to 23.1%. It should be added that capitalist Bulgaria was an agrarian country with an insignificant processing industry. In 1939 its industrial production amounted to 27.1% of total production. Socialist Bulgaria is a modern industrial-agrarian country, and in 1960 the portion of the industrial goods in Bulgaria's exports amounts to 85.2%. The above fact more

clearly illustrates the structural regress of our exports to these countries. This can be explained with the fact that industrial goods dominate in the structure of our total export. In these products, non-agricultural, industrial goods are 40%. The economic structure of these more or less industrially developed countries is a factor which prevents our exporting industrial goods of non-agricultural origin, but not to such an extent that we can observe it. Furthermore, it does not affect at all the export of our processed agricultural products, especially of food products. If we take into consideration the fact that these countries are not able to satisfy their needs with their own production and that because of this they import huge quantities of these goods from other countries, we can conclude that the main reason for this lies in the peculiar trade policies of these countries, which favor the import of the products of other countries with which they form closed economic units.

This general tendency is also expressed in the distribution of individual varieties of export products. While the portion of unprocessed agricultural products exported to the capitalist countries has preserved its volume (82.1%, almost on the level of 1939, when it amounted to 82.9%), the volume of industrial goods decreased from 89.3% to 55.2%.

All this, of course, is explained to a certain extent with the increase of our trade relations with several non-socialist countries, primarily with the economically underdeveloped countries, toward which our export of industrial goods to capitalist markets is mainly directed. The main reason, however, is the discrimination which the governments of these countries show toward the Bulgarian industrial goods, even when businessmen in those countries submit requests for import permits.

The distribution of the main groups of export goods is the following (in millions of leva according to current prices):

Group of Goods	1960			
	Millions of leva	Percentage of total export	Percentage of the total export for category	Percentage of total export of each kind of goods going to the capitalist countries
I. Machines, equipment and spare parts	0.3	0.01	0.1	4.3
II. Fuels, raw materials, other materials and metals	40.5	1.1	15.0	79.0

[Chart continued on next page]

1960				
Group of Goods	Millions of leva	Percentage of total export	Percentage of the total export for category	Percentage of total export of each kind of goods going to the capitalist countries
III. Chemical fertilizers, chemicals, rubber	3.9	0.1	4.5	18.0
IV. Building materials	0.2	0.0	0.7	2.7
V. Raw materials of vegetable and animal origin	103.9	2.8	14.6	75.8
VI. Breeding animals	0.0	0.0	3.3	33.3
VII. Raw materials for production of food	115.2	3.1	43.6	82.6
VIII. Food	161.4	4.3	15.5	78.1
IX. Industrial goods for general use	21.3	0.6	3.1	31.1
Total	446.7	11.9	-	-

An analysis of the above data shows that despite the increase in exports of some products, agricultural raw materials are in first place. A few other mineral raw materials which Bulgaria did not export in the past are added to them. Their portion of the total export to these countries amounted to 58.2% in 1960. The largest portion of the export to these countries, raw materials for the production of food, must be added to the latter.

The one-sided commodity composition of exports to these countries becomes even more evident if we take into consideration that the relative proportion of any of these groups of goods is considerably higher than Bulgaria's total export. For example, total exports of mineral raw materials, other materials, and metals amounts to 7.2% in 1960; however, the portion of these goods in our total exports to these countries amounts to 15% -- it is twice as high. The amount of raw materials in the total export is 7%, and the proportion of these materials in exports to these countries is 43.6%, i.e., more than six times higher. At the same time, the proportion of machines and equipment in our total export amounts to 13.8%, while the West European countries participate with 0.1%. In the same way, the proportions of industrial goods for general use are 18.4% to 3.1%.

The tendency toward a one-sided commodity composition of our exports to the West European capitalist countries becomes still more

evident if we compare the goods within the main groups. The increase of exports to these countries of materials grouped under "fuels, mineral raw materials, and metals" is mainly due to the increased purchases of metals, metal concentrates, and crude oil. For instance, in 1960 these countries bought more than 1/4 of our export of crude oil, and more than 99.5% of our total exports to the capitalist countries; about 1/6 of our total export of lead concentrate, about 1/5 of our total export of zinc concentrate, around 70% of our total export of steel ingots, and almost 1/4 of our total export of zinc ingots. The above represents our total exports of these goods to the capitalist countries and almost 30% of our total export of lead ingots.

Even more characteristic is the commodity composition situation of exports to these countries grouped under "raw materials, vegetable and animal origin, used for the production of industrial goods." For instance, in 1939 the proportion of tobacco exported to these countries amounted to 28.8% of total exports and 58.5% of the total export of this product; however, in 1960 its proportion amounted to 1.4% and 7.5%, respectively. In 1939, 28,295 tons of it were exported; in 1960, 9,243 tons, or less than 1/3. The decrease is greatest in exports to the German Federal Republic, which now as in the past is the main buyer of our tobacco among capitalist countries. In the past, however, she satisfied her need for oriental tobacco by buying mainly from us; now she buys from our competitors, Greece and Turkey, not counting the significant import of American tobacco. An increase in our tobacco sales is one of the most important requirements not only for improving the composition of our exports to these countries but also for a general increase of the goods exchanged with them.

The analysis of the commodity composition of exports to the West European countries, in reference to this group of goods, clearly shows their tendency to decrease purchases of those Bulgarian goods which are in great supply and to increase purchases of commodities in short supply or of those which are in great demand. The export of the essential oils and especially of attar of roses, which is a traditional Bulgarian item in these markets, shows a sharp decrease. While in 1939 its export to these countries amounted to 1,565 kg, in 1960 it amounted to 375 kg, about 1/4 the 1939 figure. The proportion of these countries in our export of seeds and planting materials has decreased to 12.4%, in spite of the fact that their import needs have increased and that the quality of our seeds is one of the best, as is generally acknowledged in Europe.

On the other hand, commodities in short supply or those which are in great demand, such as lumber, technical oils, raw hides, animal raw materials, and the most precious herbs, are preferred and show an increase in their export.

In 1960 the export of lumber to these countries increased four times, mainly because of the intensive export of semi-processed steamed or natural beech wood, which is in short supply on the world market. Unprocessed raw lamb hides dominates the export of hides. Their export

amounted to 2.2 million leva in 1960, while the export of morocco leather amounted only to 0.2 million leva. In 1939 these countries hardly bought 19.2% of our total export of glycerine, and in 1960 they absorbed our total export of industrial oils, amounting to 9.8 million leva, of which glycerine accounted for 9.2 million leva. During 1960 these countries bought 2,076 tons of Bulgarian medicinal herbs of the most valuable varieties; their proportion of these exports was 71.5%.

The above-mentioned general tendency is specially emphasized in the exports of foods and raw materials used for production of food. If prices are compared, while the export of raw materials used for food production decreased only 24%, the export of foodstuffs decreased about 32%, and the relative proportion of the West European countries decreased only 15.5%. The fact that the relative proportion of the West European countries was the highest in this group of goods is very striking. In 1960 it amounted to 43.6% of total exports from this group and is almost equal to the proportion of the socialist countries, which amounted to 47.2%.

It is absolutely clear the West European countries, in their purchases of food-producing raw materials from Bulgaria, openly prefer these raw materials, mainly grain, livestock for meat, and scarce oil-seeds, but show very little interest in, for instance, fruit pulps, which in the past were one of the chief export products, mainly to Germany and England. The export of paprika and grape juice has also decreased.

Foodstuffs now occupy first place in our exports to the West European countries, in spite of the fact that it is still significantly below the prewar level in quantity as well as in price, if prices are compared.

Export goods of this group have a very wide assortment; however, they do not show any change in comparison with 1939, in spite of the fact that the commodity composition of our total export from this group is enlarged with new industrial foodstuffs with a relatively high importance, for instance fruit, vegetable and other preserves, and so forth. However, the internal changes in the export of these commodities are significant.

Fresh fruit and vegetables, which played a crucial role at that time (as they do now), are decreasing. For instance, the export of grapes to these countries amounted to 50,440 tons in 1939. In 1960 it hardly reached 10,857 tons, in spite of the fact that these countries increased their imports several times during this period. The same refers to apples, the export of which hardly reached 1,050 tons. Our export of tomatoes, one of the most important products of this group, has increased from 6,845 tons in 1939 to 16,138 tons, but this is not at all satisfactory if we keep in mind that during the same period the imports to these countries increased many times, and that our total tomato export also increased from 7,158 tons in 1939 to 212,327 tons in 1960. These countries proportion of tomato exports hardly amounts to 7.6%. The export situation of other fresh fruit and vegetables is

the same.

All this leads us to the conclusion that there is a possibility for increasing exports of traditional fresh fruit and vegetables to the West European countries.

The export of processed fruit and vegetables shows an increase. Dried fruit, jams, and tomato puree were the main items in this group in prewar years. The main items now are canned vegetables, tomato puree, dried fruits and vegetables, and compotes. West European countries, however, receive a very small portion of these export items. For instance, in 1960 these countries received only 17% of our total export of canned vegetables. They buy only peeled tomatoes (mainly England), but they could also buy some other kinds. Their proportion of our dried fruit export is also small. It amounts to 15.8% and consists exclusively of dried plums, although our assortment has been very much enlarged. Their proportion of the tomato puree export is also very small; in 1960 they received 2,987 tons, of a total export of 25,429 tons, and 677 tons, of compotes from a total export of 25,975 tons; of jams and the jellies, 72 tons of an export of 34,147 tons; of the fruit juices, 78 tons of a total export of 2,012 tons, and of tomato juice, 40 tons of a total export of 1,429 tons.

The West European countries had a very insignificant proportion of our exports of exclusively industrial goods.

The export of industrial foodstuffs for general use is more significant; it amounted to 3.1%. However, their tendency to prefer and buy only goods which are in short supply or in great demand is also apparent here. They ignore our export products which are abundant.

For example, our export of cigarettes, furniture, and so forth to these countries is an insignificant part of our total export. Their proportion is higher in our exports of cotton materials, for which we have better markets in Asia and Africa. This also applies to Persian rugs and medicines. Cotton materials amount to 20% of the total export, and to 23% of exports to the capitalist countries; of Persian rugs, 34.3% and 88.4%, respectively; of medicines, 35.9% and 55.1%, respectively. These goods, and also silk materials, leather clothes, fancy goods, and some goods of a cultural-national character, have the best opportunity for an enlarged export.

The export of chemical goods began recently. In 1960 the West European countries bought such goods for four million levas, 44% of which was molasses alcohol. The total export of these products was 87 million levas.

These countries buy our whole export of naphthalin, 43.3% of our export of colophon, and 30.3% of our export of zinc white. These exports can be increased significantly. The West European countries are the only, or at least the main, buyers of several other Bulgarian chemical products, such as potassium permanganate, calcium carbide, and others, the export of which during 1960 amounted to 1.3%, or 33.3% of the total exports of this group. The production

power and the export assortment of our chemical industry are growing fast, and they represent an important factor in increasing our export to the West European countries.

The export of machines and equipment also increased in 1960; however, its level is still very low. This is in sharp contrast to the rapid increase of our exports of machines and equipment. Of course, these West European countries possess a highly developed and mighty machine building industry; consequently, a significant export of machines to these countries is hardly to be expected. The only exports to these countries in 1960 were 19 electric carts to the GFR, and laboratory equipment to the GFR and Austria.

With the help of the other socialist countries, Bulgaria specializes in the production of a few types of metal-cutting machines, electric carts, electric motors, and others. With the introduction of automatic serial production and with a reduction of the production costs, the placement of these machines could be increased, especially in those West European countries where the machine-building industry is not highly developed.

A present analysis of the commodity composition of our exports to the West European capitalist countries brings us to the conclusion that the commodity composition of all mutual supplies must match the general profile of the national economies and the exports and imports of interested countries if a further development of the trade between our country and the West European capitalist countries is to be expected.

The West European capitalist countries must abandon their discriminatory policies, which mainly affect the imports of agricultural products by those countries which are not members of closed economic formations (in this case also our country), and threatens our exports to these countries with still lower prices and another, probably more significant, quantitative decrease.

The further development of trade between Bulgaria and these countries will depend on the quick improvement of the commodity composition of our exports. The practical solution of this problem is to be sought in the possibility of increasing these countries' purchases of those industrial goods in which Bulgaria has already specialized or is getting specialized in their production. The best possibilities in this respect lie mainly in increased purchases of our chemical products, electric and other machines, and industrial goods for general use, large quantities of which the West European countries import from other countries.

Parallel with this, they must increase their purchases of our traditional goods, which have a decisive influence on the trade balance: mainly tobacco, processed fruit and vegetables, some fresh fruit and vegetables, primarily grapes, apples, tomatoes, and others. At the same time, the assortment of export goods must be enlarged with the inclusion of some new articles into Bulgaria's exports.

EAST GERMANY

THE LOCAL ECONOMY AND COOPERATION
AMONG THE SOCIALIST COUNTRIES.

[Following is the translation of an article by Kirschey in
Die Wirtschaft (The Economy), No 22, 31 May 1961, page 9.]

The decree of 1 April 1961 was published recently in "Resolutions and Reports" No 6 of the State Planning Commission. It deals with the inclusion of area and district operated plants and establishments, as well as of communal economy, in the international economic and technical scientific cooperation with socialist countries. The following article deals with the tasks which have arisen as a result of this decree for the central and local state agencies, the operations and institutions.

The Editor.

Technical-scientific cooperation with the socialist countries, the exchange of documents, the study of modern production methods and experiences, as well as cooperative research and development, represent an inestimable aid for the locally-operated economy.

Active participation in the development of international economic and technical-scientific cooperation with the socialist countries had been limited essentially to the centrally managed VVB [Vereinigte Volkseigene Betriebe -- United People's Plants] plants and institutions. Now the locally managed economy is to take advantage of these opportunities systematically and according to plan in order to derive from them a higher economically useful effect.

To ensure the maximum benefit from mutual assistance and from all other forms of international cooperation, an arrangement for sound distribution of responsibilities and a clear procedure had to be made. The result is the decree issued by the State Planning Commission on 1 April 1961. It is based on the important "Decision of the State Planning Commission of 17 February 1960 concerning the preparation and execution of international economic and technical-scientific cooperation". This resolution lays down the principles, the tasks and the responsibilities in the planning and execution of the international economic and technical-scientific cooperation, and the responsibilities of the VVB(Z) towards the locally operated economy. In preparing this decree, district counsellors conferred repeatedly with experts and economic advisors. Their conferences contributed to the fact that as simple and unbureaucratic forms as possible were found for the inclusion of local economy in the international cooperation.

WHICH TOPICS ARE GIVEN PRECEDENCE?

The exchange of information relating to experiences between plants and institutions of friendly socialist countries, particularly those within the Soviet Union, has manifold advantages. It offers a variety of possibilities for effective reconstruction measures, for the application of progressive manufacturing processes, for improvement of the quality of products, and increase in labor productivity.

The proposal for technical-scientific cooperation should not be dealt with indiscriminately. Those topics are to be given precedence which are of particular importance in better maintenance of our population and in the increase of labor productivity. Primary consideration should be given to supplies of commodities. It is up to the local state agencies to exercise their influence in this respect, in order that a waste of effort may be avoided.

In planning these measures due consideration should be given to the instructions of the 12th Plenum. They are designed to prevent an exaggerated and unjustified cooperation of local industry with the centrally operated industry, which would be of disadvantage to consumer goods production. In this exchange of experience particular attention must be paid to the most economical use of raw materials and natural products, as well as to material and supply for the local economy within the overall system of the consumer industry. However, the international exchange of experiences offers many opportunities in fields like public transportation, water supply, construction and others.

In order that a speedy and highly effective realization of the plan "Neue Technik" [New Technology] may be achieved, the aid of international cooperation should be considered extensively. Due to the high number of locally operated enterprises, it would be inconvenient if each of them were to apply directly for exchange of information relating to experience, for written evidence, or for expert delegations.

ENTERPRISE SECTIONS OF KAMMER DER TECHNIK - CHAMBER OF TECHNOLOGY

Many results of international cooperation which are applicable in the locally operated industry are available for the VVB(Z) and the centrally operated enterprises. It is the duty of the central administrations and enterprises to make this evidence and experiences available and to assist in their application. The VVB(Z) and the centrally operated enterprises, as well as numerous scientific institutes, already possess good experience in international cooperation which local enterprises should use as a basis. It is up to the centrally operated enterprises to help the local economy in organizing international cooperation. This must be particularly expected from the

scientific and technical centers of the VVB (Z), and the locally operated economy should in turn take greater advantage of their assistance. Local administrations and plant divisions can help the Chamber of Technology in many ways and in doing so intensify their own activity.

During TWZ [technical-wissenschaftliche Zusammenarbeit -- technical-scientific cooperation] trips or other forms of cooperation and mutual assistance, the central agencies and plants must investigate carefully whether the inclusion of engineers, chiefs, brigade members, and laborers is practical. The extensive inclusion of working people, particularly of the socialist labor societies and innovators, is to be assumed in the measures for the local economy, so that the gained knowledge may be applied generally and quickly.

DETERMINATION OF EFFICIENCY MUST BE INTENSIFIED

Control over the written evidence and results of the cooperative effort, as well as the determination of economic gain, are of extraordinary importance. Every operation which makes use of such knowledge is obliged to report on it to the superior agencies. This is an important prerequisite for continued development of mutual assistance among socialist countries, as well as for the general benefit of such experience in local economy. The local enterprise should also contribute to the development of methods in the calculation and determination of economic profit.

The resolution of 1 April is based on the principle that the State Planning Commission authorizes certain economic directorates, state agencies, i.e. institutions, to include local economy in the international cooperation. This is to take place in agreement with the local state agencies, particularly with the economic advisors, area counsellors, and zone planning commissions. Local agencies, together with the central state agencies and economic directorates, have important problems to solve in this field. It is particularly important that the measures resulting from international cooperation remain in accord with the entire industrial branch and the total territorial planning.

In those industrial branches where VVB(Z) exist, the latter are responsible for the inclusion of district and zone operated plants in international cooperation, and for the application of the policy in these operations. They are supposed to ensure uniform development of the entire industrial branch. The plants submit their reports concerning performance and economic gain to the economic counsellor and the VVB(Z). In order to ease the burden of local plants, applications for documents and exchange of experience with operations of socialist countries should be submitted informally to the VVB (Z). They should be examined to see whether appropriate documents and experiences already exist. If a TWZ application is required, it

should be made by the VVB(Z) following official procedure. This form of organization of international cooperation entrusts the VVB(Z) with a great responsibility towards the regional and area managed industries. In those economic branches where there are no VVB(Z), and whose operations are generally subordinate to local agencies, an entirely new method, which has been approved by all areas, is applied. Such economic branches are, for example, the furniture industry, and the toy, sawmill and leather goods industries. In this case it is necessary that all measures of international cooperation be coordinated by one center in the republic.

Economic counsellors, whose areas are centers of such a particular industry branch, have agreed to take over the responsibility of coordinating international cooperation in that branch of industry throughout the GDR. Thus, for example, the economic counsellor at the council of the Halle area takes over the task of coordination for the leather goods industry in all areas. The economic counsellors, who are responsible for coordination are guided and supported by the specialty divisions of the State Planning Commission.

The economic counsellors may authorize the leading VVB(B), institutes or plants to carry out certain measures. This assures a practical division of tasks, unburdens the economic counsellors of administrative work, and allows a high number of personnel to participate in international cooperation. Administrative expansions, however, and bureaucratic complications must be avoided. Such a procedure is bound to promote the exchange of experiences and cooperation between plants and institutions.

For the area and district operated plants of the food industry the appropriate specialty institutes will take over the task of guidance and coordination. The responsibility lies with the division of food industry of the State Planning Commission. The areas and institutes which take over such a task of coordination, are specified in the outline of the decree.

THE COMMUNAL ECONOMY ALSO GAINS ADVANTAGES

Communal economy as well can profit considerably by technical-scientific cooperation. Furthermore it should be noted that numerous districts and communities on the border of neighboring socialist countries have common problems to solve in communal economy. For this reason the Institute for Communal Economy -- guided by the area division of the State Planning Commission -- takes over the coordinating tasks for the inclusion of plants and establishments of communal economy in the international technical-scientific cooperation.

The VVB(Z), the coordinating economic counsellors, institutes, leading VVB(B), and leading operations arrange for all practical procedures directly with the operations concerned, after the tasks have

been agreed upon by the local state agencies. If the TWZ requests have been granted the division of International Economic Relations of the State Planning Commission places the required funds at the disposal of local economy.

Three guiding principles were issued by the head of the International Economic Relations division of the State Planning Commission and published simultaneously with the above mentioned decree. Here the tasks of the establishments and plants of local economy as well as the coordinating agencies (VVB (Z), economic counsellors and institutes for communal economy) are defined and explained in greater detail.

The requests for assistance from socialist countries should, however, not be one-sided; on the contrary, the entire program rests on mutual brotherly cooperation and aid. The plants and enterprises of locally operated economy have the important responsibility of passing on their experiences to the operations and establishments of socialist countries, and of responding quickly and effectively to the requests for assistance and exchange of experience.

[Following is the translation of an article by Rusi Rusanof in Vunshna turgoviya (Foreign Trade), Vol IX, No 3, March 1961, pp. 3-5.]

Bulgaria is one of Poland's main suppliers of some concentrates of non-ferrous metals, like zinc concentrate, and some non-ferrous metals, like lead ingots and others.

In turn, Poland covers a considerable part of our needs of ferrous metals, machines, equipment and other things.

On 7 January 1961, a Protocol of Goods Exchange for 1961 Between the Government of the People's Republic of Bulgaria and the Government of the People's Republic of Poland was signed as a provision to the Agreement for Exchange of Goods for the Period 1961-1965. The Protocol Provides for an increase of the goods exchange between two countries during 1961. This increase should be 10% of the exchange of the previous year and should amount up to 46.1 million rubles (new currency).

During 1961 Bulgaria will deliver to Poland machinery and equipment to the value of 1.1 million rubles as follows: 450,000 rubles, 200 electric and telegraph poles, and others. In comparison with 1960 Bulgaria's export of machinery and equipment to Poland will increase 8.6 times. This fact shows the success achieved in increasing the specialization and the cooperation of the machine-building industry in the two brother countries.

Bulgarian shipments of raw materials important for the Polish industry are going to be considerable: 80 thousand tons of zinc concentrate; 20 thousand tons of manganese ore; four thousand tons of pyrite concentrate; 1,500 tons of soda bicarbonate; 5,000 tons of tobacco; three tons of lavender oil; 45 kg. of attar of roses; 450 tons of peanuts, and other things.

A great deal of our exports consists of fresh and processed fruit and vegetables. Their shipments are also increased: 14,000 tons of fresh grapes; 20,000 tons of fresh tomatoes; 1,700 tons of fresh peaches and apricots; 400 tons of bell peppers; 2,500 tons of wine; 700 tons of jams; 1,500 tons of canned vegetables; 1,000 tons of tomato puree, etc.; also goods for general use: fur clothing worth 337.5 thousand rubles; 200 tons of cigarettes, etc.

Polish shipments of machinery and equipment will amount to 6.2 million rubles: welding machines, 112,000 rubles; electric equipment for cranes, 180,000 rubles; mining equipment, 135,000 rubles; "Star" automatic cranes, 30 pieces; conveyors for cement silos, 30 pieces; vibrators to the value of 225,000 rubles; water meters to the value of 506,250 rubles; tools, 292,000 rubles, bearings, 247,500 rubles; spare parts for automobiles and tractors, 225,000 rubles; "Star" trucks, 250 pieces; 50 "San" automobiles; 150 "Pickup" delivery trucks; 50 "Juk"

luggage vans; 10 excavators; equipment necessary for the expansion of the cement plant of the city of Pleven, 225,000 rubles; and others.

The following shipments will provide an essential part of the raw and other materials necessary for our industry and other branches of our economy: coke 35,000 tons; ferrous metals, 46,000 tons; normal gauge railroad rails, 12,000 tons; railroad switches, 4,000 tons; sheet metal, 4,000 tons; malleable iron, 3,000 tons; synthetic rubber, 1,500 tons; aniline dyes, 225,000 rubles; polysterol, 200 tons; natron paper, 200 tons; slag wadding, 1,000 tons, etc.

During 1961 Poland will supply us also with significant quantities of industrial consumer goods for a total of 562,000 rubles, among which are 2,070 sewing machines, 250 television sets, 300 washing machines, 800 cameras to a total of 45,000 rubles, etc.

The protocol provides for a further increase of the exchange of goods in the course of the year by augmenting the contracted contingents or by introducing new goods. So far, experience in the exchange between the two countries shows that during the year of contract, additional opportunities for an increase of the exchange have been discovered. This was done either by an increase of the contracted contingents, or by making an agreement for the supply of new goods. Additional protocols for the trade exchange have been signed for certain years.

If we compare the exchange planned for 1961 with the exchange of a few years ago, we will see that it has been continually increasing in size as well as in the variety of the exchanged goods. The increase is more than two times as compared with 1956.

For instance, Bulgarian supplies of machines and equipment to Poland in 1961 have increased more than three times and of tobacco more than two times, as compared with 1957.

The Polish People's Republic has been able to buy more and more fresh and processed fruit and vegetables. At the same time our shipments of fresh and processed fruit and vegetables were increasing, especially those of grapes, tomatoes, peaches, apricots, tomato puree, etc. Poland has been exporting more and more machinery and equipment. Their number increased four times for the last three years. The same is true for ferrous metals, especially railroad materials like rails, bolts, switches, wheels, bearings, etc.

Chemicals occupy a more stable position in the Polish exports to Bulgaria, not only in volume but also in their variety. New chemicals like synthetic rubber, celluloid and others appeared in their roster. The number of sewing machines, TV sets and other things has been on the increase during the last few years. New consumer goods like refrigerators, washing machines and other things were included.

The prospects for further development of the trade between Bulgaria and Poland are very favorable. The long-term agreement for mutual exchange of goods during the period 1961-1965, which was signed on 27 March 1960, creates a foundation necessary for a further widening of the Polish-Bulgarian goods exchange. According to the agreement the trade exchange between the two countries will be increased two times in 1965 in comparison with 1960.

Our exports of machinery and equipment will be increased significantly by including new goods in this category, among them freight and passenger cars. It has to be stressed, however, that machinery and equipment is still a small fraction of Bulgarian exports to Poland.

Further possibilities for an increase of the Bulgarian export of machinery must be sought mainly in those industrial branches in which Bulgaria is becoming specialized according to the recommendations of CEMA. Intensified cooperation in this area will make possible more complete utilization of the production capacity of those branches of the machine building industry in which Bulgaria is specialized, mainly metal processing and agricultural machines. Polish orders in the area of metal processing machines can be increased in reference to various kinds of lathes, drilling machines, milling machines, eccentric presses, etc. Possibilities for an increase of Bulgarian exports to Poland exist in the area of high-tension electrical equipment, especially of power transformers of various capacity, electric motors, etc. The same can be done in the area of agricultural machinery. Exports of harvesters, mowers, threshing machines and many other things which Bulgaria successfully exports to the USSR and the other socialist countries can also be increased.

In accordance with the recommendation of CEMA, in order to make use of the unusually favorable natural conditions and a labor force with experience a century old, Bulgaria is becoming specialized in the production of fruit and vegetables, with the aim of satisfying also the needs of the socialist countries. In 1957, an agreement, which has been applied during the past years, was concluded between Bulgaria on the one hand, and the USSR GDR, and Czechoslovakia on the other. All possibilities in this area for a Polish-Bulgarian goods exchange have already been utilized. There is a prospect that Bulgarian supplies of grapes, strawberries, apricots, plums, watermelons, walnuts, and other fruits which are well known to the Polish consumers and are appreciated by them can be even further increased. Bulgarian exports of processed fruit and vegetables can also be increased. Bulgaria has built up a mighty, completely up-to-date, preserving industry and already exports per year approximately 200,000 tons of fruit jams, jellies, marmalades, compotes, syrups, juices, dried and frozen fruit, fruit pulps, vegetable preserves, tomato puree and juice, various dried and frozen vegetables, etc., mainly in the socialist countries, but the relative portion of Poland in these exports is very small.

Good prospects exist for Polish exports of complete industrial enterprises, for the construction of which Poland will also supply the necessary technical know-how.

Poland possesses an experience gained by the construction of complete industrial plants in the People's Republic of China, Vietnam and in other countries in Asia, Africa, America and Europe.

It also has long experience in the construction of sugar, cement, and other factories. The People's Republic of Poland built a yeast

factory in our country. According to the agreement, Poland is supposed to build, up to 1965, a series of complete projects, e.g. the enlargement of the cement factory at Pleven, equipment for the production of light concrete, factories for fire resistant materials, a shop for armored and ornamental glass, and a china factory. Of course, not all possibilities are exhausted with these projects.

There is a possibility which so far we have not made use of: to cooperate in the construction of complete projects in other countries. In this respect a great deal can be done since our country is also a builder of complete projects in various countries in Asia, Africa and lately in America.

Ferrous metallurgy is well developed in the Polish People's Republic. She is one of our primary suppliers of railroad materials, rails, bolts, switches, wheels, bearings and other things. Our need for such materials will increase together with the enlargement of our railroad net, and especially with the electrification of our railroads.

The supply of chemicals from Poland is also favorably conditioned. Poland's chemical industry is well developed and is still developing rapidly since it is based on coal production, which is a great national asset. Our export of chemicals to Poland is continually increasing. However, in spite of the fact that our chemical industry is undergoing a hectic development, and that a great part of our needs will be satisfied with our chemicals, several chemicals will have to be imported. Since the variety of the Polish chemical production is very great, Poland will be in a position to satisfy a great part of our imports.

The fulfillment of all these possibilities will result in a new and considerable increase of the Bulgarian goods exchange and in a further deepening and widening of the cooperation between the two brotherly countries in the interest of a quicker solution of the problems of building socialism.