

JPRS 69793

14 September 1977

TRANSLATIONS ON EASTERN EUROPE
POLITICAL, SOCIOLOGICAL, AND MILITARY AFFAIRS
No. 1446

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

U. S. JOINT PUBLICATIONS RESEARCH SERVICE

20000405 041

Reproduced From
Best Available Copy

EAST

EUROPE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22151. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available through Bell & Howell, Old Mansfield Road, Wooster, Ohio, 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

BIBLIOGRAPHIC DATA SHEET	1. Report No. JPRS 69793	2.	3. Recipient's Accession No.																		
4. Title and Subtitle TRANSLATIONS ON EASTERN EUROPE - POLITICAL, SOCIOLOGICAL, AND MILITARY AFFAIRS, No. 1446		5. Report Date 14 September 1977																			
7. Author(s)		6.																			
9. Performing Organization Name and Address Joint Publications Research Service 1000 North Glebe Road Arlington, Virginia 22201		8. Performing Organization Rept. No.																			
12. Sponsoring Organization Name and Address As above		10. Project/Task/Work Unit No.																			
		11. Contract/Grant No.																			
		13. Type of Report & Period Covered																			
		14.																			
15. Supplementary Notes																					
16. Abstracts The serial report contains articles on official party and government pronouncements and writings on significant domestic political developments; information on general sociological problems and developments in such areas as demography, manpower, public health and welfare, education, and mass organizations; and articles on military and civil defense, organization, theory, budgets, and hardware.																					
17. Key Words and Document Analysis. 17a. Descriptors																					
<table border="0"> <tr> <td>☒ International Affairs</td> <td>Propaganda</td> </tr> <tr> <td>☒ Albania</td> <td>Political Science</td> </tr> <tr> <td>☒ Bulgaria</td> <td>Sociology</td> </tr> <tr> <td>☒ Czechoslovakia</td> <td>Military Organizations</td> </tr> <tr> <td>☒ East Germany</td> <td></td> </tr> <tr> <td>☒ Hungary</td> <td></td> </tr> <tr> <td>☒ Poland</td> <td></td> </tr> <tr> <td>☐ Romania</td> <td></td> </tr> <tr> <td>☐ Yugoslavia</td> <td></td> </tr> </table>				☒ International Affairs	Propaganda	☒ Albania	Political Science	☒ Bulgaria	Sociology	☒ Czechoslovakia	Military Organizations	☒ East Germany		☒ Hungary		☒ Poland		☐ Romania		☐ Yugoslavia	
☒ International Affairs	Propaganda																				
☒ Albania	Political Science																				
☒ Bulgaria	Sociology																				
☒ Czechoslovakia	Military Organizations																				
☒ East Germany																					
☒ Hungary																					
☒ Poland																					
☐ Romania																					
☐ Yugoslavia																					
17b. Identifiers/Open-Ended Terms																					
17c. COSATI Field/Group 5D, 5K, 15																					
18. Availability Statement Unlimited Availability Sold by NTIS Springfield, Virginia 22151		19. Security Class (This Report) UNCLASSIFIED	21. No. of Pages 88																		
		20. Security Class (This Page) UNCLASSIFIED	22. Price																		

14 September 1977

TRANSLATIONS ON EASTERN EUROPE
POLITICAL, SOCIOLOGICAL, AND MILITARY AFFAIRS

No. 1446

CONTENTS

PAGE

INTERNATIONAL AFFAIRS

CSSR-GDR Economic Cooperation Reviewed, Evaluated (Josef Adamek; ZAHRAVICNI OBCHOD, No 2, 1977)	1
--	---

Briefs

Polish Specialists Abroad	10
Polish Construction in GDR	10
Printing Machines	10
Polish Fiats to Hungary	11
Agriculture in CEMA	11
Polish Vehicles to GDR	11
Educational Aids	12
Poland-GDR Cooperation	12
Poland-USSR Fruit Trade	12

ALBANIA

Crop Protection Needs Discussed (Xhelo Murraj; BASHKIMI, 20 Jul 77)	13
--	----

BULGARIA

Problems Affecting Trade With West Outlined (Todor Velez; FINANSI I KREDIT, No 5, 1977)	16
Young People Reluctant To Work in Mines (Yordan Ganev, Iliya Zaykov; NARODNA MLADEZH, 1 Aug 77)	25
Ferryboat Harbor Under Construction in Varna (TRANSPORTEN GLAS, 22 Jul 77)	28

CONTENTS (Continued)	Page
CZECHOSLOVAKIA	
Foreign Trade Sectors Reviewed (REVUE OBCHODU, PRUMYSLU, HOSPODARSTVI, No 4, 1977).	31
Consumer Goods Exports, by Vladimir Novacek CSSR-Denmark Trade Outlook, by Josef Richter Foreign Trade in Industrial Consumer Goods, by Kamil Kudlak	
Draft Amendments To Improve Trade Relations Published (Miroslav Cuker; ZAHNANICNI OBCHOD, No 2, 1977) ...	49
EAST GERMANY	
Resolution Endorses LPG Model Statutes (Editorial Report)	56
Order Supplies Further Stipulations on Agricultural Credit Policy (Editorial Report)	57
HUNGARY	
Energy Conservation Measures Taken (NEPSZAVA, 24 Aug 77)	58
Deputy Minister Gives Facts on Agriculture, Food Trade (MAGYAR NEMZET, 27 Aug 77)	59
Structure, Export of Machine Industry (Tibor Szabo; KULGAZDASAG, No 5, 1977)	61
Cattle Breeding Program Getting Into Gear (Jeno Vancsa; NEPSZABADSAG, 27 Jul 77)	73
POLAND	
Director General in Domestic Trade Ministry Named (GAZETA HANDLOWA, 12 Jun 77)	78
Poland Seeking Huge Western Loan To Finance Mines (Mary Campbell; THE FINANCIAL TIMES, 31 Aug 77) ...	79
Chemical Measures Suggested To Control Potato Blight (DZIENNIK LUDOWY, 19 Aug 77)	81

CONTENTS (Continued)

Page

Briefs

Milk Procurement	82
Cattle Procurement	82
Grain Procurement Results	82
Egg Procurement	83
Ship Imports	83
Consumption Structure	83
State Expenditures for Medicines	83
Hoarding in Kielce	84
Heart Stimulator	84
Zelmo Reflectors	84
Construction Machinery Export	85

CSSR-GDR ECONOMIC COOPERATION REVIEWED, EVALUATED

Prague ZAHNANICNI OBCHOD in Czech No 2, 1977 pp 3-6

[Article by Josef Adamek: "CSSR-GDR Economic Cooperation"]

[Text] "Integrated production of petrochemicals with the German Democratic Republic will further increase and plans will be made for the construction of capacities in the CSSR and the GDR which will enable close cooperation of both countries in the manufacture of automobiles. As to production specialization and cooperation, collaboration will be expanded in the area of agricultural machinery, highly efficient technological lines and individual machines for the textile, garment and shoe industries, automation and electronic measuring equipment."

From the report on "Main Directions of Economic and Social Development of the CSSR During the 1976-1980 Period," read by CSSR Prime Minister L. Strougal at the 15th CPCZ Congress.

Economic cooperation between the CSSR and the GDR has developed virtually from the birth of the GDR in 1949. During the initial period, this cooperation was predominantly limited to the mutual exchange of goods. As the socialist economic system in both countries and the world socialist system as a whole developed, higher forms of cooperation gradually came into being in which foreign trade assumed the role of the realizer of distribution of labor according to plan. The focal point of mutual economic relations is thus slowly shifting from the sphere of distribution to the sphere of production, research and development. Mutual cooperation gradually develops from lower to higher forms--to the coordination of national economic plans, to special-purpose economic cooperation, to production specialization and cooperation, and so on. The ultimate goal is socialist economic integration. This is a completely logical phenomenon which corresponds to the attained degree of development of the national economy in the CSSR and the GDR as well as in the entire socialist community.

An important milestone in economic cooperation of both countries was the intergovernment agreement of December 1957 and the establishment of the Joint Committee for Economic and Scientific-Technical Cooperation between the CSSR and the GDR. The task of this organ is to set and negotiate the main directions of economic and scientific-technical cooperation, the questions pertaining to production specialization and cooperation, fulfillment of obligations in the area of foreign trade, suggestions for special-purpose economic cooperation and so on. The Economic Committee meets once or twice a year alternately in the CSSR and the GDR. The committee has two sections headed by the deputy premiers of both states. The problems involved are discussed in more detail in work groups and subgroups attached to the CSSR-GDR Economic Committee which were set up for individual sectors. The direct implementation of tasks is entrusted to the appropriate ministries, economic production units, enterprises or plants and foreign trade organizations.

The fundamental orientation of bilateral economic cooperation between the CSSR and the GDR, which is directly linked to multilateral cooperation of the CEMA member countries, is determined by the supreme party and state organs of both countries. Cooperation is then governed by the resolutions of the CSSR-GDR Economic Committee, which this organ adopts at its sessions.

The 20th session of the CSSR-GDR Economic Committee was held in Berlin in March 1977. As the results of its activity so far reveal, economic cooperation of the two countries has assumed a considerable scope and is constantly intensifying. Apart from quantity standpoints, the problems of quality and of attaining constantly higher efficiency of social labor have increasingly become the center of interest. The above-mentioned session commented favorably especially upon the expansion of production specialization and cooperation. Proof of this development is, for example, the fact that a total of 42 specialization and cooperation agreements were signed in the period between the 19th and 20th session of the Economic Committee, particularly in the area of engineering, electrical engineering and electronics, chemistry and industrial consumer goods. Of special importance is the recently signed interministry agreement on cooperation in research, development and manufacture of instruments and equipment for automation of technological processes. The Economic Committee also dealt with the problems of consultation of planning organs on economic relations between the two countries after 1980, preparation of long-term cooperation in the motor vehicle industry, the fulfillment of mutual deliveries in accordance with the obligations stipulated in the annual protocol for 1976 and this year, and so on.

Economic cooperation between the CSSR and the GDR is carried out in the most varied forms. For illustration, we list at least the most important ones.

The basis of economic cooperation of both countries is the mutual exchange of goods and services. This classical form has successfully developed

between both countries immediately after the establishment of the GDR. Its dynamic development so far is apparent from the volume achieved in mutual trade which has increased more than 25 times since 1950 and more than doubled since 1970. The value of foreign trade turnover exceeded 1.6 billion transferable rubles in 1976. Mutual deliveries of goods are carried out on the basis of long-term trade agreements coordinated with the national economic plans and negotiated by the state planning organs of both countries. The implementation of long-term agreements usually results in surpassing by approximately 20 percent the obligations agreed upon. In terms of value the GDR occupies the second place in the total Czechoslovak foreign trade, and the CSSR occupies the same place in the total foreign trade of the GDR.

An interesting and illustrative picture is offered by the data on the commodity structure stemming from the mutual trade relations between the CSSR and the GDR for 1976. Last year the decisive commodity category continued to be machinery, equipment and instruments, which accounted for 58.3 percent in the total Czechoslovak exports to the GDR and for 61.3 percent of total imports from the GDR. The share of fuels, materials and raw materials amounted to 27.4 percent in Czechoslovak exports and to 24.1 percent in imports. The share of food items including raw materials and semifinished materials for their production amounted to only 1.4 percent in Czechoslovak exports and to only 0.6 percent in imports. Consumer goods accounted for 12.9 percent of the total Czechoslovak exports to the GDR and for 14 percent of total imports from the GDR. Both countries have a similar structure of the national economy which is reflected in the area of foreign trade and at the same time shows the realistic possibilities and also the necessity of further intensification of mutual cooperation on the basis of specialization of production programs.

Within the mutual exchange of goods, for example the deliveries of equipment for the power generating equipment sector are important in the Czechoslovak exports to the GDR. It is particularly the deliveries of technological equipment for the thermal electric power stations of 30-50 Gcal in Magdeburg, Schwerin-Sud, Furstenwalde, Ilmenau, Freiberg, Cottbus, Sebnitz, Rostock and for the incinerating plant in Berlin-Lichtenberg which produces not only heat, but also electric power. The deliveries of equipment for the repumping hydroelectric power plants in the GDR, namely for Hohenwarte (in years 1966-1970), Bleiloch (deliveries completed in 1977) and particularly for Markersbach are of particular interest. In 1972, the foreign trade enterprise Skodaexport, Prague, signed a contract with Industrieanlagen-Import Berlin on the delivery of six complete repumping units including the design and assembly of the above-mentioned repumping hydroelectric power plant at Markersbach. The output of individual units is 175 MW, the total value of the contract which is one of the biggest in the history of Skodaexport and definitely the biggest in relation to the GDR is almost 24 million rubles. This equipment is jointly produced by Skoda national enterprise, Plzen, which manufactures and delivers hydro-generators and CKD [Ceskomoravska-Kolben-Danek] national enterprise,

Blansko, as the manufacturer and supplier of the hydromechanical part. Deliveries started in 1975 and are to be completed in 1979. According to the contract, individual repumping units will be put into operation in 1971-1981. Many of the individual pieces of equipment are of considerable size, will weigh up to 100 tons and will have to be therefore transported by trucks with specially designed chassis along the route determined in advance. This power plant will be among the biggest of this kind in central Europe.

Among the major and already traditional Czechoslovak imports from the GDR we can mention for example highly efficient machines for highway construction, that is graders, Teltomat paving machines and finishers which have proved effective in construction of freeways and highways as well as in other construction work. Some machines constitute an integral part of comprehensive machine systems covered by the interministry specialization agreement and are the subject of multilateral specialization. On the other hand, the CSSR supplies the GDR with comprehensive machine systems for the production of building materials, for example for the Wefensleben brick factory.

As an example of special-purpose economic cooperation we can mention the first intergovernment agreement of this type, namely the agreement on cooperation in promoting development of the potassium industry in the GDR, which was signed in 1959. On the basis of this agreement the CSSR delivered to the GDR primarily machinery and equipment which sped up the increase in the output of potassium salts in the GDR and also made it possible for the GDR to undertake an obligation to increase the deliveries of this important raw material for production of potassium fertilizers to the CSSR during the 30-year period. In recent years, the CSSR has also participated in the reconstruction of the electrical engineering equipment in these mines. Further important cooperation is developing on the basis of the agreement on transporting natural gas across the territory of the CSSR from the Soviet Union to the GDR. This agreement was signed in 1971. It is included in the projects covered by the Comprehensive Program of Socialist Economic Integration because it is connected with the Orenburg gas pipeline built on the territory of the USSR. Since April 1974, many branches of the GDR national economy have been receiving Soviet natural gas transported by this transit gas pipeline which the CSSR is constructing with the assistance of the USSR and the GDR. The GDR supplied the CSSR with spirally welded pipes of large diameter, mainly 912 mm x 12 mm, from the plant in Bitterfeld near Leipzig, in addition to some machinery and equipment and many products within the credit advanced to the Czechoslovak party. Closely related to this cooperation are the deliveries of equipment for the Seyda compression station on the national section of the transit gas pipeline not far from the GDR-CSSR state border in the Ore Mountains which is manufactured by CKD and exported by the foreign trade enterprise Pragoinvest, Prague.

Bilateral scientific-technical cooperation between the CSSR and the GDR started as early as 1949, not only between the central agencies, but also between plants, enterprises, research institutes, schools and so on. So far, both countries have exchanged more than 55,000 scientists, technicians and experts for the purpose of consultation in research, management of the national economy and so on--approximately 30 percent of these exchanges took place in the last 5 years. More than 7,500 complete sets of scientific-technical documentation pertaining to the development of production, chemical products, wood processing and consumer goods have been exchanged. At the present time approximately 600 plants in the CSSR and the GDR cooperate, on the basis of long-term plans, in research, development, construction, design and production. Good results have been produced by the joint research, development and organization of technologically very complex production of spun material from yarns, at least 80 mm long, by an automatically controlled system of machines. This so-called woolen system is covered by the intergovernment agreement with the GDR signed in 1971. Its purpose was to jointly develop an automated technological line for production of worsted yarn with the highest scientific and technical standards of selected technological process and equipment. Basic materials are wool, synthetic fibers and their mixtures. The crux of the problem was to devise a self-contained system--of a complex of machines for production of worsted yarn and its testing in experimental operation conditions. Labor productivity has increased by as much as 200 percent in this particular section of textile production. At the same time, the yield from the material has increased, while the physical burden of operators and investment costs per unit of production have been reduced. An experimental operation line with an output of 1,000 tons was constructed in the GDR with the assistance of the CSSR in the Markleeberg plant VEB Buntgarnwerke, Leipzig. Czechoslovak machines were delivered in 1974 and experimental operation, in which Czechoslovak experts also participated during the entire period, ended in 1975. In view of the fact that this was a project included in the state plan of technological development, its costs were financed from the funds of respective ministries and from the state budget. This joint research project benefited both parties.

Deliveries from specialized production gradually account for a constantly rising share in the total volume of mutual exchange of goods between both states. At the present time, specialized production accounts for more than 22 percent of the total foreign trade turnover of the CSSR with the GDR, and it is assumed that its share will increase to approximately 30 percent by 1980. Production specialization and cooperation is carried out on the basis of intergovernment or interministry agreements and particularly on the basis of interenterprise contracts on production specialization and cooperation, which number approximately 120 at the present time. The largest number of agreements and contracts on production specialization and cooperation has been signed with the GDR. The GDR accounts for approximately 55 percent of the total number of contracts signed by the CSSR with other socialist countries. As far as the extent of material value reached on the basis of this increased form of cooperation is

concerned, the GDR stands right behind the USSR. For example, in 1975 the largest share of specialized and cooperatively produced products in Czechoslovak foreign trade, from the standpoint of material value, belonged to the USSR amounting to more than 41 percent; the GDR's share was almost 24 percent.

As far as specialization and cooperation in production is concerned, it is necessary to mention the 1971 Agreement Between the Governments of the CSSR and the GDR on Long-Term Economic and Scientific-Technical Cooperation in the Production and Utilization of Olefins. The agreement on petrochemical production has, so far, been the biggest cooperation agreement signed among the CEMA countries. This agreement provides for a purposeful distribution of investments and distribution of labor in this sector at least up to 1985. Directly linked to the intergovernment agreement is an interenterprise cooperation contract signed by the economic organizations of both countries in 1972. The contracting partners are on the Czechoslovak side: Chemopetrol concern and its enterprises at Litvinov and Neratovice, foreign trade organization Chemapol Prague and foreign trade organization Chemapol Bratislava, and on the GDR side: Petrochemisches Kombinat Schwedt, chemical combine in Bohlen and AHB Chemie Berlin. Regulation equipment for a plant in Bohlen was delivered by foreign trade organization KOVO, Prague, and ethylene pipeline was constructed by national enterprise Plynostav, Pardubice, and foreign trade organization Strojexport-Simex. The Chemical Plants of Czechoslovak-Soviet Friendship at Litvinov thus switched from processing of Most brown coal to a new raw materials base--crude oil. In accordance with the above-mentioned intergovernment agreement new capacities were built in the CSSR for processing of ethylene and propylene supplied by the GDR, and the necessary network of ethylene pipelines. Both countries participated in the construction of the 137 km joint international ethylene pipeline Bohlen-Litvinov, which connects the ethylene units and processing capacities in both countries. Steel seamless pipes with a diameter of 273 mm, manufactured at the Klement Gottwald New Metallurgical Works Kuncice, were used in the construction. Spirally welded pipes manufactured in the GDR were also used in the national ethylene pipeline in the GDR. The general designer was national enterprise Chemoprojekt Litvinov, and both the international and national ethylene pipelines on the territory of the CSR and the GDR were constructed by Plynostav Pardubice and foreign trade organization Strojexport-Simex. The operators in Bohlen, Litvinov and Neratovice are connected by direct telephone and teletype lines. The international and national ethylene pipelines were put into operation in 1975. Gradually the related units in the CSR for production of polypropylene at Litvinov and for PVC production at Neratovice were also put into operation. Deliveries of propylene from the GDR are designed for production of polypropylene, oxoalcohols and epichlorhydride in the CSR. The propylene supply from the GDR is supplemented by propylene from the ethylene unit in Hungary and the deliveries from the ethylene unit in the SSR at national enterprise Slovnaft Bratislava are also expected.

An important project in the second stage of cooperation is the construction of a new large capacity unit for production of ethylene in the CSR which, in accordance with the intergovernment agreement with the GDR, will also supply petrochemical production in the GDR by the end of this five-year plan.

The CSSR and the GDR develop not only bilateral cooperation, but they also broaden their participation in multilateral cooperation, which is the basis of cooperation between the CEMA member states in the fulfillment of tasks and goals of the Comprehensive Program of Socialist Economic Integration. Let us mention at least several examples of multilateral CEMA projects in which the CSSR and the GDR participate very actively and on a large scale.

A typical example of successful activity in the area of international economic organizations is the Central Dispatching Organization of Interconnected Power Systems of CEMA Member States with headquarters in Prague, which was founded in 1962. The construction of additional intersystem lines is linked up to this organization. Thus for example, a 400 kV [kilovolt] line for transmission of high voltage electric power between the CSSR and the GDR was constructed on the basis of an intergovernment agreement and put into operation in 1976. A similar general agreement from 1974 concerns the cooperation in the construction of long-distance power lines between Vinnitsa, USSR and Albertirsa, Hungary. The purpose of this cooperation is to eliminate the bottlenecks in transmission and to create conditions for further important steps in the intensification of power integration, that is the interconnection of the "Mir" system with the unified USSR power system by 750 kV lines. Another example is the Common Fleet of Freightcars (OPW [General Freightcar Pool]) with headquarters in Prague, founded in 1973; international sectoral organization for economic and scientific-technical cooperation in the area of small tonnage chemistry "Interchim" at Halle a.d. Saale (founded in 1969); international association "Interatomenergo" in which the CEMA member states cooperate in the area of peaceful use of nuclear energy; international organization of socialist countries for transplantation of human organs "Intertransplant" founded by the CSSR and the GDR in 1974 which additional five CEMA member countries joined in the subsequent years (the Institute of Clinical and Experimental Medicine in Prague 4-Krc is the coordination center) and others.

A typical example from the area of multilateral specialization agreements which reflect a higher form of cooperation is the agreement on specialization and cooperation in the manufacture of trucks with a carrying capacity of 12 and more tons which was signed in 1971. The contracting parties are the organizations or organs of the CSSR, USSR, GDR, Poland, Hungary, Bulgaria and Romania. The agreement primarily deals with the increase in the manufacture of Tatra trucks at Koprivnice. The International Investment Bank in Moscow granted a credit for this purpose. The GDR participates in this cooperation by deliveries of equipment, namely of super-heavy presses for the body shop.

Other multilateral specialization agreements concern, for example, the area of tractors, agricultural machines, railroad freightcars, ships and ship equipment, equipment for chemical industry, machine tools, machines for building and highway construction, machinery for manufacture of glass and ceramic products, and so on.

A progressive element in the cooperation of CEMA member states is the joint planning of individual sectors, branches and products--for example the formation of the material and technical basis for the uniform container system of transportation. An intergovernment agreement of all member states on the introduction of this system was signed in 1971. This system anticipates the use of universal and special containers with 10-30 ton carrying capacity, wherein a 20-ton container will be the basic type. All containers are transported by rapid container trains, container ships and highway vehicles in the line network agreed upon by the contracting partners. The uniform container system of transportation has been implemented since 1974. Regular container transportation between the CSSR and the GDR started as early as November 1971. The CSSR imports certain types of containers--mainly the 20-ton universal containers--from the GDR.

The CEMA member states proportionately participate in the intensive construction of industrial complexes on the territory of the Soviet Union and other member countries. The CSSR and the GDR participate, on the basis of the principle of material incentives in such projects, for example in the construction of the second stage of the Kingsepps phosphorite combine in Estonia for production of ammophoska. In accordance with the agreement already signed, the participating CEMA member countries will, in proportion to their participation in this construction project, import from the USSR additional quantities of this valuable fertilizer beginning in 1976. Another example is the intergovernmental general agreement on the exploitation of the Orenburg deposit of natural gas and on the construction of a 2,850 km long-distance gas pipeline from the Orenburg area to the western border of the USSR. By this longest international gas pipeline so far, the Soviet Union will supply the CEMA member countries with the contracted quantity of natural gas. A new aspect of this cooperation is the fact that each participating member country actually constructs a certain section of this gas pipeline on the territory of the USSR. Among other projects with the proportionate participation of member states on the territory of the USSR is the construction of the Kiyembayev mining and dressing combine for asbestos, introduction of production of raw materials containing iron and of some types of ferroalloys, and so on.

The CSSR and the GDR are participating in the implementation of important integration measures in the area of science and technology on the basis of the Comprehensive Program of Socialist Economic Integration. This activity is organized by the CEMA Committee for Scientific-Technical Cooperation, particularly in the area of new technologies and production processes, reconstruction of plants, rationalization, standardization and so on.

On the basis of the resolutions passed at the 20th session of the CSSR-GDR Economic Committee and tasks outlined in the Comprehensive Program of Socialist Economic Integration, the appropriate work groups and appropriate organs and organizations of the CSSR and the GDR are now discussing suggestions and tentative plans in the area of economic and scientific-technical cooperation for the period after 1980. Some suggestions are already being worked out in detail and jointly evaluated. As a result of this, the cooperation between the two countries will further intensify and contribute to further expansion of mutual economic relations in various areas both on the bilateral and multilateral basis.

10501
CSO: 2400

BRIEFS

POLISH SPECIALISTS ABROAD--Over 5,000 Polish specialists are working abroad just from one firm, POLSERVICE, which specializes in the sales not of "physical" goods but of knowledge and skills. An additional several thousand Poles from POLIMEX-CEKOP are completing constructions in the Soviet Union, Czechoslovakia, the GDR, Turkey, Yugoslavia, Greece, Morocco and Nigeria, Hungary, and in several other countries. Others, from ELEKTRIM, are building power stations and others, representing BUDIMEX, are erecting hotels, farms, residential buildings, roads, bridges, and other installations; while CENTROZAP sends abroad mine building experts. However, the largest group of Polish specialists is now in the USSR: over 6,000 persons are building a segment of the Orenburg gas pipeline and the Northern oil pipeline. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 33, 14 Aug 77 p 14]

POLISH CONSTRUCTION IN GDR--In addition to the construction of a power plant, Polish specialists are engaged, among other investments, in the cellulose-paper industry in the GDR. The expansion and modernization of the "Rosenthal" cellulose and paper factory will be completed in 1977. In this plant, the Polish construction workers will emplace a dewatering machine furnished by POLIMEX-CEKOP and measuring and control apparatus furnished by METRONEX. The Poles have also undertaken the reconstruction and modernization of the "Kripstein" paper and cellulose factory in the Lipsk district. Monuments of sorts are the high factory chimneys of Polish technology traditionally built in the GDR by Polish specialists. The chimney at the Thierbach power plant near Leipzig is 300 meters high and in Hagenwerde--280 meters high. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 33, 14 Aug 77 p 14]

PRINTING MACHINES--The MERA Mechanical and Precision Works in Blonie were still producing watches at the end of the past decade. At present the factory has converted over to computer equipment and belongs to the most important European producers of printing machines. The credit obtained from the CEMA International Investment Bank was paid off a year ago. The plant in Blonie satisfies the requirements of domestic customers and, at the same time, earmarks the major portion of the manufactured products for foreign contracting parties. The plant in Blonie at first exported line

printers--their regular customers are the markets of all the socialist countries. Subsequently, it has started the production of mosaic printers which operate in conjunction with minicomputers, and moved with them to conquer Western markets, exporting them to such countries as the United States, Great Britain, Belgium, France, the FRG, and Switzerland. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 33, 14 Aug 77 p 14]

POLISH FIATS TO HUNGARY--The Polish Fiat 126-p is beginning to make a career on the Hungarian market. Last year, the 2,500 "small cars" supplied from Poland found immediate customers. In 1977 the export is increasing over two-fold. The Polish Fiat 126-p, of Italian origin, has also, an addition of "Hungarian blood." A result of the agreement on the cooperation of the automotive industries is the undertaking of the production of a number of subassemblies for the Fiat 126-p by Hungarian factories, which are supplying Poland with voltage regulators, complete pistons, windshield wipers, ignition distributors, speedometers, and horns. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 33, 14 Aug 77 p 14]

AGRICULTURE IN CEMA--The advancing integration in agriculture of the socialist countries combined with going over to increasingly more intensive cultivation methods as well as large industry production is bringing visible economic results. Despite unfavorable climatic conditions, the CEMA countries attained in the 1971-75 period an agricultural production 14 percent higher than in the preceding 5-year period. For comparison, let us mention that the increase in world agricultural production during that period was on the level of 12 percent, and in capitalist countries on the level of 10 percent. In the production per capita of such agricultural products as grains, sugar, and a number of others, the CEMA countries overtook the European Common Market (EEC) countries. The CEMA countries are producing a half of the entire world production of potatoes and nearly a half of the production of sugar beets; they are producing one-third of the wheat, and one-fifth of the world yield of oil plants. It can very probably be assumed that the forthcoming years will bring a further increase in their share in the global production of food. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 35, 28 Aug 77 p 13]

POLISH VEHICLES TO GDR--The export from the Jelcz Automobile Works to the GDR began in 1969. It embraces the 8-ton Jelcz-315's, the 10-ton Jelcz 316-s, and the 317d truck-tractors. Eight years ago the Poles sold 150 of these vehicles to their western neighbors and since that time, export has grown steadily and the contract for the year 1976 covered already 700 vehicles, and for this year [1977] it covers 600 vehicles from Jelcz. The Jelcz work force is presently modernizing its factory and updating its products. In 1980 the work force intends to produce over 5,000 buses and over 10,000 trucks annually. Remarks and experience of the GDR users are transmitted to the constructors and assemblers and are a valuable contribution to this modernization process. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 35, 28 Aug 77 p 14]

EDUCATIONAL AIDS--The Poznan Factory for Educational Aids is among the leading domestic producers in this sector and is also an important exporter. It manufactures 150 various products, including a number of audiovisual aids, both electronic and electrical, and also in the field of mechanics, geography, and astronomy. Projectors (projektoskop), however, are the foundation of the production and the factory supplies up to 13,000 of them a year. This year [1977] the entire production will reach a value of 111 million zlotys. Approximately 40 percent of the products are purchased by foreign contracting parties from Bulgaria, Czechoslovakia, Hungary, the Soviet Union, Nigeria, Greece, Iraq, Egypt, and other countries. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 35, 28 Aug 77 p 14]

POLAND-GDR COOPERATION--There is a great achievement between Poland and the GDR in the area of mutual deliveries of machinery and equipment for agriculture. Of the 13 million rubles in this year's export of AGROMET-MOTOIMPORT from Poland to the GDR and the 56 million rubles in the imports from the GDR, a good portion is the result of cooperation agreements. Poland furnishes the Eastern neighbors, among other items, ejectors for agricultural presses, spreader aggregates, elements for forage harvesters, mountings for GDR tractors, and construction of storage bins. In 1977 Poland will produce the first lot of 500 grain drills in accordance with documentation received from the GDR. At the same time, the GDR is the second, after the USSR, foreign supplier of machinery and equipment for Polish agriculture. The GDR supplies to Poland, among other items, cow sheds for 2,000 cows (with so-called arms for milking), farms for laying hens, equipment for sorting potatoes, feed mixers, potato harvesters, plows for heavy tractors, belt conveyors, and sorting machines for grain. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 32, 7 Aug 77 p 14]

POLAND-USSR FRUIT TRADE--The USSR is among the traditional and, at the same time, most important trade partner of the HORTEX-POLCOOP foreign trade enterprise, which is the sole importer of potassic fertilizer. Of the 3 million tons imported annually from abroad, approximately 2 million is imported from the USSR on the basis of five-year agreements. On the other hand, a traditional position in the exports of this trade agency to the USSR are fresh fruits, among which apples, mainly of the winter variety, occupy a special place. Also, cut flowers occupy an increasingly more important position in the exports. The export of flowers to the USSR, which in 1976 reached nearly 6 million flowers, this year will increase to approximately 14-15 million flowers. The "Polskaja Gwozdika" flower shop has been operating in Moscow since June 1976, and it is supplied completely with flowers from Poland. Also, semi-processed fruits for industrial purposes (especially from strawberries), pickled cucumbers, frozen fruits, and vegetables and stewed fruits are export items to the USSR. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 32, 7 Aug 77, p 14]

CSO: 2600

CROP PROTECTION NEEDS DISCUSSED

Tirana BASHKIMI in Albanian 20 Jul 77 p 2

[Article by Xhelo Murraj: "Protection of Crops is a Duty with Great Responsibility"]

[Text] Crop protection by combating pests or plant diseases is a very important duty in the daily struggle which our agricultural workers make to increase agricultural production to implement the directives of the 7th party congress. The state has put many means and preparations at the disposal of the agricultural workers so that the struggle to protect crops will be complete and exact. But having all these chemicals on hand does not mean that we should use them indiscriminately whether appropriate or not. On the contrary, the indiscriminate use of chemicals shows that the work to protect crops is being done with weaknesses and shortcomings. Chemical methods are important in crop protection but they are not the only methods, in fact, it would be appropriate to say that before they are used the first complex of crop protection methods must be used: agronomic, mechanical, physical, and other methods which are also preventive measures. But often agronomists of the production units come to agricultural stations and executive committees of the district peoples councils with long lists of demands for the most varied chemicals, possibly all of which imported, while the person responsible for this sector tries to fulfill the demands by filling out authorizations for withdrawals from the state warehouses. This work practice is as mistaken as it is harmful. It shows that some specialists do not properly understand that the problems of protecting agricultural products from pests and diseases are primarily political and economic problems.

Last year in the districts of Shkoder, Lezhe and Kukes various chemical treatments were made against white butterflies. The results were poor. This year the problem was viewed not just as a matter for specialists, but as a problem of all the workers. Great indoctrinating work was done with the masses in the city of Shkoder, on a precinct and block basis. The seriousness of the problem and the legal provisions on the objects of quarantines were made known. The struggle against the pests was done from the first stages and mainly with mechanical methods. Contributions to this

effort were made by everyone, from the children to the pensioners. The results were very good and in particular the idea was shattered that this struggle can only be done by means of strong chemical preparations. But despite the good results we must not be satisfied, but on the contrary we must organize an even tighter supervision and we must crush the last remnants of the colonies. In particular, great care is required by the specialists and directors of the agricultural production units in Lezhe District. It is essential that measures be taken to uphold the quarantine laws without any laxity or liberalism. Constant examinations are required by specialists, government organs and mass organizations with their activists especially in cooperative gardens and the gardens of citizens, because they can become sources of infection for the great socialist wealth. Careful and responsible work is required from the specialists of the neighboring districts.

Ways and means of combat have been established for the objects of quarantines, but the strict organization of work and constant examination are required. In this way, prevention is the most secure method.

There was poor organization of the quarantine work where the potato ant has spread. And although it is an object of a quarantine, it is still spreading and damaging potato crops. Thus it happened that the efforts to organize the struggle against it are still poor. On the other hand, the agronomists for crop protection are not taking all the steps to implement plant hygiene as required by law. This is the reason why every year very large quantities of chemicals are planned to fight cornborers which, as is known, damage 20-25 percent of production where they infest. If the burning of remnants of corn straw which is not used for feeding animals during the winter is carried out with great strictness, there is no reason to use these chemicals. It is because of the same indifference which is demonstrated by specialists and directors of agricultural production units in many districts, particularly Vlore, Fier, Lushnje, Shkoder, and Kukes, that who knows what is developing in the fields of alfalfa, in the plots and plantations of fruit trees, vegetable gardens and canal banks. There is no reason why specialists should not strictly apply the laws on plant protection.

There have been years when up to 8 treatments with chemical compounds were made to protect cotton production from pests. Such broad use of chemicals is not only a sign of the poor, irresponsible work by specialists, but also disregards the fact that chemicals, like river water, must be used more efficiently. This tendency is also noted in orchards in the districts of Vlore, Sarande, and Kruje. While not going too deeply into biological problems, the tendency is noted for treatments to be inside, which not only does not help prevention but rather, in addition to economic damage causes general damage to crop protection.

The struggle to apply the decisions of the 7th party congress demands more careful, greater, and more responsible work to protect olive production this year. And we emphasize that last year the damages from the olive fly, moths, diseased growth in figs, and so forth was very high. These were the reasons that the average amount of olive oil was low. Damages from the olive fly reached a higher level, especially in the districts of Sarande, Vlore, Durres, Tirana, Lezhe and Shkoder. Premature dropping during the months of October and November in Vlore District caused a loss of 2100 quintals of oil. And the olives which were processed in the oil factory in Berat had much lower yields and higher acidity during the months of October and November.

Treatments for the protection of oil production have begun in the districts and units where the work to protect the olive crop is lagging. Thus, for example, in Tirana District, although they have been notified in time about the emergence of the olive fly and infections have begun in early varieties, the material base has still not been taken from the units. It is known that treatments with molasses begin together with the beginning of the opening up of the [wings of the] first flies. There is no excuse for the indifferent attitude of the units which are scheduled to treat the olives with molasses.

CSO: 2100

BULGARIA

PROBLEMS AFFECTING TRADE WITH WEST OUTLINED

Sofia FINANSI I KREDIT in Bulgarian No 5, 1977 pp 22-29

[Article by Todor Velez: "Some Aspects of Credit Relations Between the Bulgarian People's Republic and the Developed Capitalist Countries in Western Europe"]

[Text] The intensive international contacts among individual nations in the fields of economics, culture, tourism, and so on, are linked with the development of foreign exchange and financial relations among them which arise and develop in the settlement of accounts between countries for exports and imports of commodities, granting and utilization of credits, international movement of capital and financial funds, settlement of accounts for noncommercial operations, and others.

Credit relations are a basic area of international foreign exchange-financial relations. Guided by the principles of peaceful coexistence among countries with different social systems, our country is developing and broadening its relations with the developed capitalist countries on the basis of mutual benefits. The increased volume of foreign trade as well as the accelerated pace of development of our economy under the conditions of the seasonal nature of trade with developed capitalist countries call for the use of foreign credits by Bulgaria.

The role of credit in foreign trade grows both as a result of the relatively large scale of foreign trade deals as well as the circumstance that foreign trade organizations both in Bulgaria and abroad have relatively few funds of their own. Difficulties exist in upgrading the role of credit in capitalist foreign trade both because of the risks related to the fact that lender and borrower are in different countries as well as the intensification of the capitalist monetary crisis. In recent years credits in international trade have become ever-more important as a result of the increased role of the banks and of the state intervention in guaranteeing export credits. Furthermore, nearly all foreign trade deals involving machines and equipment are made on credit, while frequently loans are granted for some commodities such as raw materials, materials, foodstuffs, and others as well.

Based on the need for the establishment of credit relations between socialist and capitalist countries some authors emphasize the appearance and development of foreign exchange and capital markets in the capitalist countries possessing considerable funds which circulate from one country to another, as well as the possibility for our country to use such funds as a method for attracting additional resources.¹

Credit relations between our country and the developed Western European capitalist countries are taking place under the conditions of a profound international capitalist financial crises. The strong and lengthy crisis upheavals which have taken place in the past 10 years have seriously damaged the mechanism of this system, affecting all of its basic elements--gold as currency, basic capitalist currencies (rates of exchange and convertibility), capital and credit markets, and the organizational structure of the currency mechanism. Under such circumstances the development of credit relations with developed capitalist countries in Western Europe has assumed exceptional importance, for their implementation and further development are related to the existence of a number of important problems closely linked with the balancing of trade, level of interest rates, intensification of industrial cooperation, and others.

Such problems became more topical particularly after 1967 when the capitalist monetary system experienced its strongest crisis. These events included the 1967 devaluation of the pound sterling, the November 1967 and March 1968 gold fevers, the March 1968 breakdown of the gold pool and the official introduction of the parallel market and double gold prices, the devaluation of the French franc and the revaluation of the West German mark in 1967, the launching of the Special Drawing Rights by the International Monetary Fund on 1 January 1970, the two devaluations of the dollar in 1971 and 1973, and others.

Under those circumstances the dynamism of interest rates charged for the use of bank credits was a characteristic phenomenon. Usually, in periods of crises, the capitalist countries, represented by the big banks, adopt a policy of stimulating the economy by lowering interest rates and creating possibilities for increased purchases of investment commodities. Under contemporary conditions this mechanism becomes misshapen and the rise of interest rates is its distinguishing feature. This phenomenon is interwoven with processes such as the inflationary rise of prices and the tremendous increase in the profits of big monopolies.

It is difficult for the international state-monopoly capitalism to find a solution to the profound crisis of its monetary system. As early as the 24th CPSU Congress Comrade L. Brezhnev, CPSU Central Committee general secretary, emphasized that "The characteristics of contemporary capitalism may be largely explained by the fact that it is adapting to the new circumstances in the world....However, such adaptation does not mean the stabilization of capitalism as a system. It indicates that the general crisis of capitalism is intensifying."² The topical and realistic nature

of this assessment was confirmed by life. It was noted at last year's 25th CPSU Congress that "Economic and scientific and technical relations with the capitalist states are strengthening and broadening the material base of the policy of peaceful coexistence."³

The development of international financial relations between our country and the remaining socialist countries, headed by the USSR, on the one hand, and the developed capitalist countries, on the other, factually confirmed the far-sightedness of the first leader of the Soviet state. Torn by internal and external conflicts, Western European state-monopoly capitalism is redirecting its monetary and credit policy toward the socialist countries.

In this respect the United States is the exception. In its role of "world policeman" it is dedicating supreme efforts to furthering the policy of discrimination toward the socialist countries. Yet, the tremendous market offered by the socialist countries is strongly attracting the monopolies in the EEC who are preferring to an ever-greater extent the possibilities to develop more intensive trade with the socialist countries on the basis of the following factors:

Unlike the United States the members of the EEC lack a number of raw materials available in the socialist countries;

The stability of the economies of the socialist countries has a very favorable impact on the cyclical development of the capitalist economy and the development of monetary-credit relations between the EEC and the socialist countries may become a stabilizing factor for the capitalist economy;

The tempestuous development of the national economies of the CEMA-member countries enables the capitalist countries to import a number of new high-quality goods from the socialist countries at mutually profitable prices;

The high-level payment morality of the socialist countries is a safe guarantee for the prompt repayment of loans.

The socialist countries, including Bulgaria, also benefit from the development of credit relations with the developed capitalist countries of Western Europe. These countries supply the socialist countries with complete projects, equipment, and machines on a high technical level, and most modern and highly productive technologies.

Furthermore, the financing of big industrial projects and new production facilities in the socialist countries with funds from the monetary and capital markets of the capitalist countries is of great importance in this respect. Naturally, each socialist country must approach very carefully the question of receiving or granting financial and commodity credits to and from the capitalist countries.

Considering the existing insecurity on the capitalist currency markets it is recommended that an advance study be made of monetary-financial conditions governing deals and trends in the development of the markets in order to reduce to a minimum financial risks and surprises which may be expected as a reflection of the monetary crisis in the foreign trade and currency-payment areas.

In recent years considerable positive changes have occurred in the foreign economic relations of our country with the developed Western European capitalist countries. They are determined by the systematic foreign trade policy pursued by Bulgaria of expanding and intensifying economic relations with the West based on the principles of peaceful coexistence and reciprocal benefits. The new forms of economic cooperation which have appeared between the socialist countries and the developed Western European capitalist countries, as well as industrial and scientific and technical cooperation, attempts to stimulate economic relations between East and West in the financial area exemplified by the floating of bonds on the private capitalist market by Hungary, and others, have created for our country good possibilities for the development of credit relations with the Western European countries.

Important partners in such areas are the members of the EEC as well as Switzerland, Austria, and Sweden, outside the system of socialist economic integration within the framework of CEMA whose member countries are Bulgaria's basic partners in international trade.

The integrated EEC bloc was created in 1957 by the FRG, France, Italy, Belgium, the Netherlands, and Luxembourg as a powerful state-monopolistic association pursuing specific economic and political objectives.⁴ Gradually, the European Economic Community was able to prevail over the other Western European integrated capitalist group, the European Free Trade Association, and even to draw away some of its members headed by Britain, its organizer. Within the EEC system the various member countries and subsequently associated countries play different roles. This is due to the imperialist nature of the community. The four industrially developed Western European countries--the FRG, France, Italy, and Britain--play the main role in its development. The nature of development of credit relations between Bulgaria and these four countries largely determines the most essential features of our credit relations with the EEC.

In the past 10 years there has been a sharp increase in foreign trade between our country and the developed capitalist countries of the EEC due, above all, to the increased imports by our country of machines, equipment, and complete projects for the modernization and reconstruction of some enterprises. At the same time, however, the foreign economic policy of the developed capitalist countries, related to a number of control measures in the realm of foreign trade, as a result both of the crisis of the capitalist monetary system and of the intensifying integration in some areas of the capitalist world, indicates that it is imbued by the aspiration to accelerate

exports and restrict imports through the adoption of artificial measures. High customs fees are imposed on a number of Bulgarian commodities exported to the developed capitalist countries of Western Europe, EEC members, thus considerably lowering their financial effectiveness and, in most cases, making such exports unprofitable for our country. Both Bulgaria and the other socialist countries within CEMA are treated by the Western European countries as a special group and our exports are subjected to the highest customs rates and to a variety of other restrictions.

These circumstances are also influenced by some phenomena caused by the intensified crisis of the capitalist monetary system such as the introduction of a floating exchange rate by the EEC. This leads to the introduction of a floating rate of the dollar which makes impossible foreign exchange income based on firm exchange rates, for foreign trade deals are not made on the basis of a parity rate.

This leads to certain fluctuations in our exports to the developed Western European capitalist countries. That is why, in order to avoid the consequences of this adverse trend, imports have been restricted somewhat due to the lack of conditions for balancing trade.

Another characteristic feature of our exports to the developed capitalist countries of Western Europe is its adverse structure which is uncoordinated with the structure of our overall exports. The structure of Bulgaria's exports to the developed capitalist countries is still dominated by agricultural commodities and industrial goods of agricultural origin. The situation with imports is the opposite. Its structure is characterized by the predominance of machines and equipment. Under such circumstances the existing structure of our trade with the developed capitalist countries leads to a large extent to negative foreign trade results caused by international price fluctuations caused by inflation.⁵

From the viewpoint of our problems and different levels of liberalization of trade with us on the part of the capitalist countries we cannot consider them as an entity, for the problems affecting the individual countries and groups of countries are specific and different in scope.

The crisis in the capitalist monetary system largely aggravates the problems of our credit relations with the developed capitalist countries of Western Europe. These problems are due, above all, to the steadily growing inflation and instability of capitalist currency exchange rates. They are related both to the cost of the credit used and the maintenance of its equivalent value.

International prices (from the viewpoint of their influence on inflation factors) and the rate of interest charged at credit and capital markets have a great influence on the results of credits used. Under such circumstances we must bear in mind that any devaluation of the capitalist currency in which the credit was extended lowers the factual indebtedness. However,

international prices may rise in the period of utilization of the credit which benefits the borrower who can thus repay the loan with commodities whose prices have risen higher than the prices of commodities imported on credit. Under the conditions of the intensified crisis of the capitalist monetary system, as we pointed out, a trend toward higher interest rates exists. This is unfavorable, for higher interest rates frequently absorb a considerable percentage of the effect of the investment projects imported on credit.

Credit relations between our country and Western European countries are substantially influenced by changes in exchange parities and fluctuations of exchange rates. Here the main factor is the rise or lowering of the exchange rate of the currency in which the credit is granted. A higher exchange rate represents a loss to the borrower, for he must repay the loan by exporting more goods. The opposite occurs when the rate of exchange drops, in which case the borrower benefits for while the indebtedness remains the same it is the equivalent of lesser amounts of currency or commodities. Since the currencies of the developed capitalist countries are subjected to chronic inflationary depreciation, in our view it is not expedient to include in credit agreements gold, currency, and other clauses protecting the lenders from depreciation.

Securing favorable conditions for lower repayments is of major importance to upgrading the effectiveness of our credit relations with the developed Western European capitalist countries. This important problem is closely linked with improving the structure of our trade, for in some cases the use of loans obtained from developed capitalist countries does not enable us to link their repayment with the developed export base, i.e., with improving the export structure. The repayment of loans with agricultural commodities or industrial goods made of agricultural raw materials is ineffective not only because it does not improve the export structure but also as a result of the imposition of high customs fees and various restrictions by the developed capitalist countries. On the other hand, the export of finished industrial goods is restricted by the scale of our output and the absorption capacity of the international capitalist market.

That is why the further expansion of foreign trade and credit relations between our country and the developed Western European capitalist countries depends on the solution of a number of problems the more important among which are the following:

Improving the structure of our exports on the basis of increasing the percentage of finished industrial goods of nonagricultural origin, namely goods produced by the machine-building, electronic, electrical engineering, and chemical industries;

Decisive reduction of currently existing trade-political and administrative restrictions imposed on our country in its trade with the developed capitalist countries;

Upgrading the role of industrial cooperation, specialization, and scientific and technical cooperation on the basis of total currency-financial coordination;

Gradually limiting imports from developed capitalist countries, redirecting them wherever possible (particularly in terms of raw materials) toward the developing countries;

Backing our exports with gold-currency clauses;

Improving further activities related to the study of markets, forecasting exports of basic commodity groups, improving the organization of advertising and sales, broadening relations with clients, and others.

In our view, the solution of such problems will contribute to improving the currency-credit condition of the country bearing in mind the rate of interest charged on Western capitalist markets, from the viewpoint of its dynamics in recent years. In this connection the practice of dealing mainly on the basis of average-length loans under relatively most favorable conditions is entirely justified, bearing in mind the long-term inflationary depreciation of Western currencies.⁶

Lately the developed capitalist countries in Western Europe have tried to expand their economic relations with CEMA-member countries, including Bulgaria. However, the trend of increased trade between Bulgaria and these countries, above all through the growth of imports, indicates the limited possibilities of traditional forms of cooperation and trade developed in the past.

That is why it will be necessary to develop in the future less direct forms of cooperation between Bulgaria and the Western European countries based on closer cooperation between CEMA and the EEC. This will enable us to balance trade with the developed capitalist countries on the basis of reciprocity. In this connection the efforts made in the past 2 years by CEMA to expand and intensify economic cooperation with the EEC on the basis of the conclusion of mutually profitable contracts is of great importance.

In this connection, it will be necessary to continue the efforts to upgrade the effectiveness of foreign economic relations between Bulgaria and the developed capitalist countries, giving priority to the following major directions:

Together with the other CEMA members our country should devote efforts to surmounting the discriminatory policy of the developed capitalist countries;

The activities of international economic organizations of the socialist CEMA-member countries must be intensified with a view to upgrading the coordination on foreign trade conditions in deals concluded on the international capitalist markets, particularly in selling cooperatively produced goods;

Problems of foreign trade relations must be comprehensively linked with other forms of economic cooperation with developed capitalist countries, paying particularly attention to industrial cooperation.

One of the promising methods for expanding and intensifying foreign economic relations between Bulgaria and the developed Western European capitalist countries, which could have a positive impact on the development of our credit relations, is cooperation in the realm of banking and credit activities as suggested by some authors.⁷

In conclusion, let us note yet once again that the development of foreign economic (including credit) relations between Bulgaria and the developed Western European capitalist countries, under the conditions of economic integration with the socialist CEMA-member countries and, above all, the USSR, calls for the joint solution of a number of problems shared by these countries with a view to coordinating efforts in this respect. The most precise characterization of this approach is found in the report submitted by the CPSU Central Committee general secretary to the 25th congress: "Interwoven in foreign economic relations are politics, economics, diplomacy, trade, industrial production, and goods turnover. Consequently, the approach to them and their management should be comprehensive, linking together the efforts of all departments and combining our political and economic interests."⁸ Only thus could we implement the tasks set by the party and the government related to upgrading the effectiveness of our country's foreign economic relations in the Seventh Five-Year Plan and through 1990.

FOOTNOTES

1. See N. Tsarevski, "Valutni i Kreditni Otnosheniya na NRB" [Foreign and Credit Relations of the Bulgarian People's Republic], 1976, p 144.
2. See "Materialy XXIV S"yezda KPSS" [Materials of the 24th CPSU Congress], Politizdat, Moscow, 1971, pp 14-15.
3. See L. I. Brezhnev, "CPSU Central Committee Report and the Party's Forthcoming Tasks in Domestic and Foreign Policy," Partizdat, Sofia, 24 Feb 1976.
4. Also associated with the EEC are Greece, 1961; Turkey, 1963; Nigeria, 1964, as well as 18 other African states: Ivory Coast, Upper Volta, Dahomey, Senegal, Niger, Chad, Gabon, Central African Republic, Cameroon, Mauritania, the Malagasy Republic, Congo Brazzaville, Congo Leopoldville, Somalia, Togo, Mali, Rwanda, and Uganda (all since 1962).
5. The incredible rise in the prices of raw material and basic commodities has been one of the basic factors for the rapid development of inflation. Indicative in this respect is the fact that within a period of only 15 months--1972 and the first quarter of 1973--the Moody index which records

prices in dollars of a specific group of raw materials in the United States rose 35 percent, while the Royter index which follows prices in pound sterling of another group of raw materials in Britain rose 65 percent. Since the United States trades in a number of raw material and basic commodities with EEC countries the higher prices in the United States also influence the price-setting mechanism in Western Europe.

6. Our thesis of the advantages of financial rather than company credits is supported by the view expressed by N. Tsarevski on this matter, see op. cit., p 161.
7. See Gr. Popisakov, "Promishleno Kooperirane Mezhdur Stranite ot Iztoka i Zapada" [Industrial Cooperation Between Eastern and Western Countries], pp 120-122.
8. See report cited, p 81.

5003

CSO: 2200

BULGARIA

YOUNG PEOPLE RELUCTANT TO WORK IN MINES

Sofia NARODNA MLADEZH in Bulgarian 1 Aug 77 p 1

[Article by special correspondents Yordan Ganev and Iliya Zaykov: "To Be an Honor, not a Burden"]

[Text] There is an old proverb that says: "From afar, it will be light." The logic of the facts confirms every day that the long-term view and the statesmanlike attitude towards a given problem are the best guarantee for the uninterrupted and progressive development, for quantitative as well as qualitative changes in our conscience and in our attitude toward our obligations to the different professions.

The Facts

The Burgas Copper Mines are an enterprise with rich history and a strong present. Until recently it was among the largest production units of the okrug. However, the flow of workers to the mines has become minimal due to the construction of the petrochemical combine (and its present expansion) with opportunities for new, more modern, (and seemingly lighter) professions.

Is this natural?

Enjoying stable results and increasing production, due to the modernization in the processes, they seem to have forgotten something more than natural: Every organism has need for a new, life-giving element.

The management of the Burgas Copper Mines has a firm policy--to give priority to young workers. Wonderful, but where are the young? What do we offer them? What are the advantages compared to those of the petrochemical plant, the automatic loom or construction?

The incentives are primarily moral, as the material ones do not exceed the gains--set by law with governmental decisions and orders.

At present the average age of the miners is 44. A great number of them will retire at the same time. Who is going to replace them?

The enterprise has a "symbolic" youth mine and that is all... Few are the real youth brigades, few are the young people. Here are the figures:

--In Cherveno Zname mine there are 24 Komsomol members out of 152 miners.

--In Meden Rid mine they are five out of 88.

--The young people who work here live in over 200 different places of the okrug, so work with them outside the mines--the political work--is difficult.

--Railroad travel with group fare reduction has been dropped. There are no possibilities for hikes, picnics, etc. There are no attractive conditions for them to be together, to have a collective life out of the mine.

The party, the economic, as well as the Komsomol leaderships of the MOK Copper Concentration Combine of the Burgas Copper Mines are concerned about this development. However, what are they able to change? And, if we also add the fact that for the past 2 years there has not been a single apartment available for the mines, the picture is clear.

Modernization Is Not a Temporary Phenomenon

This is understood by all in the enterprise. However, in the underground work so far, the technical method is old physically as well as morally.

The ventilation is not adequate; similar is the condition of the "drainage"; paradoxical is the example of the miners' lamps - quite often they use carbide lamps, as there are no batteries for the modern ones!?

A special, comprehensive modernization plan has been approved. The scrape landings will be replaced by special freight-transport systems. Ten have already been installed and are ready for operation. Other technical equipments will be improved as well; work in the mines will be considerably facilitated.

Technology, however, cannot solve all problems. It is not only that modernization is not a temporary task, but it also has many other, much wider dimensions.

"We have to receive well the young people, but we have to show them the practical perspectives as well," says engineer Khristo Markov, party secretary of the enterprise, "perspectives in labor and in life as well, possibilities to finish their education, to obtain living quarters, etc."

The housing problem is quite pertinent. The mines' management has categorically stated that 60 percent of the living quarters will be for the young.

This is why we mentioned that acutely urgent change is necessary in the method of evaluation as well as in the attitude toward the difficult but manly profession of the miner.

The manager of the Burgas Copper Mines, engineer Pavel Panov is correct in saying that this profession is not sufficiently popularized. "It is a problem also," says he, "that there is no school here for training cadres to work in the mines. This natural contact with the young people has been discontinued."

Is There Any Reason for Optimism?

There is. The reason is the serious achievements of the cadres, the considerable overfulfillment of the tasks during the first year of the five-year plan and the success during the first half of 1977.

The reason that assures us that the difficulties will be overcome is also the responsive attitude with which the leadership of the enterprise tackles the problems. However, let us not forget that its possibilities are not unlimited. The assistance of the economic association Metalurgiya i Rudodobiv [Metallurgy and Ore Production] at the okrug departments and organizations is mandatory.

The Okrug Committee of the Burgas DKMS [Dimitrov Communist Youth Union] should share the responsibilities as well. The Komsomol recruitment at the expansion of the petrochemical plant could also embrace the Burgas Copper Mines. There are no obstacles for such an initiative. There is hardly anybody who is not convinced of the importance of the imminent professional orientation of the youth, of the relevance of this task, placed before us by the 11th Party Congress and urged by the requirements of the July Plenum of the Central Committee of the BCP and by the decisions of the 13th Congress of the DKMS.

It is a collective obligation not only to develop labor virtues by attention and confidence, but also to treat the young labor force with constant care. They are today's hope and tomorrow's strength. Love for the profession is cultivated early; it is not mechanically developed; administrative measures and decisions are not sufficient. We must, first of all, change our methods and give new qualitative content to our deeds, so that any kind of labor be considered as a matter of honor, as is the unshakable principle of our socialist way of life.

1010

CSO: 2200

BULGARIA

FERRYBOAT HARBOR UNDER CONSTRUCTION IN VARNA

Sofia TRANSPORTEN GLAS in Bulgarian 22 Jul 77 pp 1, 8, 9

[Article by the TRANSPORTEN GLAS correspondent in Varna: "The Fifth Border of Bulgaria"]

[Text] The construction front spreads over 15 kilometers. In spite of that, the romantic element of Beloslav Lake still prevails over the imposing construction site. I am studying in my thoughts the construction layout, placing the future installations in their locations. The starting point will be there, in the still waters, where the suction pumps Rusiya and Spartak, the dredge Kiev and the barges of the construction and technical fleet work on the strengthening of the sea and coastal embankment and on the construction of the framework of the 240 meter pier. The ferryboats will be docking here. Land will emerge on the place of the green reeds which the wind now caresses gently. Hundreds of railroad wheels will start rattling. The area of the future railroad distribution yard will be covered with a complicated net of tracks and stations. Further out, over the deserted sand fields will spread the most important link of the ferryboat complex--the center for axle changing of the Soviet railroad trains, located in two huge buildings. Another distribution yard follows--(with a "hump" as the railroad workers call it), a bridge over Provadiyska River. The high forehead of Petrich-kale blocks the horizon, where, beyond Rasdelna station, is the end of the construction area.

Meeting Some Construction Brothers

The huge project has been planned by Bulgarian and Soviet specialists. The common problems, the complicated character of the construction work and the responsibility in the construction of each subproject require active cooperation and constant, direct connection between the builders of Ilichovsk and Varna.

The construction site was recently visited by Viktor Alekseevich, first secretary of the Town Committee of the CPSU in the town of Ilichovsk, Viktor

Dmitrievich, president of the trust Odeskhydrostroy (Hydroconstruction of Odessa), and Vasilii Parfentsev, leader of the hydroconstruction brigade which is engaged in the construction of the pier and the coastal embankment of the Ilichovsk harbor. I was present at the business meeting of the Bulgarian and Soviet specialist.

Our brigade, said Parfentsev, consists of 56 persons with different professions: layers, welders, drivers and foremen of varied construction technology. We are proud to participate in work so important for our brotherly countries. For us this is a common construction, although on both sides of the Black Sea.

The ferryboat connection on the Black Sea will be a real movable bridge connecting us with the great Soviet country. The ferryboats have already been ordered. Each of those movable stations will transport on its three decks a total of about 110 railroad cars (4-5 trains) with different freight. And we may say without exaggeration that this bridge between the Bulgarian and Soviet friendship will open the fifth border of our country.

Heavy Mechanization in Action

I spoke with the deputy manager of Transstroy (Transportation and Construction) of Beloslav, engineer Stoyan Stoyanov.

At present the heavy mechanization is in action. The hydromonitoring complex (the only such equipment in the country) pours the sandfill by filling each day over 200 25-ton Kraz trucks. More than 20 decares of the Beloslav Lake will be drained. An additional 150 trucks are working in the construction of the earth-filled dikes and the sand spread in the future water area of the harbor. For their servicing there is a huge stock of power shovels, bulldozers, scrapers and other construction machines. By the end of the third quarter, we must finish the breakwater dikes and the rough sand and earth spreading work in order to open the grounds for the railroad construction as well as for the construction of the architectural projects. During the same 3 months we must finish the strengthening (laying of sand and stone base) of the pier and the submerging of the necessary number of reinforced concrete caissons to give it shape. We are also working on all drainage installations as well as finishing the base of the building for the axle changing.

The Construction Workers and the Successes

At the moment the construction project engages more than 500 mechanics, assembly workers, framework and concrete workers and many others mainly from the Construction Management Transstroy of Varna and Beloslav.

The concrete workers of the brigade of Zhelyasko Nalbantov, the framework workers of Geno Dimitrov and the steel construction workers of Petur Paskov work at an accelerated pace to finish the caissons for the ferryboats. By

the end of the quarter they will finish their task. As a result of the excellent work discipline and longer working hours, the workers of the construction area of the technical leader Yanko Vasilev will finish in full the sand pylons as well. The drainage work is done on time by the brigade of Iliya Atanasov. Successful are also the brigades of Transstroy of Beloslav in the railroad construction, with brigade leaders Dobri Stanev and Todor Atanasov.

In my conversation with Stoyan Stanoev, the party secretary of Transstroy of Beloslav, I learned the names of the first shock-workers in the socialist competition: power-shovel workers Dimitur Trunkov and Paskal Manalov, automatic-crane worker Yanko Penev, loading mechanic Nedyo Stoyanov and many others. Front rankers are also the drivers of the brigades of Rady Petrov and Zakir Mustafov, working on the sand pilots of Beytula Khalilov and others. Worthy of praise are also the masons and framework workers of the brigades of Kosta Dzhurov and Mikhail Stoykov, who built the temporary living quarters in the project guaranteeing normal rest conditions.

The first stage of the construction should be finished by 1 May 1978. The months are numbered, but the builders of the ferryboat harbor are extremely experienced and keep their word. The help that they expect in the fulfillment of the small and big problems which do not depend on them will multiply their efforts in the timely fulfillment of their task.

1010

CSO: 2200

FOREIGN TRADE SECTORS REVIEWED

Consumer Goods Exports

Prague REVUE OBCHODU, PRUMYSLU, HOSPODARSTVI in Czech No 4, 1977 pp 10-11

[Article by Eng Vladimir Novacek, department head, Federal Ministry of Foreign Trade: "The Status of Products of the Czechoslovak Consumer Goods Industry in International Trade Relations"]

[Text] The tasks which are being fulfilled by the consumer goods industry in the course of the economic development of the CSSR are very challenging. The position and role of the consumer goods industry in the national economy is determined to a decisive degree by its intimate awareness of the needs of the domestic and foreign markets. Through its market deliveries the consumer goods industry accounts for a large share of total retail sales of industrially manufactured goods, and by supplying products used in housing and industrial construction and for the development of the automobile, chemical, and pharmaceutical industries, agriculture, and health care services it not only makes it possible for these branches to carry on their own activities, but also helps them to make structural changes in their outputs and to increase their labor productivity and quality.

The 15th Congress of the CPCZ evaluated the performance of the consumer goods industry in the fulfillment of basic tasks, analyzed its current status, and outlined new goals for this industry. The Guidelines for the Economic and Social Development of the CSSR During the Period 1976-1980 call for the output of the consumer goods industry to be increased by roughly 25 percent, while also providing that it is necessary to acknowledge the growing selectivity of consumers and their growing demand for goods that display higher aesthetic and utility standards, for new products, and for a greater variety of products and, in conjunction with this, to assimilate the achievements of scientific and technical progress. Main emphasis is placed on the need to maintain a steady flow of supplies to the domestic market with a view to fulfilling the goals that have been set in the area of providing for the increased living and cultural standards of our people as well as in the area of insuring the optimum fulfillment of foreign trade needs.

During the first year of the Sixth Five-Year Plan the consumer goods industry not only fulfilled the tasks to which it had been assigned, but it also produced more than the plan called for. Aggregate output increased by 4.1 percent, and the greatest growth was achieved in branches engaged in the processing of domestic raw materials.

The quality work performed by the industrial enterprises of the consumer goods industry makes it possible to rank the products of this industry among this country's most reliable export items on the markets of both the socialist and capitalist countries. At the same time this is not merely a question of the total volume of goods exported, rather it should also be borne in mind that some of these consumer products are, by their very nature, specialty goods, which, in addition to their utility values, also possess conspicuous cultural, aesthetic, and educational values, not to mention their effectiveness as a means for building up Czechoslovakia's international reputation. In the minds of foreign consumers there are a number of products which are directly associated with Czechoslovakia, and, in conjunction with other factors, these products help to create a solid image for Czechoslovakia in foreign countries. This applies in particular to such products as hand-cut glass, jewelry, books, musical instruments, toys, and so on.

Last year consumer goods accounted for nearly 18 percent of our total exports. The value of goods exported from Czechoslovakia was placed at Kcs 9.1 billion, which is approximately Kcs 1 billion more than in 1975. In terms of total sales volume the most important items were leather goods and footwear, textile products, and ready-to-wear clothing. We are also entering foreign markets to sell products of the woodworking, paper, and printing industries.

The CSSR is also a major importer of consumer goods. Even though the position of consumer goods in the overall structure of Czechoslovak imports is not too significant at the present time (in recent years it has ranged around 7.1 percent of total imports), in absolute terms the value of imports increased from Kcs 3.6 billion to Kcs 4 billion. Imports consist of textile and knitted goods, ready-to-wear clothing, and engineered consumer products such as radio and television sets, refrigerators, automatic washers, photographic equipment, wristwatches, and so on.

These imports supplement and broaden the variety of goods for sale on the domestic market, improve the flow of supplies to domestic consumers, and, among other things, provide a healthy dose of competition for domestically manufactured goods.

The principal markets for Czechoslovak consumer goods are in the socialist countries, especially the USSR, whose relative position in the geographic structure of Czechoslovak consumer goods exports has become even stronger than it was in 1975 (increasing from 65.8 percent to 67 percent).

Since the adoption of the Comprehensive Program for Socialist Economic Integration industrial specialization and collaboration, including cooperation in the research and development field, has become increasingly more important. In the consumer goods sector the development of these forms of foreign relations displays certain specific characteristics which combine to create a situation in which there are not as many incentives to engage in these kinds of programs as there are, for example, in the engineering or chemical industries and that, for the time being, cooperation programs are confined to the production of marginal products. These special characteristics consist of fashion influences, tastes that differ from country to country, and divergent influences in consumer psychology. At the present time a systematic effort is being made to formulate proposals for international production specialization and collaboration especially in the area of durable consumer goods. Consequently, it is to be expected that additional contracts will be concluded and that Czechoslovak deliveries of specialized products and, conversely, imports of products in which other countries will specialize will increase and account for a major share of total mutual deliveries.

However, the gradual accentuation of the geographic orientation of the output of the Czechoslovak consumer goods industry in conjunction with the implementation of the Comprehensive Program does not at all mean that as a result the CSSR intends to close the door to cooperation with other countries. Czechoslovak foreign trade organizations engaged in the exportation and importation of consumer goods select the parties with whom they choose to do business on the basis of intrinsic product quality and the commercial terms offered in the same way as do their foreign trading partners.

In many of the advanced capitalist countries numerous barriers of a trade policy and administrative nature still persist which retard the development of mutual ties. In spite of these conditions, aggravated by the current adverse economic situation in these countries, with each passing year we are selling an ever greater volume of consumer goods on the markets of the advanced capitalist countries, and to an ever increasing extent we are acting as the buyers in a buyer's market.

In our foreign trade relations with the developing countries we attach great importance to imports of consumer goods. This policy is dictated by our overall commercial and economic ties with these countries and by the fact that they are going through a period of industrialization, and in this connection they are also gradually acquiring a capability to export industrial products. Handicrafts, textile semifinished and finished goods, shoes and leather goods, and exotic woods are gradually becoming an integral part of the product mix on the Czechoslovak internal market. These imported products are gaining in popularity and are sought after for their colorfulness and uniqueness. In this connection it is desirable that exporters of finished goods from the developing countries should improve the quality of their research work on the sales potential of their

goods on the Czechoslovak market and provide Czechoslovak import organizations with better information concerning their capabilities and export capacities.

The tasks which the consumer goods industry will have to fulfill this year in the export field are challenging ones not only in terms of volume, assortment, and structure, but also in terms of quality. We believe that, just as in previous years, our producers will be able to carry out these tasks successfully.

Table 1. The Relative Position of the Consumer Goods Industry in the Structure of Czechoslovak Industrial Production During the Period 1965-1975

	(1) Podíly v %					
	1965	1970	1975	1965	1970	1975
Průmysl celkem (2)	100	100	100	—	—	—
Spotřební průmysl (3)	17,1	14,9	14,7	100	100	100
Textilní průmysl (4)	6,0	5,3	5,2	35,1	35,8	35,4
Oděvní průmysl (5)	2,5	1,9	1,8	14,6	12,6	12,0
Kožený, kožený (6)	2,5	2,5	2,5	14,9	16,9	16,8
Sklářský, (7)	1,5	1,3	1,3	8,7	9,0	9,2
keramický průmysl	4,0	3,2	3,3	23,4	21,1	22,4
Dřevozpracující průmysl (8)	0,6	0,7	0,6	3,3	4,6	4,2
Polygrafický průmysl (9)						

Propočty na základě údajů o hrubé výrobě ve srovnatelných cenách
Pramen: Statistické ročenky ČSSR (10)

Key:

1. Output contributions in percents
2. Total industrial output
3. Consumer goods industry
4. Textile industry
5. Apparel industry
6. Leatherworking, fur, and footwear industry
7. Glass and ceramics industry
8. Woodworking industry
9. Printing industry
10. Calculations derived from data on gross output in comparable prices;
Source: "Statistické ročenky ČSSR" [Statistical Yearbooks of the
ČSSR].

Table 2. Economic Function of Consumer Goods Industry Output

	1965	1970	1975
(1) Odbyt celkem	100	100	100
(2) Dodávky pro tržní fondy	25,2	25,3	25,3
(3) Dodávky pro mimotržní fondy	53,7	55,6	53,4
(4) Dodávky pro vývoz	21,1	19,1	21,3
(5) - z toho pro SZ	(40,2)	(45,8)	(51,0)

(6) Pramen: Statistické ročenky spotřebního průmyslu

Key:

1. Total sales
2. Market deliveries
3. Non-market deliveries
4. Export deliveries
5. --deliveries for export to the socialist countries
6. Source: "Statistické ročenky spotřebního průmyslu" [Statistical Yearbooks of the Consumer Goods Industry]

Table 3. Commodity Structure of Czechoslovak Foreign Trade During the Period 1970-1976

(1) Podíly v %

	(2) Vývoz			(3) Dovoz		
	1970	1975	1976	1970	1975	1976
(4) Celkem	100	100	100	100	100	100
(5) I. stroje a zařízení	50,9	48,0	50,1	33,0	36,9	35,9
(6) II. paliva, hmoty a suroviny	29,1	30,3	29,0	43,6	46,6	46,5
(7) III. chovný dobytek	0,1	0,1	0,1	0,3	0,1	0,1
(8) IV. potravinářské zboží						
vč. surovin a polotovarů	4,2	4,2	3,2	14,7	9,2	10,4
(9) V. spotřební zboží	15,7	17,4	17,6	8,4	7,2	7,1

(10) Zpracováno podle podkladů FSÚ

Key:

1. Commodity contributions in percents
2. Exports
3. Imports
4. Total
5. Machinery and equipment
6. Fuels, bulk commodities, and raw materials
7. Breeding livestock
8. Food products, including unprocessed and semiprocessed commodities
9. Consumer goods
10. Compiled from data supplied by the Federal Statistical Office

Table 4. Czechoslovak Foreign Trade Growth Rates During the Period 1970-1976

(1) Průměrné roční přírůstky v %				
	(2) Vývoz		(3) Dovoz	
	1970/76	1976/75	1970/76	1976/75
(4) Celkem	11,4	11,8	13,2	10,4
(5) I.	10,7	16,5	14,8	7,5
(6) II.	9,9	7,3	14,4	10,1
(7) III.	9,8	0	-2,8	41,5
(8) IV.	6,7	-14,2	6,8	25,2
(9) V.	13,1	12,7	10,0	8,0

(10) Zpracováno podle podkladů FSÚ

Key:

1. Average annual increments in percents
2. Exports
3. Imports
4. Total
5. Machinery and equipment
6. Fuels, bulk commodities and raw materials
7. Breeding livestock
8. Food products, including unprocessed and semiprocessed items
9. Consumer goods
10. Compiled from data supplied by the Federal Statistical Office

Table 5. Geographic Structure of Czechoslovak Foreign Trade During the Period 1970-1976

(1) Podíly v %						
	(2) Vývoz			(3) Dovoz		
	1970	1975	1976	1970	1975	1976
(4) Socialistické státy	65,1	65,8	67,0	75,2	71,0	71,7
(5) Kapitalistické státy	34,9	34,2	33,0	24,8	29,0	28,3

(6) Zpracováno podle podkladů FSÚ

Key:

1. Contributions in percents
2. Exports
3. Imports
4. Socialist countries
5. Capitalist countries
6. Compiled from data supplied by the Federal Statistical Office

CSSR-Denmark Trade Outlook

Prague REVUE OBCHODU, PRUMYSLU, HOSPODARSTVI in Czech No 4, 1977 pp 33-34

[Article by Eng Josef Richter, commercial councillor of the CSSR Embassy in Denmark: "Prospects for the Growth of Trade Between Czechoslovakia and Denmark"]

[Text] Denmark, which just prior to World War II was a predominantly agricultural country, went through a process of rapid industrialization during the postwar period. In addition to its traditional agricultural products (of both vegetable and animal origins), present-day Danish industry turns out a wide range of industrial products that are up to state-of-the-art world standards, especially in the branches of the food processing, electrical engineering, and electronics industries. But the other Danish industrial branches (the textile, furniture and lumber industries and, lately also, the chemical industry) are also world-class producers. Also worth mentioning are the high technical standards achieved in the construction industry and in the production of prefabricated construction components.

Mutual trade and economic relations between Denmark and the CSSR are backed up by a tradition that goes back many years. Up until the end of 1974 commercial trade between the two countries was carried out on the basis of trade agreements. Since that time Denmark, as a member of the EEC, has been abiding by the rulings of the Council of the European Community, and has not entered into a new trade agreement with the CSSR. Mutual trade relations continue to be governed by the provisions of the General Agreement on Trade and Tariffs--GATT, to which both countries are contractual parties. With a view to the promotion of trade ties and cooperation an agreement was concluded in 1970 on economic and scientific-technical cooperation, which forms a framework for joint production cooperation between enterprises. So far, however, the results of this agreement have not been entirely satisfactory for either of the two sides. Different interpretations exist as to the best way to fulfill the terms of this agreement. Czechoslovak enterprises give first priority to cooperation in the area of production, while the Danish side prefers to emphasize the commercial aspects of the agreement, e.g., the sale and purchase of licenses, technologies, and so on. The Czechoslovak side also encourages this aspect of economic relations, i.e., the sale of industrial rights, patents, licenses, and the like, but it also takes the view that direct cooperation between Czechoslovak and Danish enterprises in the area of production is feasible.

To a considerable degree, the present-day Danish economy is dependent upon foreign trade. More than 30 percent of its gross national product is realized through exports to foreign markets, and imports account for approximately the same proportional contribution.

Over the long term, Danish foreign trade is oriented toward the West European region and, since Denmark became a member of the EEC in 1973, especially toward the countries belonging to this integration grouping.

This is also borne out by the growth in the monetary volume of Danish imports from the EEC countries, which grew from a sum of 21.9 billion Danish krone in 1973 to 27.3 billion Danish krone in 1975, or by 24.7 percent. A similar situation exists in the case of Danish exports to the EEC, the value of which increased from 17.7 billion krone in 1973 to 22.4 billion krone in 1975, or by 26.6 percent. Denmark also acquired a new principal trading partner, which position (after being relinquished by Great Britain) was taken over by the FRG, which in 1975 accounted for 19.7 percent of total Danish imports and 13.3 percent of total Danish exports.

The share of the socialist countries in the total foreign trade of Denmark is not large and in 1975 amounted to approximately 5 percent of total imports and 3.5 percent of total exports.

Table 1. Danish Trade With the Socialist Countries

		(1) Hodnoty v mil. Dkr						
		1970	1971	1972	1973	1974	1975	1-11 1976
(2)	Dánský vývoz	928,6	1153,3	981,8	1153,2	1694,5	1756,0	1445,3
(3)	Dánský dovoz	1163,6	1069,4	1113,5	1653,2	2597,7	3007,7	3137,8
(4)	Saldo	235,0	-83,9	131,7	500,0	903,2	1251,7	1692,5

Key:

- | | |
|---|-------------------|
| 1. Values given in millions of Danish krone | 3. Danish imports |
| 2. Danish exports | 4. Balance |

As the above survey indicates, a substantial increase in commercial commodity trade between Denmark and the socialist countries took place between 1970 and 1975.

The increase in Danish imports during this period amounts to 158.5 percent, while exports to the socialist countries grew by 89.1 percent.

Mutual commodity trade between the CSSR and Denmark tended to increase between 1961 and 1970. After dropping off in 1971, a new period of growth set in that was sustained through 1976, when the value of Czechoslovak exports to Denmark was 65 percent greater than what it was in 1971. The

total value of Czechoslovak imports from Denmark in 1976 was greater than what it was in 1971 by 106.2 percent. The active trade balance for 1976 amounts to Kcs (commercial parity) 47.7 million in favor of the CSSR.

Table 2. Millions of Trade Parity Korunas

(1) Rok	(2) čs. vývoz	(3) čs. dovoz	(4) čs. obch. balance
1961	65,0	74,6	- 9,6
1964	84,3	48,4	+35,9
1968	137,5	74,1	+63,4
1970	186,2	103,4	+82,8
1975	230,2	197,0	+33,2
1976	271,2	223,5	+47,7

Key:

- | | |
|-------------------------|-------------------------------|
| 1. Year | 3. Czechoslovak imports |
| 2. Czechoslovak exports | 4. Czechoslovak trade balance |

The Structure of Czechoslovak Foreign Trade With Denmark

The most important products exported by Czechoslovakia to Denmark include rolled metal products and iron and steel materials, textile goods, tool and die machinery, passenger autos, motorcycles, tractors and [tractor] tires, printing machinery, ammunition for hunting and sports weapons, photo-enlarging equipment, electric motors, equipment installations for thermal power plants, industrial armatures, chemical products, paper, drugs, medical ceramic ware, wooden pallets, non-periodical publications, shoes, flat, packing and laboratory glass, jewelry, leather fashion accessories, sports equipment, toys, and so on.

Czechoslovak imports from Denmark are primarily made up of fish and fish products, machinery and equipment for the food processing industry, equipment for the production of construction panels, measurement and control equipment, packaging machinery, computers, urban refuse incinerators, trailer vehicles, special transport containers and tanks, medical equipment, plant equipment for the metallurgical industry, and so on.

Even though current trends in mutual trade relations can be evaluated positively in light of past achievements, the real potential for greater cooperation has not been exhausted by any means. This fact was also pointed out on several occasions during official talks between representatives of the two countries.

In view of the fact that the CSSR enjoys a nearly constant trade surplus in its trade with Denmark, it would appear that this positive trade balance

is not being put to very much use when it comes to Czechoslovak imports from Denmark, in spite of the possibilities that do exist in this regard. Imports of world-class Danish industrial goods could help to upgrade the technical and technological standards of Czechoslovak industry and at the same time further the interests of the Danish side.

Under the terms of the agreement mentioned above on scientific and technical cooperation and collaboration between the CSSR and Denmark technical literature describing several state-of-the-art products and technologies was sent to the Czechoslovak ministries with appropriate functional jurisdictions. This literature covered the following fields:

In the construction sector:

- the industrial construction of single-family homes,
- the industrial construction of factory facilities,
- the design and construction of health care facilities,
- the design and construction of day-care centers and kindergartens.

In the industrial sector:

- packaging machinery, including packaging materials,
- the impregnation treatment of woods used in structural and furniture components.

In the trade sector:

- an automatic system designed to be used by large retail stores for the inspection of returned empty bottles.

In the metallurgy and heavy engineering sector:

- urban refuse incinerators.

In the agriculture and food sectors:

- the production of humus from urban refuse,
- the drying of poultry droppings to be used for the production of enriched fodder,
- rumen extracts for the enrichment of calf fodder,
- fermentation,
- seed cultivation,
- extraction processes.

In the general engineering sector:

- agricultural machinery.

In the technical and capital development sector:

- a process for the surface treatment of reactor heating elements.

This rather broad survey of proposals on the further expansion of Czechoslovak-Danish cooperation in the area of scientific-technical development, collaboration, licensing, and know-how-sharing does not come close to covering all of the possibilities that exist not only in these, but also in other sectors and branches of the Danish economy. However, in the interest of mutual satisfaction, the ministries with appropriate functional jurisdiction must give due consideration to these proposals and also make a final determination on whether or not to accept them within the timetables prescribed for each appropriate problem area.

Table 3. Czechoslovak Imports From Denmark According to Basic Commodity Categories (Based on Data Furnished by OBO [expansion unknown])

	1972	1973	1974	1975	1976
(1) Potraviny a živá zvířata	46 070	68 982	114 766	72 634	93 809
(2) Nápoje a tabák	114	40	86	1 048	279
(3) Suroviny nepoživatelné, bez paliv	11 349	5 918	1 120	724	199
(4) Minerální paliva, mazadla a příbuzné materiály	—	—	—	—	135
(5) Živočišné a rostlinné oleje a tuky	14	—	—	—	—
(6) Chemikálie	13 622	18 547	21 993	20 583	18 899
(7) Průmyslové zboží (podle druhů materiálů)	393	846	19 116	27 908	16 386
(8) Stroje a dopravní prostředky	41 491	56 563	41 667	63 981	74 567
(9) Různé hotové výrobky	5 396	7 269	7 531	10 078	19 187
(10) Zboží a transakce	11	80	—	—	—
(11) Stroj. organizace	34 867	46 492	51 684	81 075	83 762
(12) Nestroj. organizace	83 593	111 780	154 595	115 986	139 699
(13) Celkem	118 460	158 272	206 279	197 061	223 461

Key:

1. Food and live animals
2. Beverages and tobacco
3. Nonedible raw materials, excluding fuels
4. Mineral fuels, lubricants, and related materials
5. Animal and vegetable oils and fats
6. Chemicals
7. Industrial goods (by types of materials)
8. Machinery and transport vehicles
9. Miscellaneous finished products
10. Commodities and transactions
11. Engineering organizations
12. Non-engineering organizations
13. Total

Table 4. Czechoslovak Exports to Denmark According to Principal Commodity Categories (Based on Data Furnished by OBO)

	1972	1973	1974	1975	1976
(1) Potraviny a živá zvířata	1 117	1 230	2 356	2 716	2 184
(2) Nápoje a tabák	1	—	14	37	313
(3) Suroviny nepoživatelné, bez paliv	2 478	3 488	2 765	4 954	2 676
(4) Minerální paliva, mazadla a příbuzné materiály	817	314	376	427	546
(5) Živočišné a rostlinné oleje a tuky	—	—	—	—	—
(6) Chemikálie	10 325	13 538	15 698	16 219	10 926
(7) Průmyslové zboží (podle druhů materiálů)	90 894	114 126	95 255	120 798	136 133
(8) Stroje a dopravní prostředky	24 881	33 421	37 605	36 368	54 601
(9) Různé hotové výrobky	34 198	45 045	52 349	48 671	63 787
(10) Zboží a transakce	—	—	—	—	—
(11) Stroj. organizace	35 761	43 535	46 819	50 002	73 535
(12) Nestroj. organizace	128 950	167 627	159 599	180 188	197 631
(13) Celkem	164 711	211 162	206 418	230 190	271 166

Key:

1. Food and live animals
2. Beverages and tobacco
3. Nonedible raw materials, excluding fuels
4. Mineral fuels, lubricants, and related materials
5. Animal and vegetable oils and fats
6. Chemicals
7. Industrial goods (by types of materials)
8. Machinery and transport vehicles
9. Miscellaneous finished products
10. Commodities and transactions
11. Engineering organizations
12. Non-engineering organizations
13. Total

Foreign Trade in Industrial Consumer Goods

Prague REVUE OBCHODU, PRUMYSLU, HOSPODARSTVI in Czech No 4, 1977 pp 63-64

[Article by Eng Kamil Kudlak, Federal Statistical Office]

[Text] A continuous increase in the living standards of the working people is the main economic development goal of every socialist country. The policy line dedicated to the achievement of a further significant increase

in personal and public spending and the improvement of its structural distribution was confirmed in its resolutions by the 15th Congress of the CPCZ.

The production of industrial consumer goods is one of the traditional industrial sectors of our economy. During the years prior to the advent of socialist construction this was the principal foreign-exchange-earning branch of the national economy. There were certain clearly negative aspects to this situation, especially in terms of the high degree of dependence on cyclical demand fluctuations on [foreign] markets and the considerable degree of dependence on raw materials imports on the part of some branches of the consumer goods industry. It was not until after work had been completed on the construction of a comprehensive industrial base, of which the engineering industry was the most important component, that the production of consumer goods took its rightful place within the overall structure of industrial production, and consumer goods exports continue to account for a large share of our total exports. On the other hand, imports of industrial consumer goods are above all making it possible to enhance the assortment structure of consumer goods on the domestic market, and at the same time the implementation of the program for production specialization and collaboration among the CEMA member countries is beginning to account for a growing share of total consumer goods imports. In recent years the ratio of industrial consumer goods exports to total exports has been increasing steadily. Growing exports of commodities in this category coupled with a slower import growth rate has made it possible to build up a considerable surplus trade balance, which has served in part to offset the shortfall in the projected surplus trade balance for exports of other products, especially engineering products. There has been a marked increase in imports of industrial consumer goods, primarily in a few selected sectors in response to demand on the domestic market; the declining share of consumer goods imports (which have nevertheless increased in absolute terms) in relation to total imports, as valued in current prices, is to a considerable extent attributable to the more rapid increase in the prices of other goods, especially fuels and raw materials. Trends affecting the contribution of industrial consumer goods to total exports and imports are illustrated by the following table:

Table 1. Commodity Structure Trends in Czechoslovak Foreign Trade (in %)

	Exports			Imports		
	1970	1975	1976	1970	1975	1976
Machinery and equipment	50.2	48.0	50.1	33.3	36.9	36.6
Fuels, metals, and manufacturer's materials	29.4	30.3	28.7	43.1	46.6	46.5
Food commodities	3.9	4.3	3.5	15.1	9.3	10.3
Industrial consumer goods	16.5	17.4	17.7	8.5	7.2	6.6

The surplus trade balance created by greater exports of consumer goods in comparison to imports of the same is constantly growing and is making a major contribution to offsetting the deficit balance of trade in raw materials, fuels, and food supplies. The surplus balance of trade in industrial consumer goods grew from FOB Kcs 2.2 billion in 1970 to Kcs 3.5 billion in 1973, Kcs 4.5 billion in 1975, and Kcs 5.5 billion in 1976. At the same time, the surplus balance of trade in machinery and equipment dropped from Kcs 4.8 billion in 1970 to Kcs 3.7 billion in 1975, but it went up again in 1976 to Kcs 5.6 billion.

Of the individual important commodity categories contributing to the surplus balance of trade in industrial consumer goods the greatest contributions were made by the footwear industry (FOB Kcs 1,877 million in 1976), followed by the apparel and clothing industry (Kcs 872 million), fabrics (Kcs 810 million), fashion accessories (Kcs 606 million), dishware and flatware (Kcs 447 million), furniture (Kcs 210 million), sports equipment (Kcs 165 million), musical instruments (Kcs 138 million), printed products (Kcs 62 million), and electrical engineering goods (Kcs 55 million).

On the other hand, a deficit occurred in the balance of trade in household durables and appliances (Kcs 206 million, primarily in the case of radio and television sets and optical goods), followed by artistic and handicraft products (Kcs 83 million), and medicines and health care products (Kcs 39 million).

In pace with the rapidly growing level of mechanization there has been a corresponding increase in the production, exportation, and importation of engineered consumer goods, primarily including passenger autos and motorcycles. Exports of passenger autos comprise one of the most important engineering export sectors, and the number of exported passenger autos is constantly growing: in 1970 the CSSR exported 77,000 passenger autos, 79,000 in 1975, and 97,000 in 1976. Passenger auto imports have also increased very rapidly, especially from the socialist countries; in 1970, 42,000 passenger autos were imported, compared to 100,000 in 1975. In 1976, because of reduced sales, imports declined to a level of 77,000 passenger autos. Motorcycles are another important item in our export program. Motorcycle exports increased from 92,000 units in 1970 to 211,000 units in 1975 and to 272,000 units in 1976.

In addition to providing for the general augmentation of the decisive role played by engineering products in Czechoslovakia's export program, the Guidelines for the Sixth Five-Year Plan call for another major increase in exports of industrial consumer goods. The important contribution made by these products to our overall export program is a function not only of the traditionally high standards maintained by many branches of the consumer goods industry but also of the firm policy orientation dedicated to bringing about a faster increase in the standard of living in all of the CEMA countries.

Most importantly, it is expected that there will be an increase in the output and export sales of those branches of the consumer goods industry which rely on domestic sources for their basic raw materials needs, e.g., the glass, ceramics and porcelain industry, the woodworking industry, and certain other industries.

The impact of this policy orientation has already been manifested in the results of the performance of the consumer goods industry in 1976. In aggregate terms the output of this industry grew by 4.1 percent during 1976, and state plan targets were surpassed with extra output valued at Kcs 975 million.

Looking at individual planning categories, output in the woodworking industry increased by 7.4 percent, by 7.6 percent in the glass, ceramics and porcelain industry, by 1.3 percent in the textile industry, by 4.0 percent in the garment industry, by 3.5 percent in the leatherworking industry, and by 5.6 percent in the printing industry.

Table 2. Exports of Industrial Consumer Goods
(Value data expressed in millions of FOB korunas)

	<u>1970</u>	<u>1975</u>	<u>1976</u>
Total industrial consumer goods	4515	8134	9191
including:			
Total fabrics	544	1122	1185
including:			
Cotton fabrics	253	520	487
including:			
delicate fabrics	--	55	58
clothing fabrics	99	109	91
satin fabrics	2	17	15
linen fabrics	--	54	53
outerwear fabrics	30	26	21
finely woven fabrics	55	55	44
lining fabrics	.	15	15
decorative fabrics	21	58	58
pile fabrics	27	44	47
towel fabrics	.	52	57
Woolen fabrics	97	76	103
including:			
combed fabrics	61	13	24
furniture fabrics	10	60	77
Silk-like fabrics	56	100	120
including:			
imitation silk fabrics	56	80	92
fabrics made from synthetic fibers	--	18	23

	<u>1970</u>	<u>1975</u>	<u>1976</u>
Linen fabrics	38	57	58
including:			
linen cloths	34	41	43
Carpeting	66	170	200
Apparel and clothing	537	1460	1530
including:			
outerwear	200	739	712
Leather apparel	6	12	13
Fur apparel	21	37	50
Outerwear and underwear, excluding knit goods	40	202	194
Knitted clothing	148	173	116
Men's and women's hosiery	13	53	81
Head coverings	50	70	65
Fashion accessory goods	582	748	806
including:			
textile accessories	18	62	62
metallic accessories	13	56	64
leather accessories	144	116	141
plastic accessories	225	223	213
Jewelry	182	253	291
Footwear	1172	1922	1996
including:			
leather shoes	832	1063	1124
rubber shoes	155	177	94
fabric shoes	18	32	31
Dishware and flatware	263	434	523
including:			
metallic dishware	14	24	33
porcelain and earthenware dishes	53	81	99
glass dishware	189	313	360
plastic dishware	7	16	31
Furniture	244	438	492
including:			
wooden furniture	193	340	380
kitchen furniture	3	11	17
upholstered furniture	48	66	72
Medicines and health care products	249	433	498
including:			
antibiotics	40	33	35
alkaloid preparations	...	53	62
soap and cosmetic aids	11	44	64

	<u>1970</u>	<u>1975</u>	<u>1976</u>
Household machines and appliances	320	356	391
including:			
bicycles	21	37	39
clocks and watches	10	24	24
radio and television sets	14	13	38
film cameras and projection equipment	6	19	19
vacuum cleaners	...	8	14
washing machines	34	34	34
record players	14	41	41
Electrical engineering goods	100	152	188
Printed products	71	140	151
Musical instruments	103	154	163
Sports equipment	59	212	223
Artistic and handicraft products	36	85	91

Table 3. Imports of Industrial Consumer Goods
(Value data expressed in millions of trade parity korunas)

	<u>1970</u>	<u>1975</u>	<u>1976</u>
Total industrial consumer goods	2261	3669	3717
including:			
Total fabrics	139	371	375
including:			
cotton fabrics	19	82	78
woolen fabrics	34	34	28
silk fabrics, including synthetic fabrics	17	24	18
Carpeting	20	38	41
Apparel and clothing	473	778	658
including:			
coats and outerwear	126	194	228
including:			
women's coats	1	13	11
men's coats	.	18	24
women's clothing	.	15	15
men's trousers	12	30	33
work clothing	37	29	40
Fur clothing	12	33	25
Non-knitted clothing	17	45	69
Knitted clothing	278	365	212
Men's and women's hosiery	15	56	25
Drapery	5	41	48

	<u>1970</u>	<u>1975</u>	<u>1976</u>
Fashion accessory goods	110	207	200
including:			
fabric accessories	12	23	21
metallic accessories	10	28	41
leather accessories	31	12	16
plastic accessories	57	74	63
umbrellas	15	21	23
Footwear	134	131	119
including:			
leather shoes	106	90	81
Dishware and flatware	50	58	76
including:			
metallic dishware	7	24	30
plastic dishware	.	18	25
Furniture	138	266	282
Medicines and health care products	201	430	537
including:			
cosmetic aids	19	70	43
vitamins	.	56	73
Household durables and appliances	502	572	597
including:			
sewing machines	52	54	59
bicycles	11	8	11
clocks and watches	54	62	66
cameras	25	37	38
radio sets	43	62	77
television sets	107	100	104
phonograph-radio sets	.	15	15
washing machines	.	47	36
Electrical engineering goods	113	143	133
including:			
lamps	41	48	39
Paper products	14	33	14
Printed products	90	118	89
Musical instruments	21	28	25
Sports equipment	25	62	58
Artistic and handicraft products	74	158	174

11813

CSO: 2400

DRAFT AMENDMENTS TO IMPROVE TRADE RELATIONS PUBLISHED

Prague ZAHRANICNI OBCHOD in Czech No 2, 1977 pp 8-9

[Article by Miroslav Cuker: "On Planned Changes in Supplier-Customer Relations Under Basic Terms of Delivery"]

[Text] The strengthening of the role of economic law in the relations between the foreign trade organizations and their domestic suppliers and customers in exports and imports of goods is a task which can significantly affect the results of foreign trade and of the entire Czechoslovak economy. For this reason, all appropriate organs pay extraordinary attention to interlinking the process of negotiating the supplier-customer relations with the process of preparation and approval of economic plans, and to the resulting supplier-customer relations. We can state that the legislation represented in this area, particularly by the Economic Code, performs a very positive function in this process: it orients the organizations to the timely and purposeful negotiations of supplier-customer relations as well as to the timely and correct fulfillment of obligations assumed in economic agreements. The Economic Code cannot, of course, cover all details of economic relations arising among organizations, nor can it consider, in the regulation of these relations, all peculiar features (for example from the standpoint of delivery of individual types of goods and so on), and leaves therefore the settlement of these questions to implementing regulations. Very important regulations implementing the Economic Code are the Basic Terms of Delivery of Imported and Exported Products which regulate in detail the economic relations between the foreign trade organizations and their domestic suppliers or customers, and which apply to certain groups of products. These implementing regulations elaborate particularly the provisions of Chapter 4 of the Economic Code.

The Basic Terms of Delivery of Imported and Exported Products which are in effect at the present time were worked out in 1964, in other words simultaneously with the Economic Code. They have very significantly affected the area of supplier-customer relations and particularly their stabilization, the protection of state economic interests and also the establishment of links between the supplier-customer relations and the

planning process. A very important part of the Basic Terms of Delivery of Imported and Exported Products are the deadlines for presenting the delivery instructions and the deadlines for communicating the production and material data on export shipments, a more detailed regulation of the procedure to be followed by the suppliers and customers in shipping products and so on. Among the more important provisions of the Basic Terms of Delivery in imports is the more detailed regulation of the procedure for filing complaints about the defects of imported goods, the deadlines for presenting the draft contracts covering imports and their confirmation and so on.

Although the regulation contained in the Basic Terms of Delivery proved fully effective in practice and fulfilled the prerequisites and fundamental intentions which motivated their publication, it was linked to the system of planning effective when the Basic Terms of Delivery were drafted and did not therefore conform in some respects to the contemporary conditions in the area of planning or conditions on the world market under which the foreign trade organizations operated. Moreover, since the publication of the Basic Terms of Delivery, some provisions of the Economic Code were revised which were related to the regulation in the Basic Terms of Delivery. These reasons in particular led the CSSR Government to the decision to review and possibly also to amend, in connection with the introduction of the system of planning during the period of the Sixth Five-Year Plan, the Basic Terms of Delivery in accordance with the changes carried out in the Economic Code and with the new economic conditions.

The Federal Ministry of Foreign Trade began to review from these standpoints the existing Basic Terms of Delivery as early as the summer of 1974. In cooperation with the appropriate foreign trade organizations, the first proposals were drafted for the revision of the Basic Terms of Delivery which were sent to the appropriate central agencies for comment at the beginning of 1975. Although the export and import Basic Terms of Delivery did not contain provisions which were in conflict with the amended Economic Code or other implementing regulations issued after 1964, the Federal Ministry of Foreign Trade proposed the revision of the Basic Terms of Delivery. The proposal of the ministry stemmed from the necessity of making more flexible the cooperation between the foreign trade organizations and domestic manufacturers and customers; of increasing the capacity of Czechoslovak production to respond to the demands of foreign markets in exports of Czechoslovak products; of interlocking the system of foreign exchange allocations for imports with the system of signing of economic contracts; of increasing the decision-making jurisdiction of foreign trade organizations in order to import products under the most favorable conditions from the foreign exchange standpoint, other economic aspects and so on.

Greatest attention was focused on the export Basic Terms of Delivery where the shortening of the time limits for presentation of delivery instructions was of primary importance. The shortening of the cycle between the

presentation of the delivery instruction and actual delivery, that is the shortening of the delivery periods, may substantially increase competitiveness of Czechoslovak foreign trade organizations and thus contribute to the increased sales of Czechoslovak products. This tendency stems from the developments of the scientific-technological revolution, from the better production organization including the use of computers, and is based on the resolutions of the 14th CPCZ Congress and other resolutions of the CPCZ Central Committee.

The necessity of reviewing the deadlines for presentation of delivery orders was most urgent in regard to the Basic Terms of Delivery for exported engineering products. When the Basic Terms of Delivery were published in 1964, no new deadlines were set for presentation of delivery orders with regard to this group of products, and the deadlines set in 1957 remained in effect. This list, almost 20 years old, could not conceivably meet the needs of foreign trade because it contained deadlines for products which are not manufactured any more, while many new products were not included. The foreign trade organizations had therefore to negotiate the deadlines for presentation of delivery orders in each specific case separately. Unsatisfactory deadlines are listed in the Basic Terms of Delivery for the products exported by foreign trade organizations Centrotex, Exico, Karaexport, Ferromet, Metalimex, Chemapol and others.

In discussions with some supplying ministries on the proposals for revision of deadlines for presentation of delivery orders, however, the opposite tendency manifested itself: these ministries--particularly the Federal Ministry of Metallurgy and Heavy Engineering and the CSR Ministry of Industry--demanded the extension of presentation periods. This demand was motivated by rather time-consuming manufacture of some products and by the complexity of domestic supplier-customer relations in securing raw materials and subdeliveries for the manufacture of products designed for export. These arguments, however, could not be accepted in the interest of exports and many disputes concerning the presentation deadlines had to be eventually settled by the CSSR State Arbitration.

Undoubtedly, the tendencies toward the shortening of delivery periods must be supported. Likewise, the more precise regulation of the negotiations on the supplier-customer relations in the planning process (see for example Decree No 33/1975 of SBIRKA) orients the organizations to a more detailed discussion of the supplier-customer relations as early as the period of plan processing, in order to make contact more flexible in the period of actual deliveries. The process of negotiation of supplier-customer relations in the planning process, which should be as a rule concluded by the signing of contracts on the preparation of deliveries, should positively affect primarily the shortening of delivery periods. The CSSR State Arbitration approached the settlement of disputes from the societywide standpoint, did not approve the extension of presentation periods and saw to it that the ministries or the organizations supervised by them agreed among

themselves, in the course of the arbitration proceedings, upon the optimum deadlines--this goal having been achieved in the overwhelming majority of instances.

With reference to the Basic Terms of Delivery of some foreign trade organizations (for example Czechoslovak Ceramics), which already on the basis of the Federal Ministry of Finance's Decree 154/1975 of SBIRKA on billing and payment of deliveries of a noninvestment nature employ the system of so-called automatic billing, it was in accordance with Section 23 of Decree No 154/1975 of SBIRKA proposed to include provisions on the completion of delivery in railroad, river and truck transportation by the arrival of the shipment in the customs-house on the Czechoslovak state border. The eventual adoption of this regulation which the Economic Code (Section 168, Paragraph 1) allows, will not only meet the condition specified for the so-called automatic billing by the billing decree, but will also make the place of performance coincide for the domestic supplier and the foreign trade organization (if the foreign trade organization fulfills the contract in this place, which is the rule for the deliveries according to the CEMA General Terms of Delivery 1968/1975), and the plan will be fulfilled by the domestic supplier and foreign trade organization simultaneously. The present situation, in which the domestic supplier completes the delivery (and thus also fulfills the plan) by handing over the merchandise to the first public forwarding agent (this general principle applies in accordance with Section 168, Paragraph 1 of the Economic Code), causes unnecessary discrepancies between the fulfillment of the plan by the domestic supplier and foreign trade organizations, and sometimes unnecessarily complicates the relationship to the foreign customer, because the stipulated delivery dates are not met (for example if the domestic supplier ships products on the last day of the delivery period and if his delivery period is identical with the delivery period agreed upon by the foreign trade organization and its foreign customer). In this instance, the domestic supplier is not interested in adhering to the deadline which has been agreed upon by the foreign trade organization and foreign customer. If the foreign trade organization wants to avoid paying a penalty for failure to meet the deadline with regard to the foreign customer, it must shorten the delivery period for the domestic supplier by the period necessary for the transportation of goods from the manufacturing plant to the Czechoslovak state border. Conditions, however, must be created in the foreign trade organizations for the application of the system of automatic billing. At the present time, only those organizations can employ it where it already works and which possess all conditions for its application. As a result, these problems could not be solved in a uniform way under all basic terms of delivery. The question of change in the element of fulfillment is the subject of further negotiations.

A very important demand is also a more flexible response of manufacturing organizations to the foreign market needs in terms of quality and workmanship of the products involved. This important principle had been emphasized many times in the resolutions of the supreme party and state

organs primarily because it is one of the factors which significantly affect exports of products. It is generally known that, for example, the regulations on labor safety effective in individual countries, the mandatory technical standards and so on, but also the purpose for which the merchandise is to be used make the import of goods dependent on the fulfillment of certain conditions pertaining to the quality and workmanship. The CSSR follows the same practice in regard to the imported products. It is impossible to ignore these demands and to insist on the manufacture of products for export in accordance with the CSN [Czechoslovak State Standards]. Technical skill and the high standard of Czechoslovak products has a very good reputation in the world from the standpoint of adjustment to the foreign market needs. This has been borne out by a series of unique export deliveries and confidence of foreign customers in Czechoslovak products. It is important, however, not only to keep pace with the scientific development in the world and with the improvement of production techniques, but also to try to react to the demands of foreign customers as promptly as possible and to deliver the requested products in the shortest possible time. Protracted negotiations on a different quality between the foreign trade organizations and domestic suppliers may endanger the fulfillment of the export task and result also in the loss of the foreign market.

In regulating this question in the Basic Terms of Delivery, use was made of the provision contained in Section 217 of the Economic Code which stipulates the obligation of the supplier to accept the proposal of the customer, provided that the material for such a product is available and that the supplier already manufactured products of this quality in the past. The purpose of the regulation, which in the Basic Terms of Delivery imposes heavy fines on the supplier for his tardy response to the foreign trade organization's demands, is to eliminate the protracted negotiations of the agreement on a different quality. In some Basic Terms of Delivery (for example for OZO [foreign trade organizations] Ferromet and Czechoslovak Ceramics) some foreign standards have been agreed upon in accordance with which the supplier must supply products even without a special agreement in individual cases. Further negotiations are being conducted on the application of the proposed regulation to additional products.

It was likewise proposed to make in the Basic Terms of Delivery of imported products several major changes which were called forth by societywide, particularly economic interests.

In the first place it is necessary to draw attention to the proposal calling for the revision of the time limits within which complaints can be filed. The present brief periods of complaints (in most instances the Basic Terms of Delivery allow 5 days for filing complaints about errors concerning quantity and 15-30 days for complaints about quality defects) have applied despite the fact that the foreign trade organizations have enjoyed much longer deadlines in relation to their foreign partners (for example according to the CEMA General Terms of Delivery or with reference

to warranties and so on), which certainly was not correct from the society-wide standpoint. The new proposal for the periods of complaints is therefore based on the objective situation on foreign markets and takes into account the justified demands of domestic customers. A substantial change was therefore effected in the complaints periods which is based on the Czechoslovak Code of International Trade (Law No 101/1963 of SBIRKA) and on the CEMA General Terms of Delivery 1968/1975. The periods of complaints stipulated in these regulations have been essentially applied also to the domestic supplier-customer relations, but have been somewhat shortened because the complaints period for the foreign trade organizations begins to run in relation to their foreign partner as a rule earlier than the complaints period for the domestic customer. In accordance with the CEMA General Terms of Delivery 1968/1975, in railroad transportation, for example, the period during which a complaint must be filed against the foreign partner begins with the day on which the merchandise arrives on the state border of the seller's country, while for the domestic customer it begins to run only on the day of the arrival of goods in the final destination in this country. This shortening of the period in question is also necessary because the foreign trade organization needs a certain amount of time to send a properly documented complaint abroad (frequently it is, for example, necessary to obtain from the domestic customer additional data and documents in support of the complaint sent abroad).

The new proposal again emphasizes the principle which defines the duty of the customer to complain about the defects as soon as they are discovered, because a belated notice of complaint (even within the stipulated complaints periods) can adversely affect the settlement of the complaint (for example, the defective products cannot be exchanged for perfect products because the foreign supplier does not have them in stock any more and the most that can be achieved is a discount from the purchase price).

Another important proposal is contained in the provision which stipulates that the signing of economic agreements on imports must be linked up to the allocation of foreign exchange. According to the regulation contained in the Economic Code, the supplier is under obligation to state his position on the draft of the agreement within 1 month after it is mailed. If the recipient fails to do so, the proponent is no more bound by his proposal. Under the present regulation, the foreign trade organization, even if it received the draft of the agreement with a considerable advance notice which allowed it to make arrangements for delivery and so on, could not enter into a firm commitment toward the foreign supplier because it did not have foreign exchange allocated as yet and could not therefore express its opinion on the draft of the agreement within this 1 month period. On the other hand, if it accepted the draft only after the allocation of foreign exchange and after assuming a firm commitment toward the foreign supplier, it exposed itself to the danger that the customer would refuse to take delivery (since he was no longer bound by the draft of the agreement) and considerable foreign exchange losses could result.

For this reason, the deadline specified for the notification by the supplier (and thus also the period during which the customer is bound by the draft of the agreement) is to be extended to 30 days (in some Basic Terms of Delivery this period will be 15 days) after the appropriate amount of foreign exchange has been allocated.

The purpose of these and many other proposals calling for the revision of the existing Basic Terms of Delivery is, as ordered by the 15th CPCZ Congress, to make our foreign trade more efficient. The extraordinary importance of the active participation of the CSSR in the international division of labor requires that domestic terms of delivery be adjusted to the needs of foreign trade. In this we must see not a special advantage granted to the foreign trade sector, but the manifestation of the social interest so that our participation in the international division of labor successfully develops and brings maximum effect to our national economy. The accomplishment of this goal will be one of the decisive criteria also for the evaluation of the results of the revision of the export and import Basic Terms of Delivery which is taking place right now.

10501

CSO: 2400

RESOLUTION ENDORSES LPG MODEL STATUTES

[Editorial Report] East Berlin GESETZBLATT DER DEUTSCHEN DEMOKRATISCHEN REPUBLIK in German Part I, No 26, 26 August 1977, pages 317-318, contains the text of a resolution, dated 28 July 1977, which constitutes confirmation by the GDR Council of Ministers of the model statutes and model internal regulations for LPG's for crop and animal production. The text includes a listing of resolutions, appendices, and announcements invalidated by the July 1977 resolution.

For related information (LPG draft regulations, analysis of basic changes in LPG's, and legal aspects of LPG model statutes), see the following JPRS issues of this series: 69456, 20 July 1977, No 1650, pp 20-22; 69004, 27 April 1977, No 1620, pp 25-31; and 68900, 8 April 1977, No 1612, pp 34-41.

CSO: 2300

EAST GERMANY

ORDER SUPPLIES FURTHER STIPULATIONS ON AGRICULTURAL CREDIT POLICY

[Editorial Report] East Berlin GESETZBLATT DER DEUTSCHEN DEMOKRATISCHEN REPUBLIK in German Part I No 25, 12 August 1977, page 315, contains the text of Order No 2, dated 8 August 1977, on the implementation of the credit and interest policy in the GDR agricultural sector. Order No 2, which is to go into effect 1 January 1978, amends the 15 Feb 1977 order specifying implementation of GDR agricultural credit policy; for information on the original order, see JPRS 68923, 13 April 1977, No 1614 of this series, page 16. Order No 2 constitutes an amendment of Article 7, paragraph 1, of the original order, with specific reference to interest payment on bank funds.

CSO: 2300

HUNGARY

ENERGY CONSERVATION MEASURES TAKEN

Budapest NEPSZAVA in Hungarian 24 Aug 77 p 1

[Excerpts] At the National Technical Development Committee (OMFB) studies are being worked out which serve to develop energy conserving technology and equipment. They are examining conservation methods in all areas of the national economy. We asked Jozsef Franczia, the OMFB chief of the main department, what we can expect from the energy conservation program.

In the long term, we can conserve 7 to 8 percent, that is almost 3.5 billion forints annually. This depends on the conditions that they introduce the discovered technical solutions. There are, however, many obstacles: there are no trained specialists in planning, the executive capacity is scanty, and even the needed attitude has not materialized. The incentive system does not prompt the enterprises to this end. The main contradiction is that energy is relatively cheap as compared to the costly investments so it is hard to recoup the investment from the savings. The returns, however, on a national level are exceptionally fast. The investing firm does not experience this, since they established prices on an average basis. Hence, the state gives the investors a subsidy for this: A 1.2 billion forint fund was established for this purpose in the Fifth Five-Year Plan.

What sort of technological energy conservation measures would you emphasize in the program? "I should first mention—since this investment has begun—the evaporative cooling of large smelters. A method for utilizing waste-heat is being instituted at the Duna Ironworks based on Soviet manufacturing technology which uses the heat of the cooling waters for the production of steam. The investment will be recovered in a year and a half and almost 30 million forints will be saved with its application.

The largest consumer, of course, is the population. Since this means quite a few households, we can only further develop energy-saving appliances. The Papa Elekthermax is already manufacturing baking equipment in which a fan equalizes the temperature; with this the baking time is reduced by one third.

CSO: 2500

HUNGARY

DEPUTY MINISTER GIVES FACTS ON AGRICULTURE, FOOD TRADE

Budapest MAGYAR NEMZET in Hungarian 27 Aug 77 p 3

[Text] About Our Agricultural and Food Industry Trade

Deputy minister of agriculture and the food industry, Jozsef Hammer, informed representatives of the press on Friday about our agricultural and food industry trade. He explained that the population's supply is good, sufficient food industry products are available for them. Agriculture now produces about 15 percent of the national income. One-fourth of our export is composed of agricultural and food industry products.

Agriculture uses about 40-42 billion forints worth of industrial materials, which is more than 6 times the value of materials used in 1960. The value of artificial fertilizers alone, supplied by the chemical industry, is 2.5 billion forints. Our agriculture produces 37.7 million tons of merchandise, 24 million tons of this are sold. Half of this production is processed by the food industry, while 35-37 percent of the goods are not sold, this is personal consumption.

The deputy minister said that domestic supply comes first. Compared to 1960, the population's consumption of food increased 16 percent, in 10 years canned vegetable consumption per person increased 140 percent, of frozen vegetable dishes by 80 percent, fruit preparations by 50 percent, while fresh vegetable consumption also increased by 35 percent.

According to the deputy minister, recent and expected results prove that the projections for increasing agricultural production were well founded. He also spoke about vegetable and fruit supply, about the measures taken in connection with better supply of goods: 350 new stores opened in the districts and 150 in Budapest, some of them are also open on Sundays. There are a total of 2,600 vegetable stores, but they must strive for better selection of merchandise than before.

There has also been improvement in the supply of milk and milk products. Pasteurized milk will be available in 200 additional towns. Automated milk

dispensers will be installed in colleges and universities. The deputy minister stated: "The appropriate food industry and sales enterprises are required to buy up all vegetables and fruit offered by the producer without any limitation, in the contractual quantities or even without contract, assuming it is suitable for consumption, in the interest of the more reasonable utilization of the products produced in ever increasing quantities by agriculture."

8584

CSO: 2500

HUNGARY

STRUCTURE, EXPORT OF MACHINE INDUSTRY

Budapest KULGAZDASAG in Hungarian No 5, 1977 pp 338-347

[Article by Tibor Szabo]

[Text] In the development of productive forces, the machine industry has quite a large role; extraordinarily many factors influence the course, or rather, the size, of the variety and technical development of machine industry products. Following the terminology of Hungarian foreign trade planning, in what follows we will include under the term "machine industry" articles manufactured by enterprises belonging to the so-called machine, fine-mechanical and, therefore, to the Hungarian machine-manufacturing sector.

It is possible to determine the developmental trends of the machine-manufacturing sector specifically only in regard to certain articles and not in broad generality. The general development of machine manufacturing naturally has an impact on extraordinarily wide areas, even those outside the machine industry. The manufacture of machine-industry articles requires wide-ranging cooperation, taken in a broad sense, and a high degree of domestic and international division of labor, and observations show that for decades the machine industry has been one of the most dynamic areas in world trade. It is an especially important observation that the most developed machine-manufacturing countries of the world are at the same time the biggest importers of machinery which points to the high degree of specialization.

In the present situation of the world economy--when we find a strong fluctuation in demand, a financial and raw-material crisis and a significant shift in trade directions--it is even more complicated than heretofore to assess the probable configuration of machine trade. It may be likely, however, that in the near future the trade dynamics of the developed capitalist countries, and among these of the developed European countries, will increase moderately. The demand for different machines and equipment on the part of those developing countries which are rich in raw materials, and have ambitious investment plans will grow. The share of the machine industry in the trade of the CEMA countries with each other will intensify, but we may

also count on a significant growth of trade in absolute value. Demands on the machine industry may make it likely that its role in world trade will remain unchanged, and it is also advisable to examine Hungarian foreign trade in machinery with this in mind.

The chief middle-range tasks of the Hungarian machine industry were determined in greater detail in the last plan period. The main goal was the possible narrowing of the wide range of production, the satisfaction--to the greatest possible extent--of domestic demands for machinery, the achievement of import savings in relation to the dollar and, simultaneously with this, the growth of exports.

Without expounding on the production dynamics of the machine industry, its contribution to the national income, the share of investment goods and the numerous indices of development we wish merely to point to the fact that, already, half of the finished goods produced are for export, and approximately 75 percent of total exports is realized in the ruble market. The machine industry contributes more than 20 percent of the economy's nonruble-account exports.

There is naturally no possibility of introducing the wide variety of machine exports. We can briefly survey only what kind of role each sector, or rather, each more-important-goods category, plays in machine exports.

Machines and Machinery Equipment

Machines and machinery equipment represent 19 percent of production. To this subsector of machine manufacture belong inter alia, the various metal cutting and noncutting-shaping machines and agricultural, food-industry, and chemical-industry machines and equipment. In this subsector group may be found those enterprises that also play a significant role in the delivery of complete pieces of equipment. According to long-term agreements, the share of the subsector in ruble exports is approximately 25 percent. The importance of metallurgical equipment and agricultural machines is especially great; their volume will increase four-fold during the next 5 years and exports of chemical-industry machinery will also triple.

The worldwide research task of machine-working machine tools is a product development which will aim at supplying modern machines which will insure an increase in the profitability of production. In the industrially developed countries the growth of production exceeds the growth in the size of the working-age population, and this trend will, in all certainty, continue. Other benefits of the NC [expansion unknown] technology will be realized here, especially; in this way the share in production numerically-controlled machine tools will grow dynamically.

The majority of the clientele of the Hungarian machine-tool industry is not drawn from large-series and mass-production industry enterprises; this is also one of the reasons that machine tools employable in small-and medium-

series comprise the majority of Hungarian machine-tool production is exports; within this, for example, more than half the exports of the Csepel Works Machine-Tool Factory are directed to dollar markets. According to 1975 data, nearly 70 percent of machine tools were directed to developed-capitalist countries and approximately 30 percent to developing countries. The 1975 machine-tool trade represented approximately 20 million dollars.

In the interest of a further expansion of trade and of maintaining the existing clientele, besides numerically-controlled boring and milling machines, it is necessary to effectuate the development of the universal, transitional-character NC lathe family, which will insure economical utilization and suitable production. In the interest of machine-tool-industry exports over the next 5-year period and longer, it is necessary to raise further the level of automation and to develop further precision machines of great accuracy and also integrated production systems of high-output NC machines. According to preliminary indications, as a result of the increase in capacity of these machines, and further, of the coordinate-boring machines of the Csepel Works Machine-Tool Factory and of the noncutting-shaping machines of DIGEP (the Diosgyor Machine Factory), a considerable increase in trade may be expected during the next five-year plan period.

In addition to technical development tasks, those plans that will guarantee an increase in capacity are important; wage preferences that contribute to the utilization of a third shift are necessary; an increase in foundry capacities is essential from the viewpoint of the entire subsector; foreign-trade organization is interconnected with the sale of complicated machines and with the supplying of technology, and the question of the accounts of foreign trade and industrial enterprises--or rather, of the allotment of circulating-fund growth accompanying increasing capitalist trade--[is important].

The share of the developing countries will increase, also, considering the fact that machine tools can be exported not only independently, but also as part of complete pieces of equipment, as accessories of educational institutions and as reconstruction products for different factories and railroads. The products of the machine-tool industry represent approximately 24 percent of the subsector's total machine trade in dollars.

Transport Vehicles

Transport vehicles and their unit parts represent approximately 37-40 percent of ruble exports and 25-27 percent of dollar exports. Their role in the whole machine-industry structure is, therefore, quite large.

The high level of growth that may be observed worldwide in the trade in products falling within the subsector is interconnected with the dynamic development of passenger and goods traffic. On a world scale, this rapid increase naturally rests on a substantially wider goods list, inter alia, on the production of transport vehicles and private cars, as well. Among

the manufactures of the subsector, private car production in particular has resulted in enormous, concentrated-manufacturing capacities. Although we have not produced private cars, the capacity ranges of our cooperative unit-parts deliveries and of the production base which we have developed in bus manufacturing also in this way insure economical production. Our manufacture of railroad rolling stock, in contradistinction to the world's largest manufacturing countries, has been decisively oriented to exports, as also has our water-vehicle-and harbor-equipment-manufacturing industry, since the domestic demand for their products is low.

Highway vehicles: Among two-wheeled vehicles, Hungary has ceased production of motorcycles. On the other hand, under the impact of lively demand that has already manifested itself in a lasting way on the world market, we are planning a 2-2.5-fold development in export capacity through the reconstruction of bicycle manufacturing. Depending on yearly investment, bicycle exports to developed countries may even be several times larger than at present.

Worldwide, bus production is showing a rising trend, and among producing countries, besides the Soviet Union, the Japanese bus industry especially has developed extraordinarily dynamically, but, at the same time, the main consuming countries also possess a large manufacturing capacity. The most significant items of our highway-vehicle industry, which rests basically on socialist integration, are buses and their components, of which we will export 45,000 pieces to ruble countries over the next five years.

Trade to dollar countries has tripled over the past five years. The chief markets among the capitalist countries receiving buses and unit parts which have already been exported by us up to now have been the Near Eastern states and some South American countries. (We also sell buses produced in cooperation with capitalist factories; these are exported to developed capitalist countries.) Long-term sales may be regarded as secure, but it is also necessary to take into consideration the fact that in some markets a precondition of long-term sales may be trade in assembly plants and buses delivered as unit parts. A diversification of markets and the immediate development of service and parts supply for the ever-growing number of vehicles operating abroad are necessary, but this cannot be accomplished without the development of so-called subsidiary industries outside the highway-vehicle trade. The currently manufactured types fall within the so-called 200-series-bus family, and, looking forward to 1980, we can count on the further production and export of these. In the years following 1980, in all certainty, small-size city buses under 9 meters--necessary for crowded cities--will come to the fore, especially in consideration of existing environmental protection and ergonomic regulations. The position of Ikarus in the production of suburban hinged buses will solidify further. With long-distance buses, the main objective of development will be maximum travel comfort.

Main highway-vehicle units and vehicles manufactured on the basis of these: Within the scope of the highway-vehicle program, the Hungarian Railroad-Car and Machine Factory, supported by CEMA cooperation, had already in the Fourth

Five-Year Plan period conducted a significant dollar export in finished products made from or utilizing main units (running gears and motors). On the basis of generated capacity and good references, the factory concluded a cooperative agreement with the Steiger firm (USA) and thus, until the coming into effect of imports of socialist tractors, it has also been able to undertake the domestic delivery of tractors made from Raba unit parts, and it is concluding cooperative agreements with other enterprises. For the following plan period, in addition to contracts of significantly increased value made with the socialist countries, the possibility offers itself for the further growth of dollar exports on a cooperative basis. Besides the satisfaction of domestic needs, the delivery of Raba-Steiger engines to capitalist markets may also be planned. Similarly, on a cooperative basis, the delivery of different types of tandem-running gears of its own construction and of empty, fabricated bridgehouses is also possible. Through the cooperative agreements just mentioned, by 1980 the dollar exports of the Hungarian Railroad-Car and Machine Factory may increase several-fold over the present level.

Railroad rolling stock: In the period after the liberation the share of railroad rolling-stock production was conspicuously great. This was explained in part by domestic-railroad reconstruction, and in part by the long-term needs of friendly countries, the Soviet Union decisively among them. Current trade in railroad rolling-stock, over and above the satisfaction of domestic needs, consists of the export of four-part motortrains to be delivered to the Soviet Union on the basis of a government agreement, and of motortrain exports to some traditional Near Eastern and South American markets. The dollar exports of Ganz-MAVAG (Hungarian State Railways Machine Works) varied directly with export peaks over the past five years. Taking into consideration the reconstruction of Ganz-MAVAG and the government agreement already concluded, existing capacity makes possible only a moderate increase in trade even in the next five-year plan. In perspective, however, with regard to the needs of mass transportation and goods deliveries, it would even be possible to raise trade to double its present level, if we could increase capacity.

Water vehicles and harbor equipment: The specifications of floating conveyances and harbor equipment manufactured by the Hungarian Ship and Crane Factory strongly diverge from the product composition of countries possessing a large ship-manufacturing capacity, in part because of the goods composition of Soviet demands--which constitute a basic market--and in part because it can undertake the construction of floating objects only within the confines of the possibilities afforded by the geographic situation, since we do not possess a seacoast. Since, however, floating cranes and containers fall within the category of convertible goods, it is worth mentioning that the types manufactured by the Hungarian Ship and Crane Factory generally belong among those sought after on the world market. The decisive part of exports--in addition to long-term Soviet exports--consists of floating cranes delivered to Near Eastern and South American countries, and of fiberglass sports boats as well as floating cranes exported to developed countries. Inland water tugboats also produced by MHD (the Hungarian Ship and Crane Factory) may be regarded as manufactures with a future, especially when the

waterway system being set up comes into use with the opening of the planned Danube-Rhine-Main Canal. The quantity of fixed cranes and different categories of floating cranes within the profile of MHD, sold other than to the Soviet Union, along with already recognized sales possibilities, makes an increase in dollar exports likely. The outlook for sales--of floating equipment, containers and harbor cranes--and economical production--as well as the need to fulfill Soviet obligations--makes the reconstruction of the ship factory necessary, and the organization of this is now in progress. As one product of the reconstruction, it is also advisable to develop further the line of floating cranes, with 32-, 120-, 200-, and 400-ton types; to develop with 200 MpM [expansion unknown] and 100 MpM types; and, among boats for inland navigation, to develop self-propelled barges and the manufacture of various work-boats. The development of container production must be continued in the direction of special containers. With suitable development, even a 50-100 percent increase in present trade can be attained.

Electrical Industry Machines and Equipment

The supplying of industry, transportation and the population with various prime necessities cannot even be imagined without a well-developed electrical industry. A very dynamic growth was manifest in the post-World War II development of the electrical-machine industry, considering that this sub-sector is a main factor in cooperation, from the supplying of energy to the production of the most diverse, machine-industry products. It covers the very-broad-product line of the sector, from engine equipment through low-, medium- and high-voltage apparatus to the most diverse sizes of rotary machines, and includes electrical-installation products, various household appliances and cables. The Hungarian electrical-machine industry represents 6.5-7 percent of total ruble exports and 12.5-13 percent of dollar exports. It is very complicated to work out a detailed foreign trade strategy for a wide range of products, and, for this reason, we are concerned with the sales possibilities of some of the very significant manufactures of the branch.

In practice, it is capacity alone that puts a limit on exports of engine equipment, since demand is presently enormous, and deliveries of Hungarian equipment to date indicate very good references in the Mediterranean and near Eastern states, in Finland and in a total of 19 countries. A doubling of trade can be predicted by 1980, but a similar dynamic is probable for the following years as well, for the developing countries are now building up their energy networks--or rather, are beginning significant industrialization programs--for which there is a primary need for electrical energy. They are increasing the energy-transmitting capacity of the existing network by raising the voltage level. To this end, they are replacing the energy equipment of transformer stations in the interest of greater use of existing long-distance transmission lines.

The planned increase in trade can be attained through cooperation with firms of industrially developed countries, in accordance with present practice. Cooperation, in addition to increasing capacity, also contributes to the acquisition of new markets. The sales methods of electrical machines which

can be exported in the form of complete equipment demand methods and certain preferences that differ from those used in the sale of traditional, catalogue articles. A review of the financial and organizational system for complete equipment is a task that cannot be postponed.

Besides energy equipment, the export line also extends to the manufacture and sale of electrical-installation products, lighting-technology equipment, industrial-electronic equipment, and various basic-necessity, electrical products (ranges, grill ovens, large-kitchen equipment). The 1975 trade in these articles was more than 3 times as large as in 1971. Considering the good will already acquired, we want to direct the increasing trade in household-electrical products, electrical-installation materials and other products to developed, industrial countries.

Among the enterprises of the subsector, the demand for the products of the Hungarian Cable Works is quite large, and it is possible to project an increase in exports on the basis of the decision concerning development. Furthermore, there are long-range export possibilities for the Refrigeration Machine Factory and the Industrial Instrument Factory, especially considering the already-existing, cooperative agreements, outstanding technical level and planned investments. The export growth of the enterprises referred to may be put minimally at 20-25 percent yearly.

Telecommunications and Vacuum-Technology Industry

From the viewpoint of sales relations, quite varied branches and enterprises have been ranged within the subsector. In addition to enterprises producing professional-telecommunications equipment, the entertainment-electronics industry and vacuum-technology-finished products, or rather, their manufacturing equipment, as well as vacuum-technology and electronic parts, are classed here. The subsector represents approximately 17 percent in ruble exports, while its share in dollars fluctuates around 20 percent.

Among vacuum-technology products, light sources have a conspicuous importance. Among the leading capitalist firms, EIVIRT [United Incandescent Lamp and Electrical Company] at one time developed the products and the equipment necessary for their productive capacity, and these now represent the forefront of the technical level. This statement refers not only to finished products and to the equipment relating to their production, but also to constructions, technologies and the volume of production. The objectives of manufacturing basically serve the goals of export. The development of new families of light sources and the development programs for metal-halogen lamps, high-pressure, sodium-gas lamps, as well as modern-xenon lamps, are of this sort. During the Fourth Five-Year Plan period, the dollar-account exports of EIVERT accounted for 16-17 percent of total machine and fine-mechanical dollar exports. This trade represents approximately 5 percent of the world trade in vacuum-technology products, of which approximately two-thirds was conducted with developed capitalist countries and one-third with developing countries. The sales prospects for light sources and their manufacturing equipment promise to be enduring. It is possible to

increase the delivery of vacuum-technology machines and machine lines to developing countries eventually, even in the form of joint undertakings, by directing installation, extending technical assistance and by continuous supplying of parts. Under the impact of the energy crisis, trade in automobile-light sources fell; in accordance with practice to date, trade must be increased through the supply network of major-world firms; and besides the servicing of automobile factories, it is necessary to strive for the export of auto lamps as parts.

Professional-telecommunications equipment: The scientific-technological revolution demands the communicating, processing, and recording of a great mass of diverse information. Precisely for this reason demand for these products is growing dynamically throughout the world. Trade in telephone exchanges, transmitting and receiving equipment, and microwave equipment in particular, as well as amplifying chains and transmitting stations, are determining factors within this product group as well.

Demand for telephone exchanges is showing a sudden increase, such that the number of telephone stations in the world has doubled in the last 10 years, and it is possible to count on such an increase for the next decades as well, in order to assure long-distance, interurban communication between countries and within countries in the next decades, too, through carrier-frequency systems. A new change of generations may be presumed to be in prospect for this equipment, and this will be accompanied by further miniaturization and will make possible an increase in the number of channels. Equipment for ground-microwave communication links stands on the threshold of a similar development. Each of the pieces of equipment referred to signifies increased utilization of integrated circuits.

In our country, a significant part of the professional-telecommunications equipment is put out by Budavox, the joint organization of 5 large-telecommunications enterprises. A decisive part of exports in the past decade went to the socialist countries, and among these, a striking quantity went to the Soviet Union. Mainly telephone exchanges were exported to the developed industrial countries, central- and subsidiary-telephone exchanges, transmitting equipment, and ultra-short-wave radiotelephones to the developing countries.

Technical development has speeded up in recent years. BHG [The Beloianisz Telecommunication Factory] has acquired the Crossbar-telephone technology, and has developed a large-switching machine and a Crossbar-substation family. It established a successful licence arrangement with the Swedish Ericsson factory. TRT [The Telephone Factory] completely transistorized, 2-channel, voice-frequency, telegraph equipment and 3-and 12-channel carrier-current, air-tube equipment, and Orion and FMV [The Precision Mechanics Enterprise], with the collaboration of the developing institutions, achieved significant results in microwave technology in small-channel, pulse-modulated and multi-channel GTT [Technological Institute of the Machine Industries] equipment.

Besides the extraordinarily large volume of socialist exports, which is guaranteed by a long-range, trade agreement, it is possible to base dollar exports in succeeding years on the export results of the most recent decade. Substations are continually being exported to Canada, Italy, England, and Greece. Among developing countries, microwave equipment is being exported to India, mainly substations to Iraq, wire- and wireless-transmission equipment to Iran and central stations to Syria.

Among the numerous conditions for an increase in exports--beyond the production of up-to-date products--one must stress the necessity for realizing a significant part of the export-goods base in the form of complete networks. In the interest of assuring up-to-date equipment, BHG must carry out reconstruction and capacity-increasing investments so that the capacity of AR [expansion unknown] central stations might be 200,000 lines a year. In the manufacture of microwave equipment, it is necessary to work out, through a technical agreement, the manufacture of frequency-division systems, besides that of delta-code, modulated systems. At TRT, it is necessary to carry out investments that will expand capacity and that will aim at a re-tooling of their technology. At BRG [The Budapest Radio Technology Factory], however, equipment for ultra-short-wave radio-telephone networks must be further developed.

A second important condition for the multi-field increase of exports is sales in the form of complete-information networks. Beyond substations, there is a prospect for increased sales of other equipment, most especially in countries rich in raw materials and possessing plans for large investments, i.e., in Near Eastern and some Latin American countries.

Sales of telecommunications equipment in the form of complete-information networks could assure more than one-third of presumed surplus exports. One prerequisite, among others, for the sale of complete-information networks is that the industry also possess a suitable, systems-technology base, which could also supply some coordination and the necessary adaptation to the development work of the various factories. Furthermore, the organization that was developed for the sale of equipment--and that is working well in general--is no longer sufficient for selling complete--information networks.

This form of doing business requires highly-trained, multi-lingual experts who can be entrusted with the coordination of organs concerned with systems planning--from local surveys through consultations and network planning--with the preparation of complex recommendations and with directing installations, in short, with extraordinarily far-reaching assignments. The largest competing firms--[which are] at the same time giant, multi-national enterprises--possess the prerequisites referred to. Finally, questions of the financing and the risks of the transactions which are taking place within the framework of the undertaking also await solution.

Instrument Industry

The sector embraces an extraordinarily wide variety of tools and instruments, among which we will only mention some, such as product groups in the forefront of development: the extraordinarily wide variety of automation instruments, the wide range of electronic instruments and the wide variety of

nuclear instruments, technical-medical implements, technical management equipment, physio-chemical instruments, optical instruments and other categories of electrical measuring instruments.

Directions of development that may be expected in the wide-ranging variety of the tool industry are quite divergent from one product group and article to another; the whole branch, however, looks toward further dynamic development. This branch of industry represents 10-11 percent of ruble trade, whereas it varies between 7 and 9 percent of dollar exports.

The relatively rapid development of the Hungarian tool industry likewise contributes to the development of other branches of industry. The relatively rapid increase in the value of production of this branch of industry was an appropriate industrial policy, since these products require relatively little material and in past years an abundant work force was also available to it.

The extent of the average, technical stocks in the sector is nearly half the machine-industry average and, besides domestic demands, demands from the socialist countries have also been quite high. Over the past 20 years, articles that also comprise large, complicated intellectual products have replaced the simplest machine-industry products even in domestic manufacture, and the production organization has adjusted itself better and better to the demands of the guaranteed CEMA markets. Along with the development of this branch of industry, a lag is showing up in the manufacture of parts and unit parts, and there is a backlog in respect to the development and manufacture of semiconductors, the elimination of which remains a task for the next plan period.

Although numerous enterprises fall within this branch of industry, trade is concentrated in a few large enterprises, such as MEDICOR [Medical X-Ray Equipment Enterprise], MOM [Hungarian Optical Factory], and the Ganz Tool Works, which represent two-thirds of dollar trade.

Besides the fact that a broad range of enterprises, through licencing and production cooperation, individually export many types of instruments to many countries, we see two prominent areas of the tool industry where, along with a suitable concentration of means, great sales prospects are possible.

Medical instruments and complete hospitals, or health-care institutions: The production of MEDICOR has grown dynamically over the course of decades and, on the basis of desired development and decisively through long-range, high-value CEMA deliveries, has increasingly been able to gain ground in numerous Near Eastern, Latin American and European countries, not only with the sale of individual instruments, but in part with the installation of health-care institutions or medical- and health-care educational institutions. Considering that, in almost every one of the developing countries, the development of health-care delivery is a top priority of the governments, it is likely that with the doubling of trade within 5 years--as a result of the carrying out of suitable trade and production, or rather,

manufacturing-development tasks--there is also the prospect of being able to count on an approximately 20 percent increase in trade per year. Products fitting into the latest discoveries of medical science also play a significant role in trade. Important here are the development of a new family of portable, diagnostic instruments; various sterilizers connected with operation techniques; simple-to-use hypodermic needles, and X-ray equipment supplied with a new examining apparatus and image amplifier, for the development of which Soviet collaboration and licence arrangements with French and other firms have also provided. Considering that increased exports of medical instruments and implements also include certain products of numerous other large enterprises, such as MOM, United Incandescent, EMG [Factory for Electronic Measuring Instruments] and the Gamma Works, the technical development concepts of these large enterprises must be brought into harmony with the plans of MEDICOR. The planned increase in trade also makes the acquisition of new markets necessary; considering the increasing geographical radius of sales, the costs of advertising, propaganda, buying service and servicing are also increasing significantly. The costs of a strengthened trade and technical service apparatus will, however, be recovered within a few years.

Installations of various kinds of complete factory equipment, laboratories, and educational institutions: In recent years, among the products exported to the developing countries, the export of middle- and higher-educational institutions and their equipment, different technological-machine lines, factories and plants that are ready for operation, aluminous-earth plants, food processing plants and chemical plants has increasingly grown. The distribution, by enterprises manufacturing these products, touches a very wide range of enterprises, and it is carried out side by side with the close cooperation of the foreign trade, as well as the domestic, prime-contracting enterprises.

In recent years, the revival of construction of educational institutions of the developing countries, certain Latin American countries among them, has received a great impetus. With the participation of many foreign trade and industrial enterprises, METRIMPEX [The METRIMPEX Foreign Trade Enterprise of the Instrument Industry] is carrying out the exportation, in a managerial capacity, of instruments, implements and machinery necessary for the reconstruction of middle- and higher-educational institutions. The selection of goods includes the most diversified laboratory instruments, complete laboratories, instruments working on electrical and electronic principles, machine tools, and health-maintenance equipment. Peru, Brazil, and Iran were the chief markets, and Iraq, Egypt, and Nigeria may also be new markets.

The export selection of complete pieces of equipment has been quite wide so far, and--even among these--complete lime-kilns of various capacities, meat-processing plants, or rather, slaughter houses and aluminous-earth plants stand out. In the succeeding period, it may be possible to count on the fact that the export of packinghouses, food-processing plants and slaughterhouses will increase further. New markets are opening up, and it will presumably be possible to export significant items to Algeria, Iran, Iraq, and

Syria, so that we may already count on a tripling of present trade by 1980. The complex delivery of land-developing equipment for agriculture, the sale of agricultural-machine systems and mechanization interconnected with the development of animal husbandry will develop into a new branch of business. The prime contracting system in this field is presently under development.

The benefit from exporting complete equipment does not consist only in the fact that planning, supplying of technology and providing of training--as intellectual value--raises the price of complete equipment to a considerable extent, but also in the fact that existing capacities scattered in various smaller plants in the country and even products that cannot otherwise be exported can be sold at a good price within the complex. The carrying on of export provides a possibility for the close cooperation of present, prime-contracting and foreign-trade enterprises. Many problems, however, are still being caused by the desire of buyers that on-site finishing, direction of installation and perhaps even temporary plant management be included in the sale of complete equipment. There must be provision that those factories which also undertake prime contracting possess the means, separate from their other activity, which will enable them to cover the interim domestic, and perhaps foreign, costs that stretch up to the delivery of the complex. The staffing needs for the preparation and execution of the prime contract are also considerable; they require a qualified, multi-lingual cadre of experts. This must also be taken into consideration in the evaluation of the staff composition of the production enterprises. The risk-taking capability of the foreign-trade enterprises should also be increased. Participation in eventual competitive bidding also entails very costly proposal-preparation work, and it is also often necessary to coordinate the activity of several foreign firms. Along with the network of interests of the foreign-trade enterprises, the preparation and execution of such complicated business deals falls within the category of very labor-intensive tasks, but from the viewpoint of trade, it signifies a prospect for the future.

8971

CSO: 2500

HUNGARY

CATTLE BREEDING PROGRAM GETTING INTO GEAR

Budapest NEPSZABADSAG in Hungarian 27 Jul 77 p 10

[Article by Jeno Vancsa, deputy minister of MEM [Ministry of Agriculture and the Food Industry]: "Cattle Breeding Program On the Way to Realization"]

[Text] During the last 5 years, our government placed cattle breeding on the agenda on three occasions. The last time the Council of Ministers reviewed the branch thoroughly was last year. This is not coincidental at all. While total meat production per resident is 70 kg in Austria, 76 kg in Czechoslovakia, it was 83 kg in our country in 1975. But the situation is the reverse in milk production per person, because in contrast with the annual 183 kg per person here, annual milk production in the GDR is for example 440 kg, and 376 kg in Czechoslovakia. These data also demonstrate that cattle breeding in this country is the branch of agricultural production most burdened with tension and contradictions, even though last year this branch provided 12 percent of the value of gross agricultural production and roughly one-third of the animal breeding.

Growth After Standing In One Place

The world's cattle inventory increased during the last 25 years from 785 million to 1.2 billion, that is, an increase of 53 percent. During the same time, the world's population increased by 63 percent. Consequently, in spite of the increasing average milk yield, milk production per person decreased from 114 liters to 108 liters [annually].

The way cattle inventory is developing is very differentiated also by countries. In our country, there are 74 cows per 1,000 population. The European average is twice this. The data clearly prove that the position of Hungarian cattle-breeding is modest in international comparison.

Due to the effect of efforts and measures, a favorable turn occurred last year in domestic cattle-breeding. Last year--for the first time in a long time--we were successful in replacing the decrease in inventory of small producers by increasing the large farms' cow and heifer inventories.

According to the changes which occurred in the last 15 years in the ratio of cattle, and within this, of cows, between the sectors, cattle-breeding is shifting more and more towards the large operations. In 15 years, the proportion (of the national inventory) of cattle in large operations increased from 33 percent to 71 percent, and of cows from 27 percent to 66 percent. Thus today it can be defined unambiguously: Cattle are primarily animals of large operations. Therefore the development of the inventory of large operations must be considered fundamental. But it must also be noted in this respect that planned increase of inventory has taken place only at the state farms, the production cooperatives are only now starting to close ranks and are making successful efforts.

Besides the increase in the number of cows in the large operations, we cannot, in any way, renounce the cow inventory of small producers, either. Their cow-inventory decrease of 12,000 last year exceeds the number assumed in the plan. The things to be done in small production--in order to change the unfavorable phenomena--are known well enough in the area of cattle-breeding also. Now the deeds are next.

Milk production developed more favorably in 1976 than the inventory. The producers collected over 2 billion liters of milk instead of the planned 1,940 million liters. The production increase derives exclusively from yield increases. Average milk production per cow was 2,768 kg, which exceeds 1975's by 238 kg. There has not been an example for this rate of production increase in the cattle branch for long years.

As a result of the breeding policy of recent years, development of milk-type cow inventory also took a favorable turn. Crossbreeding is also at the proper rate. At the present time, 721 large operations are conducting crossbreeding, aimed at better milk production, with 330,000 cows and heifers,

Our agriculture has also fulfilled its slaughter-cattle-production plan. The breeders sold 340,000 tons of slaughter cattle in 1976. We have been among the first in Europe for years in slaughter-cattle production per cow.

The results of this year's first 5 months prove that the favorable effect of the measures taken by the government is a lasting one, and it is developing better and better. According to the animal count data at the end of the first half year, compared to last year's identical time period, the cow and heifer inventory increased by 24,000. Increase characterizes all sectors, thus including the household and small producers also. This latter one, considering the earlier experience, is particularly pleasing and shows the favorable effect of the government measures in this area also. Milk production further continue to increase in the year's first 6 months. Wholesale-milk purchase was 15,2 percent more, 116 million liters in round figures, than in the identical period of last year. It can be concluded, from the development of milk production and purchases, that our agriculture will overfulfill this year's milk-production plan.

But besides our results, we also have problems. Currently at the specialized, cow-breeding farms, there are only 9.2 cows and 23,855 liters of milk production in national average per farm employee. On the farms built with the best construction, annual milk production per worker is over 10 times this much; thus, with today's available technical conditions, the production of 120,000 liters of milk per person is a justifiable demand.

In Harmony With the Demands

As far as the future development tasks of cattle-breeding are concerned, starting out from the needs and requirements, activities must be undertaken in the interest of dual goals:

--primarily, milk production must be increased at all costs, in harmony with the increasing domestic consumption;

--on the other hand, meat production must be increased for the purposes of domestic use and broadening of export.

The branch's tasks for the Fifth Five Year Plan were born in this spirit. According to this, 2,010 million liters of milk must be produced in 1977, and 2,350 million liters in 1980. This makes it possible to increase the present 137 liter milk and milk-product consumption per person to 155 liters by 1980. The increasing milk production also covers the raw materials requirements of powdered milk production. Yield in 1977 is planned to exceed 2,850 liters per cow, and in 1980 we will reach the level of 3,200-3,250 liters.

Obviously, these tasks appear in a very differentiated form from operation to operation, from breeding farm to breeding farm. Therefore, our production policy also develops in accordance with this. Essentially, we differentiate three large groups of producing operations.

1. In 1980, most breeding farms will be characterized by the dual-purpose, Hungarian-spotted cow, making up 62-65 percent of the cow inventory. In our judgment, the inventory's production at the majority of these operations must be increased to 3,000-3,500 liters per cow annually.

2. By the end of the plan period, 22-25 percent of the cow inventory will be made up of stock derived from milk-oriented breeding. In these cow operations a production level of around 3,500-4,000 liters per cow corresponds to the requirements.

3. The stock of intensive-milking operations will represent 2-4 percent of the cow inventory in 1980. From these cows average-annual production of 5,000-6,000 liters can be expected.

Meat-oriented specialization is not at all this unambiguous. It is not so in spite of the fact that specialization has begun in this area also. In

this area, fundamental questions must still be clarified, both in breeding and in tending technologies, and also in economies. The milk and dual-purpose stock also are assigned an important role in meat production.

There are no genetic obstacles for fulfilling the increasing tasks of milk and meat production. We possess all the types and stock-breeding farms which make growth possible. This, at the same time, also demands that we perform the maintenance and refining of the dual-purpose, Hungarian-spotted; the pure-bred Holstein-Friesian and the special-meat types of breeds at a level even higher than before. Breeding work has become multileveled, more complicated than before. It must also be taken into consideration that successful-breeding work is inseparable from international cooperation. Therefore, we must change from being breeding-animal importers to become breeding-animal exporters-importers. We possess many conditions for this today,

Main Conditions of Faster Growth

In the interest of making use of the [animal] inventory's producing ability and the more economical use of the growing areas, fundamental changes must be achieved in feed management. In supplying the cattle inventory, the bulk feeds are a definitive factor, while at the same time we have progressed the least in this area in recent years. Thus we consider the realization of effective feed production, adjusting itself to the level of milk and meat production, to be important. It is important that bulk feed should be fed not after expensive, complicated and lengthy industrial transmission (drying, grinding, pelletization, etc.) but with the use of simple- and cheap-preserving methods (wet storage, silage, etc.).

In feeding meat-oriented stock, the cheapest possible methods must be sought. The technical conditions for harvesting, ensilaging and using as much of the corn stalk as possible must be developed.

We modified the technological prescriptions of cattle feed lots at the beginning of 1976. During this we have taken into account that in the long run our tasks in cattle-tending also will have to be carried out with decreasing manpower. Practical experience shows that the most favorable labor productivity indices can be achieved in operation where the animals are not tied, are 600 or over in number and operate with milking-booth type of milking. In this respect, a 300 animal operation is the low limit of economical size.

Reconstruction of existing buildings continues to be the prime task in defining the development goals. We are also aiding the investments in cattle-keeping by typifying the plans. This work is continuous. Our goal is that the solutions proven in milk-producing operations placed into operation most recently should be made available within the shortest time in the form of serial plans.

The government resolution created the proper economic conditions for fulfilling the Fifth Five-Year Plan of cattle-breeding. Calculations and experience prove that the farm which increases its saleable milk production of 2,700 liters per cow by at least 7 percent will achieve the 15-percent, expense-ratio profit set down in the government resolution.

The government resolution met with favorable reception in the producing operations. Realization of the cattle-breeding program is off in the right direction.

8584

CSO: 2500

POLAND

DIRECTOR GENERAL IN DOMESTIC TRADE MINISTRY NAMED

Warsaw GAZETA HANDLOWA in Polish No 24, 12 Jun 77 p 2

[Text] In connection with the appointment by the Chairman of the Council of Ministers of Tadeusz Bielski to the position of Director General in the Ministry of Domestic Trade and Services, the Minister of Domestic Trade and Services entrusted the management of the Central State Domestic Trade Office (CPHW) to T. Bielski.

Tadeusz Bielski was born in 1928. He completed higher economic studies and received a Master of Economics degree. He has worked in domestic trade since 1952 and since 1953 has held a managerial position in the "Spolem" food cooperative organization. During the years 1954-1964 he was director of the district unit of the "Spolem" Union of Consumers' Cooperatives in Lublin.

From 1964 to 1967 he was director of the Association of Cooperative Trade Houses in Warsaw. From 1967 to the present he has been vice chairman of the Main Board of the "Spolem" Central Union of Consumers' Cooperatives.

[Photograph of T. Bielski accompanied the article.]

CSO: 2600

POLAND

POLAND SEEKING HUGE WESTERN LOAN TO FINANCE MINES

London THE FINANCIAL TIMES in English 31 Aug 77 p 38 LD

[Article by Mary Campbell: "Poland Seeking \$350 Million Western Bank Loans"]

[Text] Poland is to make significant concessions to Western banking practice as part of the terms of a loan being negotiated with commercial banks.

The loan will be of at least \$350 million and is to expand two copper mines and a smelter.

Poland has borrowed heavily from international banks in recent years and has what bankers regard as a high foreign debt of at least \$7 billion.

Polish borrowers have found it more difficult than those of other East European countries to raise hard currency loans and this is one reason why they have tended to concede more in information and in other ways to lending banks.

In the case of the loan being negotiated now, the Polish copper industry has agreed to what bankers call a "restricted drawdown"--it will take up the loan in parts when it has proved that the project in which the money will be invested has reached predetermined stages.

As part of the agreement, the lending banks will be allowed to inspect progress though too much should not be made of this since the draw-down period is relatively short.

A notable feature of the loan is that the proceeds are tied to a specific project rather than being as with almost all East European financings, for general budgetary or balance-of-payments purposes.

It will be self-liquidating--repayments, which start after 3 1/2 years, will be made out of the hard currency proceeds of the sales of the produce of the mine to be developed.

A particularly important point for the lending banks is that the borrower will be the Polish copper industry itself rather than as is usual in Eastern Europe, the country's foreign exchange bank.

A problem for Poland in particular, but also progressively for other Eastern European borrowers, is that all their borrowing tends to be channeled through one institution and many Western banks are reaching their prudent limits for those institutions.

The terms of the loan will be better from Poland's point of view than might have been expected from other recent loans to that country, though it is debatable whether this marks an improvement in the country's credit rating or is merely in line with the change in general market conditions which has occurred recently.

The margin which the banks are expected to charge over inter-bank rates (the key to credit standing in this market) is expected to be $1 \frac{3}{8}$ percentage points for the first 5 years of the overall 8-year life of the loan and $1 \frac{1}{2}$ points for the last 3 years.

Other recent Polish loans, which have been smaller and for shorter maturities, have offered a margin of $1 \frac{1}{2}$ points.

Chase Manhattan, the London merchant banking subsidiary of the American Bank, is to be lead manager.

The new loan will help finance a \$1-billion project involving the Sieroszowice I and II mines and the Cedynia Copper Works. The Poles will be providing most of the funds in domestic currency with the Europemarket loan being used to buy goods from the West.

CSO: 2020

CHEMICAL MEASURES SUGGESTED TO CONTROL POTATO BLIGHT

Warsaw DZIENNIK LUDOWY in Polish 19 Aug 77 p 2

[Text] Agricultural institutes are receiving reports that the potato blight is endangering the potato crop because of the rainy year. This year it has come early and with greater intensity than in previous periods. The primary reason for this is the moist and warm weather. The blight has already attacked the early potato variety fields and the danger exists that later potato varieties might be attacked, thereby reducing the crop and contributing to considerable losses during storage.

Scientists from the Potato Institute in Bonin near Koszalin suggest that chemical control measures be taken using available fungicides. Control measures should be implemented in medium-late and late potato variety fields that have not yet been attacked or if the intensity of attack has been slight. This should be done consistently at weekly intervals, primarily in seed potato fields and also in fields of table potatoes intended for lengthy storage. As for early and later potato variety fields that are more susceptible to the disease, action should be taken with the aim of reducing the attack on tubers by fungus spores washed into the soil. This can be prevented by applying the chemical preparation Reglone and by stepping up and completing the potato harvest in weather as dry and warm as possible.

It is very important that potatoes should be prepared appropriately for storage. After they are harvested, potatoes should be dried and sorted, discarding tubers that appear to be affected by the blight. Insofar as possible, the chemical application should be repeated 1-2 months after the harvest. On the other hand, it is best to steam and ensilage potatoes intended for forage.

CSO: 2600

in harvests nor with the acceleration of the development of breeding. Therefore, the functioning of the grain procurement apparatus and the efficiency of supplying the farmers with industrial fodder requires a special assessment. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 32, 7 Aug 77 p 15]

EGG PROCUREMENT--The good egg procurement results in the five-month period on 1977 (rise in procurement in the area of over 20 percent), worsened in June and judging from the signals coming in from the voivodships, in sum were not much higher than in June of 1976. Clearer declines in egg procurement in June 1977 were noted in Krosno, Nowy Sacz, Olsztyn, Piotrkow Trybunalski, Sieradz, Suwalki, and Tarnobrzeg voivodships. It is indicated, therefore, that in these voivodships a scrupulous analysis of the efficiency of the work of the procurement apparatus and also chicken breeding conditions should be made. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 32, 7 Aug 77 p 15]

SHIP IMPORTS--In striving to accelerate the development of the Polish commercial fleet, Poland has been purchasing ships abroad for a number of years on credit, which was then paid off from income obtained from their exploitation. Recent years, however, have brought about a considerable worsening of the business outlook for ship exploitation, which is reflected, among others, in the falling off of payments for the transport of commodities. There is fear in certain cases, therefore, that the acquired ships will not be in a position to earn payment for the credits drawn for their purchase. The policy of ship purchases on the self-payment principle, therefore, requires verification. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 33, 14 Aug 77 p 15]

CONSUMPTION STRUCTURE--Difficulties in supplying the market with meat and meat products are favorable to the increase in the need for fish, eggs, cheese, and cottage cheese. Their rise in consumption, practically speaking, therefore, is limited solely by the possibilities of increased supplies for the needs of the market. The rise in the price of potatoes, vegetables, and fruits, noted this year on the markets and in socialized trade, can favor the increase in the need for grain products whose prices remain without change. If the tendency of this nature appears with greater intensity, this would be equivalent to the manifestation of a very unfavorable direction of changes in the structure of consumption. The tendencies in the changes in the consumption of potatoes, vegetables, and fruits, and also grain products require, therefore, a penetrating analysis. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 34, 21 Aug 77 p 15]

STATE EXPENDITURES FOR MEDICINES--The state expenditures for medicines for outpatient medical service (sale in pharmacies for those qualified, with a 70 percent reduction, or free of charge) and inpatient medical service (use in hospitals, etc.) in 1977 will exceed 17 billion zlotys. Of this sum, approximately 12 billion zlotys will fall undoubtedly to subsidies for the sales of medicines at reduced prices for those insured and for covering the amounts due to the pharmacies for medicines issued free of charge to pensioners. It is also characteristic that this last position, that is, expenditures by the state for medicines for pensioners, absorbs approximately 6 billion zlotys, and, therefore, approximately one-half of the

POLAND

BRIEFS

MILK PROCUREMENT--The high growth rate of milk procurement (in the area of over 10 percent) which was maintained in the period from January to May 1977, declined in June. It, therefore, appears necessary for the agricultural service to investigate the reasons for the decline in the procurement of milk in June 1977 below that in June 1976 in the Gorzow, Konin, Legnica, Szczecin, Torun, and Zielona Gora voivodships. The causes for the considerable decline in the dynamics of milk procurement in June 1977 in the Biala Podlaska, Chelm, Kielce, Lublin, and Zamosc voivodships require investigation also. This concerns especially a clarification whether the factor weakening the procurement growth rate was no negligence in the organization of the procurement or supplying the breeders of milk cattle with feed. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 32, 7 Aug 77 p 15]

CATTLE PROCUREMENT--With the nationwide decline in the procurement of slaughter animals in the first half of 1977 (by 7.2 percent), the rise in the procurement of slaughter animals in Tarnow voivodship (by over 7 percent) and in Bielsko Biala voivodship (by 8 percent) is noteworthy. This was brought about by the considerable rise in the procurement of cattle, with a surplus compensating for the decline in the procurement of swine. Greater rises in the procurement of cattle was noted, in addition, in Bialystok, Koszalin, Lomza, Nowy Sacz, Olsztyn, and Suwalki voivodships. Therefore, a close investigation of the causes which brought about the rise in the procurement of cattle in these areas in the first half of 1977 seems indicated in order to eventually exploit the positive experience, especially of the Bielsko Biala, Nowy Sacz, and Tarnow voivodships where, at the same time, a high rise in the procurement of milk was noted. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 32, 7 Aug 77 p 15]

GRAIN PROCUREMENT RESULTS--An analysis of the results of procurement of the four basic grains from the 1976 harvests indicates that with the general rise of its extent in comparison with the procurement from the 1975 harvests, in certain areas there was a considerable decline in procurement. This refers especially to the Zielona Gora, Gorzow, Bydgoszcz, Jelenia Gora, Szczecin, Legnica, Wloclawek, and Poznan voivodships. The decline in the procurement of grains in these areas is not connected either with the decline

entire state subsidy for medicines for those qualified to use free of charge medicines or for partial reimbursement. The rate of growth of the value of medicines issued free of charge is normally one-half higher than the rate of growth of sales of medicines with 30 percent reimbursement. There is the fear, therefore, that there are large irregularities in the management of medicines issued free of charge. These facts should be kept in mind when assessing the moves of some voivodships which are striving to tighten the control of medicines issued free of charge. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 34, 21 Aug 77 p 15]

HOARDING IN KIELCE--Another list of offers and requirements for various market articles was published in issue No 33 of GAZETA HANDLOWA. A list of products for immediate sale by the Universal Trade Agency (PAH) in Kielce is very interesting: the first position--65,000 rolls of toilet paper; then--6 tons of corrugated board; 10,000 Parker ballpoint pens; 1.5 million regular envelopes and 100,000 airmail envelopes; 20,000 balls of hemp cord; 200,000 ballpoint pen inserts, etc., etc. Approximately 2 months ago, in the "On the Market" column [in ZYCIE GOSPODARCZE] it was stated that it was not possible to obtain in Warsaw individual envelopes for an airmail letter, not even at the Main Post Office. Now we know where they are: in the Kielce trade warehouses. Many persons complained that during vacation trips it was not possible in the Mazury area to obtain inserts for ballpoint pens, not to mention a roll of toilet paper. It is known where these articles were. It is worthwhile to reflect on the distribution methods for sought-after articles, even toilet paper. One can imagine how large the stock of this paper was in Kielce since tens of thousands of rolls remained. Toilet paper does not spoil. It is worse, for example, with inserts for ballpoint pens, for they dry out and in time simply become unsaleable. The excessive thriftiness in hoarding leads to losses. It should be remembered also, that we import ink and tips for ballpoint pens. Despite everything, the trade system should be praised for wanting to replace these excess stocks. Better later than not at all. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 34, 21 Aug 77 p 15]

HEART STIMULATOR--The production of a multifunction cardiostimulator, type AP-7, has been readied and put into use at the Silesian Center for Medical Techniques (OMEL Association) in Zabrze on the basis of documentation of OBRTM's ORMED in Warsaw. The device is used for the temporary stimulation of the heart during short-lived disturbances or in the preparatory process of implanting the stimulators. The technical-utilization indices attained equal the Dutch VITATRON company's cardiostimulator. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 34, 21 Aug 77 p 14]

ZELMOT REFLECTORS--The production of the ZELMOT Automotive Electronic Works in Warsaw consists primarily of reflectors which are used in all motorized vehicles of Polish production, as well as magnetos and generators for motorcycles and motor-bicycles, and also automobile ignition coils. ZELMOT works mainly for the country and that production will reach a value of over 450 million zlotys this year. A portion of the products is

earmarked for export and also to capitalist country markets. The export of ZELMOT is, however, limited by domestic needs and will develop more considerably at the end of the present 5-year period when, after the expansion of the plant, ZELMOT will more fully cover the needs of the domestic customers. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 35, 28 Aug 77 p 14]

CONSTRUCTION MACHINERY EXPORT--The achievements to date in the export of construction machinery, based on a high technical standard of producing them and high efficiency, point to the advisability of considerable acceleration of the development of their production. The Council of Ministers, therefore, obligated the minister of the machinebuilding industry to appropriately increase the production of construction machinery (caterpillar tractors, wheeled loaders, concrete mixer vehicles, cranes, elevators for assembly work, and also power units) in forthcoming years which are sought after on the domestic and the foreign market. The minister was authorized, at the same time, to undertake suitable investment ventures and also to distribute 10 million zlotys for rewards for workers distinguishing themselves in the implementation of undertakings connected with the development of the production of the mentioned machinery. [Text] [Warsaw ZYCIE GOSPODARCZE in Polish No 35, 28 Aug 77 p 15]

CSO: 2600

END