

COOPERATIVES AND AGRARIAN TRANSFORMATIONS IN BULGARIA



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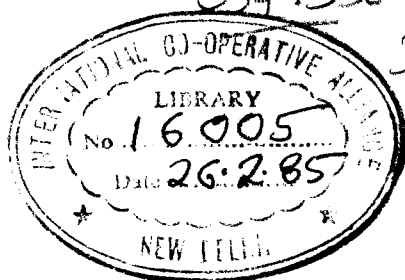
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International Cooperative Alliance—
Committee for Agriculture—
Central Cooperative Union – Bulgaria

COOPERATIVES AND AGRARIAN TRANSFORMATIONS IN BULGARIA

International Cooperative Seminar on "The Role of the
Bulgarian Cooperatives and Their Contribution to the
Implementation of the Agrarian Reform in the People's
Republic of Bulgaria"

Sofia, June 14-16, 1983



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“The cooperatives are organizations of the masses. They ought to play an *important* role in internal economic construction. One can say that the cooperatives must *to a great extent* have the same significance for the economic and cultural interests of the population which the Fatherland Front has for Bulgaria’s socio-political life”.

GEORGI DIMITROV

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FOREWORD

This collection contains the materials of the International Cooperative Seminar on "The Role of Bulgarian Cooperatives and Their Contribution to the Implementation of the Agrarian Reform in the People's Republic of Bulgaria", held from June 14 to 16, 1983, in Sofia. The Seminar was organized by the Central Cooperative Union of the People's Republic of Bulgaria and the International Cooperative Alliance (Agricultural Committee) in order to familiarize prominent cooperative cadres from the developing countries with the experience of the Bulgarian cooperatives in the agrarian and socio-economic transformations of the Bulgarian village.

The Bulgarian village cooperatives which appeared soon after this country's liberation from five centuries of Ottoman domination, established themselves authoritatively and firmly in the country's social and economic structure. In their nearly century-old activity they have developed as genuinely mass socio-economic organizations with their own national features. They were actively involved in the struggle against exploitation and reaction, for social and economic progress.

After the victory of the socialist revolution in Bulgaria in 1944, the cooperatives took an active part in the reconstruction of our economy plundered by imperialism and German fascism, and in the building of socialism. The establishment and development of cooperative farms brought about a radical and final solution to the agrarian problem, and a large-scale, scientifically organized, highly productive and profitable agricultural production replaced the small-size, primitive farming; it turned the farmers into free, well-educated and cultured workers and bearers of the high virtues of the new man.

The experience of the Bulgarian cooperatives is presented in five papers: "The Place and Role of Bulgarian Cooperatives in

the Development of Agrarian Relations", "Agrarian Reforms and Agricultural Cooperatives in Bulgaria Prior to the Victory of the 1944 Socialist Revolution", "The Cooperative Farms — the Chief Way Towards a Radical Solution of the Agrarian Problem in the People's Republic of Bulgaria", "Economic and Social Results of the Agrarian Reform in Bulgaria" and "Personnel Training — an Important Factor for the Implementation of the Agrarian Reform".

These papers are written from the position of the historical-problem approach thus allowing for the different problems to be elucidated in the process of their development and by stages. They are complemented and illustrated by the interventions of veteran cooperative members, and activists of the Bulgarian cooperative movement.

An important condition for the development of the cooperatives are the legislative guarantees for their rights and activity. As early as the beginning of this century, cooperative legislation was introduced in Bulgaria, central and district cooperative unions were set up, cooperative banks were formed which provided the most important conditions for the development of cooperatives.

The establishment of popular rule changed the character of the State and the cooperatives. The ideas and objectives of the cooperatives coincided with the aims and objectives of the new State. The cooperatives became part of the economy of the socialist system. Under these circumstances, new and sound relations of economic and financial cooperation based on complete confidence have been established between the State and the cooperatives. The State and the whole of society are interested in rendering every assistance to the cooperatives. The cooperatives in Bulgaria develop relying on the all-round assistance of the State, and their activity and development are guaranteed.

This aspect of the activity of Bulgarian cooperatives is included in a separate chapter of this Collection which includes statements by state and party officials as well as the Law on Landed Property, the Law on Cooperative Farms, the Law on Cooperatives, Statutes and other documents.

The Cooperative Seminar was attended by: André Saenger, Director of the International Cooperative Alliance, Dr Kamal Hamdy Abul-Kheir, Deputy Chairman of the ICA Agricultural Committee,

Ivan Prumov, President of the Central Cooperative Union in Bulgaria, 47 representatives of cooperative movements from 20 countries, as well as representatives of FAO (see the List attached).

The following participants took part in the ensuing debates on the papers: Eng. Juan Golvan (Mexico), Ntari Boniface (Congo), Jose Ivan Gutierrez (Nicaragua), Bocho Iliev (Bulgaria), Ahmed Jait (Morocco), Gheorghe Danaila (Romania), Angelo Raul Dos Santos (Mozambique), Dr Kamal Hamdy Abul-Kheir (Egypt), Nguyen Thi (Vietnam), Jose Augusto Gomes Paixau (Portugal), Miroslav Kosina (Czechoslovakia), Mohammad Hassan Rashiq (Afghanistan), Dimiter Syulemezov (Bulgaria), Mokrokro Dravi and Danilo Beloglavec (FAO), Georgi Zhelev (Bulgaria), et al. In their interventions the representatives of the cooperatives movements spoke about some interesting aspects of the activity of the cooperatives in their countries and helped raise the level and enrich the content of the Cooperative Seminar.

An assessment of the level and results of the Seminar is contained in the concluding speeches of André Saenger and Ivan Prumov.

The experience of the Bulgarian cooperatives is part of the experience of the international cooperative movement. It can be used in accordance with the specific historical, economic, social and other conditions in the individual countries.

The organization and holding of the International Cooperative Seminar in Sofia, as well as the publication of this Collection are a manifestation of the profound international traditions of the Bulgarian cooperative movement and an expression of cooperative solidarity with and assistance to the agricultural cooperatives in the countries free from colonial oppression.

*Professor IVAN LOUTSOV,
Cand.Econ.Sci.*

**ADDRESS OF GREETINGS BY IVAN PRUMOV,
PRESIDENT OF THE CENTRAL COOPERATIVE UNION
OF THE PEOPLE'S REPUBLIC OF BULGARIA,
AT THE OPENING OF THE SEMINAR**

Dear Mr Saenger,
Esteemed cooperative workers, colleagues and friends,
Dear guests,

As you all know, at its 1981 meeting in Helsinki the Executive Committee of the ICA, on a proposal of the Central Cooperative Union of the People's Republic of Bulgaria and the ICA Agricultural Committee decided to hold in Sofia this Seminar on "The Role of Bulgarian Cooperatives and Their Contribution to the Implementation of the Agrarian Reform in the People's Republic of Bulgaria".

It is my pleasure to inform you that among the distinguished guests who have come to attend this Seminar are:

Mr André SAENGER, Director of the International Cooperative Alliance;

Mr Kamal Hamdy ABUL-KHEIR, Vice-President of the ICA Agricultural Committee, Rector of the Higher Cooperative Institute in Cairo, and representative of the Egyptian cooperatives;

Mr BELOGLAVEC and Mr DRAVI also attend as representatives of FAO.

Present are also representatives of cooperative alliances, Ministries of Agriculture and Agrarian Reform and other cooperative and state institutions from Afghanistan, Congo, Cuba, Greece, Hungary, Morocco, Mexico, Nicaragua, Portugal, Syria, Tunisia, Ghana, Guinea, Czechoslovakia, Vietnam, the People's Republic of Yemen, Algeria, Tanzania and Nigeria. The Seminar is attended by representatives of 20 countries.

Our distinguished guests from the People's Republic of Bulgaria include:

Angel BOBOKOV, member of the Central Committee of the Bulgarian Communist Party and Head of the Agricultural Department at the CC of the BCP.

Stefan ANDREEV and Georgi TOMOV from the Bulgarian Agrarian Party.

Kiril MALINOV, First Vice President of the National Council of the National Agro-Industrial Union.

Senior officials from the Central Cooperative Union – First Vice President Pancho IVANOV, and Vice Presidents Stefan ZHELEV and Hristo ANDREEV;

The veterans of the Bulgarian cooperative movement, Prof. Mihail MINKOV, Bocho ILIEV, Prof. Kalcho KALCHEV, Georgi ZHELEV, and others.

I am happy to have the honour, on behalf of the Executive Committee of the Central Cooperative Union, to declare open the International Seminar on the role of Bulgarian cooperatives and their contribution to the implementation of the agrarian reform in the People's Republic of Bulgaria, and to welcome most cordially all of you, who have come from all parts of the world to socialist Bulgaria to study our experience in the field of cooperatives, to feel the generous Bulgarian hearts and the selfless assistance which the industrious Bulgarian cooperative members are always ready to render you.

With special thanks I address Mr Saenger, ICA Director, for his full cooperation in organizing this Seminar and for sparing from his precious time to be among us today and take part with us in the Seminar.

I welcome wholeheartedly Dr Kamal Hamdy Abul-Kheir, Vice President of the Agricultural Committee and prominent functionary of the Cooperative Movement in Egypt, as well as our guests from FAO, Messrs Beloglavec and Dravi.

The Bulgarian cooperative movement has traversed a difficult but glorious and heroic, nearly one century-old path.

After the people's victory on September 9, 1944, with the continuous assistance of the Government and the new socialist regime, under the BCP leadership, our renovated cooperatives have been progressing, gaining momentum and developing rapidly. In a historically short period – only 14 years after September 9, 1944, the land of the peasants was cooperated without being nationalized, and without any political or economic difficulties. The plans outlined by the great son of the Bulgarian people, Georgi Dimitrov,

materialized – the agricultural producer cooperatives in this country have become an active factor for the further consolidation and development of the material and technical base, and for raising the people's living and cultural standards.

Bulgarian cooperatives are a brilliant confirmation of the correctness of Lenin's ideas of cooperatives both under capitalism and in the conditions of socialist construction. The cooperatives, originally set up to defend the interests of the working peasants under capitalism, have become a supporter of the people's government under socialism and an important factor in the implementation of its economic policy and in socialist construction, part and parcel of the socialist economy.

The socialist reconstruction of farming in the People's Republic of Bulgaria which began under the wise leadership of Georgi Dimitrov and was completed by his adherents and true followers, headed by Todor Zhivkov, the continuator of Dimitrov's work, is a major achievement of our socialist revolution.

We would be very happy if Bulgarian experience in the solution of rural agrarian problems proved useful to you, and to your countries. We think that the papers which have been submitted to you in advance will enable you to familiarize yourselves with our achievements and with our path of development.

We assure you that the Bulgarian cooperative movement will continue to make its worthy contribution to building the bright future of our people. Thus the words of our top Party and State leader, Todor Zhivkov, that "the cooperatives are a constructive force supplying new impulses and vital streams to the development of our economy, to our political and social development" will be justified.

We assure you, dear cooperative workers, colleagues and friends, that the Central Cooperative Union of the People's Republic of Bulgaria will continue to take part in the work of the International Cooperative Alliance and to help its Agricultural Committee in assisting the agricultural cooperatives in the newly liberated countries, and in the exchange of agricultural experience among cooperatives.

Allow me to assure you that the Executive Committee of the Central Cooperative Union will make every effort so that this Seminar proceeds in a manner satisfactory to all participants. We are

convinced that on the basis of our common experience and of your active participation in the discussions, we shall be able to achieve the goals of the Seminar.

Allow me now to declare the International Cooperative Seminar open, and to wish you great successes, active and fruitful participation.

Thank you for your attention!

SPEECH
BY ICA DIRECTOR MR ANDRE SAENGER
AT THE OPENING OF THE SEMINAR

Mr President of the Central Cooperative Union,
Respected representatives of the Bulgarian Cooperative
Movement, Gentlemen, Representatives of F.A.O.,
Dear participants,
Dear cooperative workers,

It is my great pleasure to address, on behalf of the International Cooperative Alliance representing 169 national cooperative federations and unions in 72 countries, the participants in the Seminar on "The Role of Bulgarian Cooperatives and Their Contribution to the Implementation of the Agrarian Reform in the People's Republic of Bulgaria".

I would like to avail myself of this opportunity, to say, Dear Mr President, that I highly appreciate this forum, organized in Bulgaria. I would like to congratulate you personally and the Bulgarian cooperators on the important role which you play in the Agricultural Committee of the International Cooperative Alliance and in its Central Committee. All members of the ICA Central Committee still remember the exceptional hospitality which was accorded them by Bulgaria's Central Cooperative Union in 1976 when they held their meeting in Sofia. Recently the ICA Executive Committee had the opportunity to appreciate your cooperation in the mission which you performed in Spain on their recommendation.

I would like to note that the ICA has member organizations in 8 out of the 20 countries represented here. Of course, this is not sufficient but we have no doubt that more and more cooperative organizations from different countries will join our international organization which already has a membership of about 364 million. The agricultural sector is very important. It comprises 249,165 cooperatives which makes 36 per cent of all the 680,612 cooperative societies united in ICA member organizations. It is clear that for the

majority of the developing countries the agricultural and the agro-industrial cooperatives are, in principle, the best forms of organizing the rural population. And this is very important, as agriculture supplies both industry and the population with a variety of essential products.

This Seminar is of great importance to those of you who want to become familiar with the experience in other countries. It is very important for us to study the Bulgarian experience. It contains many new progressive ideas which can be of use to your organizations and governments, to your countries.

You have in front of you 5 papers which are very interesting. They show that the efforts of cooperatives, with government support and with proper legislation, can bring about socio-economic changes in a country.

They also emphasize the great importance of education and the training of cadres capable of managing agriculture well. The lack of good training leads to setbacks, especially in the developing countries.

You will also notice that, apart from the agricultural and agro-industrial cooperatives, other types of cooperatives are also developing in other fields such as credits, social insurance, banking, food distribution, etc.

The presence of representatives from 20 countries in 4 continents goes to prove once again the universality of the cooperative sector, regardless of the differences between the individual countries. This universality and this unity constitute the strength and wealth of the International Cooperative Alliance, whose members one day, I hope, all of you will become.

Mr President,

As you know, I am no expert on farming, and the reason I have come here is rather learn some new things than contribute substantially to the discussions at the Seminar. I would also like to apologize to you and to the participants in the Seminar that I shall not be able to stay with you to the end. I would like once again to express most cordial thanks for the invitation to attend this Seminar. I wish our International Seminar the greatest of successes, and to all participants much success in the development of the cooperative movement in their countries.

Thank You, Mr President!

ADDRESS OF GREETINGS BY KIRIL MALINOV,
FIRST VICE PRESIDENT OF THE NATIONAL
AGRO-INDUSTRIAL UNION

Dear cooperative movement workers,
Colleagues,
Guests,

We, the agricultural workers in Bulgaria, hail this Seminar, dedicated to the role of the agricultural cooperatives in the implementation of the agrarian reform and in the socialist reconstruction of agriculture in the People's Republic of Bulgaria, with a feeling of great satisfaction.

The unification of the working peasants in cooperative farms was one of the greatest achievements of our people after the victory of the socialist revolution in Bulgaria. The cooperative movement which has deep historical roots in this country, and which has acquired qualitatively new characteristics under socialism, played an important role in the socialist reconstruction and in bringing about the major successes achieved in the intensification of our agriculture. The basic principles of this movement in which collective labour and democratic management underlie the activity of both cooperative farms and agro-industrial complexes and the National Agro-Industrial Cooperative Union, have yielded abundant fruit. They greatly increase self-initiative and the creative activity of agricultural workers in rationalizing and boosting production and enhance their self-confidence as real masters of the land, the equipment, and the product of their labour. For this reason we shall continue to develop and improve these principles of the cooperative movement which have been tested by life and which help promote the development of Bulgaria's socialist agriculture.

I avail myself of this opportunity to greet you most cordially on behalf of the Central Council of the National Agro-Industrial Union, and to wish you fruitful work and a pleasant stay in this country.

I also want to wish the guests of this Seminar new and greater successes in the realization of our common and lofty work for the further successful implementation of the agrarian reform and for the development of agrarian relations in the name of the well-being of the people, in the name of peace and prosperity, for the further strengthening of the friendship and cooperation between our countries and nations.

Once again, I wish you fruitful work and a happy stay in our country.

IVAN PRUMOV
President of the Central
Cooperative Union

**THE PLACE AND ROLE
OF THE BULGARIAN COOPERATIVES
IN THE DEVELOPMENT
OF AGRARIAN RELATIONS**

INTRODUCTION

The agrarian reform and the agrarian transformations are part of the deep socio-economic changes which have occurred in Bulgaria after its liberation from five centuries of Ottoman rule in 1878, and especially during the period of socialist construction. These transformations are definitely of interest to countries which have acquired their national independence and have chosen the road of economic and social progress.

The agrarian problem includes the issues of land distribution and the forms of land ownership, the classes and the class struggle in rural communities, as well as the economic laws governing the development of agricultural production.

In contemporary theory and practice, however, the agrarian reforms and transformations are viewed in a broader aspect and include, apart from land distribution, all other resources and factors for the advancement of agriculture and for increasing its output. These are: the access to and the full use of water resources and other natural factors, the possibilities of introducing mechanization and the use of chemicals and other achievements of contemporary science, the access to markets and the opportunities for industrial processing and marketing of produce, the involvement of the public in the development of agriculture, agricultural education and the training of managerial and executive personnel, etc.

It is in this respect that the cooperatives are called upon and have broad possibilities to assist the positive development and improvement of agrarian relations and to ensure an increase in agricultural production.

In all countries where the national-liberation revolution has triumphed and national independence has been attained, the agrarian problem has come to the fore. National independence has to be firmly

established and economically consolidated through the development of the productive forces and the liquidation of backwardness and economic dependence upon the imperialist forces.

The feudal, semi-feudal and other pre-capitalist relations inherited by the revolution and foreign land ownership hinder the rapid development of the productive forces in the newly liberated countries. Furthermore, the overwhelming part of the population in these countries consists of peasants with no land of their own. The petty and middle peasantry have actively participated in the national-liberation struggle and have more often than not been its driving force. They have grounds to expect that social justice shall be introduced and they will be given land.

The liquidation of hunger and poverty is another factor which necessitates the introduction of agrarian reforms and the quick implementation of measures for a rise in agricultural production. That is why the agrarian reforms aimed at changing land ownership relations, abolishing feudal and foreign ownership and involving the peasantry in active political life are among the first measures after independence. The agrarian relations in Bulgaria have followed the same path.

*Formation of Capitalist Agrarian Relations
and the Appearance of Cooperatives
in Bulgaria*

In the most narrow sense the agrarian problem encompasses the ways and means of abolishing pre-capitalist – feudal and semi-feudal – land ownership relations and of clearing the road for the development of capitalism in rural areas. Historical experience shows that capitalism in rural areas develops along two basic roads which express the interests of the two main classes – the feudal landowners and the serfs. The first road, known in literature as “Prussian”, expresses the interests of the feudals, who through historical necessity are transformed into a capitalist class. They carry out agrarian reforms by yielding part of the land to the peasants against payment and preserve for themselves large feudal privileges. The other road, known as “American”, expresses the interests of the serfs, who, as a result of revolutionary struggle free themselves of serfdom and become

private farmers who strive to get rid of any feudal dependence whatsoever and do away with the last vestiges of feudalism.

Capitalist agrarian relations in Bulgaria were shaped along the second road.

The Russo-Turkish War of Liberation of 1877-1878 which brought about Bulgaria's liberation from five centuries of Ottoman bondage, objectively played the role of a bourgeois-democratic revolution, did away with Turkish feudalism and cleared this country's way towards capitalism.

The petty private farms became the prevailing form of agricultural production after the ouster of the Turkish feudals. Already at the beginning of the century 89 per cent of the farmers owned land ranging from 1 to 10 hectares, while 48 per cent of all peasants had plots of land less than 3 hectares. The further development of capitalist agrarian relations was accompanied by a concentration of the land, and especially of the means of production, in the hands of the village capitalists and by an intensive process of fragmentation and ruining of the petty landowners. The process of fragmentation resulted in an increase in the number of private farms as a result of the gradual division of the land among heirs. Thus, the number of private farms increased from 680,000 in 1910 to 751,000 in 1926, to 885,000 in 1934, and 1.1 million in 1944. During the same period the average size of one farm decreases from 6.3 hectares in 1910 to 4.4 hectares in 1944. Some 230,000 private holders were also ruined over that same period.

The lack of crediting institutions and the acute shortage of funds for developing the economy and for the purchase of farm equipment, livestock and other means of production compelled peasants to borrow money from usurers at an interest rate reaching 100 per cent, and in some cases as high as 200 per cent. Once liberated from feudal bondage, the peasants found themselves under the economic dependence of the national bourgeoisie, more specifically of merchants and moneylenders. The fragmentation of agriculture held back the development of the productive forces, the use of machines, and the implementation of scientific achievements, and, in general, the growth of the effectiveness of production. This made impossible the establishment of a modern production base on each farm. Small-scale

farming was developed upon extremely primitive material and technical foundations. Cattle were the basic tractive force, and 25.9 per cent of the peasants had no draught animals at all. The chief means of production were the wooden plough and the threshing board, while only 0.46 per cent of the farmers owned cultivators, 0.17 per cent had seed-drills, and 0.07 possessed mowers; 165,000 farms, i.e. one out of seven, had no farm equipment. The results corresponded to this primitive material and technical base — Bulgaria occupied one of the last places in Europe in terms of average crop yields and livestock productivity. Labour resources were used extremely inadequately. The overt and hidden unemployment rate in rural areas exceeded one million. In national income production per capita, this country also held one of the last places in Europe.

About that time (at the turn of the century), when capitalist agrarian relations in Bulgaria were taking shape, the cooperatives and cooperative movement were already firmly established in Europe. As economic organizations of the small owners and the weak social groups, the cooperatives had manifested their possibilities. Small-scale production and petty owners in Bulgaria constituted a natural social base for the appearance and development of cooperatives. The cooperative ideas which had penetrated Bulgaria at the end of the past century, chiefly through Bulgarians who had gone to study in European countries and Russia, found a favourable soil here. The petty and middle peasants were uniting in cooperatives in order to pool their financial, labour and other resources and fight against the advance of monopoly capital.

The first credit cooperative in Bulgaria was established on October 26, 1890, in the village of Mirkovo, Sofia district. The cooperative set itself the following aims: collecting and safekeeping money and depositing it as savings; lending money to needy members at fixed interest rates; assisting and improving its members' farms.

Credit cooperatives quickly spread round the country; while other cooperatives were also established in the villages, the credit cooperatives prevailed. These cooperatives neither could nor were in a position to change the capitalist social system, do away with exploitation and bring the agrarian reform to a successful conclusion. The theory of scientific socialism has fully clarified the role of the cooperatives under capitalism. "The cooperative under capitalism is a collective

capitalist institution?" (V.I. Lenin). This means that in a capitalist society the cooperatives have to work under the same conditions as all other enterprises. Supply and demand, purchases and sales, price setting all vary according to and are governed by the same economic laws to which all capitalist enterprises are subordinate.

At the same time a cooperative cannot be fully identified with a capitalist enterprise. It is a collective enterprise of small and medium holders which enables them to defend their economic interests, fight against private capital, limit the extent of exploitation by mercantile and industrial capital, improve the working conditions in their enterprises and assist the development of the productive forces.

Without being able to change the distribution of land and other resources, the cooperatives are involved in carrying out the agrarian reform in its broadest sense by helping the peasants to obtain cheap credits and access to water and other natural resources, modernize their production facilities, market their produce in an organized manner, be educated in a spirit of collectivism, fight against exploitation, etc.

In this respect the Bulgarian cooperatives have great experience and a historical merit towards the peasants, and towards the whole Bulgarian people.

The establishment of capitalist agrarian relations in Bulgaria and the appearance of cooperatives were marked by some peculiarities which determined the character and the activities of rural cooperatives in this country.

First, due to the fact that the feudals in Bulgaria were the Turks, the basic bourgeois-democratic tasks were solved with the national liberation of this country and with the expulsion of these feudals. The capitalist class was formed from among the liberated peasants, feudal land ownership was abolished and many of the feudal privileges were liquidated.

Secondly, Bulgaria set out on the road of capitalist development at the time when capitalism in the developed countries was entering the stage of imperialism. That is why this country soon became dependent upon the imperialist states, and first of all upon German imperialism which was interested in transforming Bulgaria into a raw-material appendage to its industry and in containing its industrial development.

Third, with the lack of industry which could absorb the surplus village manpower, such inheritance laws and traditions had been created which allowed the land to be distributed among heirs, the result being its continuous fragmentation.

Fourth, the cooperative ideas and the ideas of scientific socialism penetrated this country almost simultaneously with the establishment of capitalist agrarian relations.

The small holders began uniting in cooperatives in order to defend their economic interests from the exploitation of local and foreign capital. The cooperatives were headed by the most progressive representatives of the nation.

In such a way a wide network of cooperative organizations was established with the mass participation of the peasants already at the beginning of the century, and especially after World War I.

*The Role of Bulgarian Cooperatives in the
Development of Agrarian Relations and Agriculture
under Capitalism (until 1944)*

The first cooperatives to be established in Bulgaria were credit ones which were set up with the purpose of collecting small savings and for offering credits under advantageous terms so as to promote farming and protect the population from exploitation by big capital. The first consumer cooperatives with shops of their own were established in the cities for supplying the workers and the economically weak social groups.

The objective conditions in Bulgaria imposed the necessity for credit cooperatives which in rural areas to develop as **universal cooperatives**. The universal cooperatives had their own national character which was determined by the existence of a small-scale and fragmented agriculture in this country. They had to respond to the multiform needs of their members and of small-scale agricultural production which necessitated the execution of various activities. The universal cooperatives began supplying the population with all kinds of industrial goods; they supplied and repaired farm equipment including seed-drills, cultivators, harrows, threshing machines, etc. which they placed at their members' disposal against a token fee, bought up and

marketed agricultural produce on a cooperative basis, set up workshops and sheds for processing milk, fruits, grapes, vegetables, tobacco, cereals, and other farm produce, collected saving deposits and offered credits; in some cases they organized transportation, etc.

Through all their diverse activities the universal cooperatives assisted the development of small-scale private farming and contained the process of ruining small holders, offering them access to more advanced means of production.

The cooperative prestige grew and they exerted a considerable educating influence on the peasants. They grew more and more convinced of the necessity to move to a higher form of cooperative activity, towards a collective use of the land. Undoubtedly, this was one of the important factors for the rapid collectivization of farming after the victory of the socialist revolution.

The growth of agriculture and the whole national economy, and the appearance and development of some specialized branches of agriculture created objective conditions for the establishment and growth of specialized cooperatives, such as vine-growers' and wine-producers', dairy, tobacco, forestry and others. They also played a big role in the development of the respective branches, of agrarian relations and the agrarian reform.

Vine-growers' and wine-producers' cooperatives. They appeared in Bulgaria at the beginning of the present century when the old viticulture and the old varieties of grapes were destroyed by phylloxera and had to be restored. These cooperatives carried out a lot of work by encouraging the development of modern viticulture, acquainting vine-growers with the means of growing vines according to scientific standards, supplying the necessary planting material, chemicals, equipment, etc., studying and seeking out markets for the grapes and wines of the cooperative members, organizing their own enterprises for processing the grapes into high quality wines, brandys, cognacs, etc. Towards 1944, a total of 390,000 tons of grapes, 68,000 tons of them processed in the processing facilities of the 37 specialized vine-growers' and wine-producers' cooperatives and the cellars of the village universal cooperatives, were produced in Bulgaria.

The vine-growers' and wine-producers' cooperatives had their central organization which organized wine production after modern scientific technologies, and carried out broad marketing activities on the domestic and international market.

Dairy cooperatives. They united the small milk producers. They offered them assistance in the development of private animal husbandry, purchased the milk, processed it into high quality dairy products, and organized their sale on a cooperative basis. Towards 1944, 540 of the 1,038 dairies in Bulgaria were cooperatively owned. The dairy cooperatives produced 40 per cent of the yellow cheese, 50 per cent of the white cheese, 50 per cent of the butter, and in the first years after the establishment of popular rule they accounted for 80 per cent of this output.

Tobacco production has always occupied an important place in Bulgaria's economy. The climatic conditions of this country have allotted tobacco production an important position which in the past led to a cruel exploitation of tobacco growers. This necessitated the establishment of specialized **tobacco producer cooperatives**. They purchased the tobacco from the small growers at favourable prices and protected them from the wholesale tobacco dealers, organized the primary processing and fermentation of tobaccos, set up cigarette factories, organized the export of tobacco and cigarettes, etc. Their activities met with fierce resistance by the big tobacco dealers and the owners of tobacco factories who joined forces with the monarcho-fascist authorities in order to create obstacles for these cooperatives and eventually drive them out of business. Some of the 71 tobacco cooperatives were forcibly closed down and only 17 were preserved until the victory of the revolution. The tobacco cooperatives had their Central Union which operated two modern cigarette factories and assisted them in their overall activities.

The **forestry cooperatives** united the population from regions with predominantly high-stem forests in order that these forests were used collectively and the people were protected against exploitation by mercantile capital. Their activities covered the cutting of timber and its transportation to warehouses, the transportation of timber to factories for processing, the setting up of their own timber processing facilities, the production of furniture, woodwork, etc. Insofar as the greater part of Bulgaria's forests before the revolution were publicly, state or municipally owned, all these cooperatives had a labour character. All work was done by the cooperative members and was paid for by the cooperative. In 1944 the number of these cooperatives in Bulgaria was 256 with 40,000 members. They owned 39 timber-

supply enterprises, 61 saw-mills, a plywood factory, a parquet factory, many cooperies and woodwork workshops, and a small shipyard which built up to 440-ton ships. Their activities were assisted by the Union of Forestry Cooperatives which united these cooperatives in the whole country.

A producer cooperative called "Bulgarian Sugar" was also established in the years of capitalist rule. The Bulgarian sugar industry was established and owned by foreign capitalists who exploited the Bulgarian beet growers and sugar consumers, amassing great profits. The cooperative of sugar-beet growers and sugar consumers in Bulgaria, which had 23,499 individual and 596 collective members (municipalities, cooperatives, community cultural centres, etc.), was established in 1923. The cooperative built a sugar factory with its own funds and through credit. Later it also bought up three of the sugar factories owned by foreigners together with a small Danube fleet for the transportation of sugar-beet and so this powerful cooperative organization, even before the victory of the revolution, controlled 80 per cent of the sugar industry in this country. Having once coped with the production of sugar, it took up the production and selection of sugar beet and sugar beet seeds, setting up its own scientific institute and experimental farm and raising the knowledge of sugar-beet growers.

The water syndicates — cooperative organizations for melioration, irrigation and the construction of hydro-electric power plants — appeared after World War I. They laid the foundations and assisted the development of irrigation in agriculture.

Even before the victory of the socialist revolution in this country, the first cooperative farms for collective tilling of the land were established, and 29 of them were preserved after the victory of the revolution.

Despite the bitter resistance and the difficulties created by the monarcho-fascist government, the agricultural cooperatives demonstrated most convincingly the advantages of large-scale agriculture over small-scale farming, accumulated considerable experience in the management of agricultural production and became an important factor for carrying through the agrarian reform in this country.

The role of the cooperatives in the development of Bulgarian agriculture was not confined to farming alone but was also expressed in their enormous educational work and in the training of qualified specialists for all kinds of activities within the cooperative movement.

The village cooperatives launched a broad educational campaign for explaining in simple terms their aims and structure, the benefits they brought to the people, the obligations and rights of their members and the achievements of cooperatives in this country and abroad.

The forms of cooperative education were, and still are, quite many and diverse: educational cooperative meetings, lectures and talks, short-term courses, organizing local study groups at the cooperatives, at community cultural centres and other public organizations.

The cooperative press plays an important role in popularizing the ideas of the cooperative movement. Both under capitalism and at present the cooperative movement had and still has a number of newspapers, magazines, brochures, and books which are distributed widely among the people at reasonable prices, and sometimes for free.

Of particular significance in the past were the cooperative calendars. They were printed in colour and carried plenty of cooperative and other economic information, offering advice and instructions to farmers in their everyday work on their private farms or in the cooperative.

To organize and conduct cooperative education one also needs an adequate organization and qualified cadres. The central and district cooperative unions, and also the cooperative banks, usually set up special services which concerned themselves with this activity and assisted the cooperatives with printed matter and other means.

The youth cooperative groups played a big role in educating the young people in a spirit of collectivism, as well as in explaining scientifically the place of cooperatives in Bulgaria's socio-economic development.

Many of today's cooperative managers have grown up and have been educated in the youth cooperative groups. The first of them were established at village cooperatives as early as 1936. Many young men and women became members voluntarily. The groups elected their leadership and had the task of conducting broad cultural and educational activities and of acquainting the young people with cooperative and other matters. For the purpose they organized meetings at which papers, talks, and lectures were presented, discussions were held, etc.

The youth cooperative groups attracted the younger generation to amateur art activities by organizing theatre groups, dancing parties and other events. Furthermore, the youth cooperative groups worked for the proper labour education of the village youth. They also organized voluntary work days and other communal aid undertakings.

In the youth cooperative groups the young people would obtain a correct orientation on such matters as the role of cooperatives under capitalism and the struggle for the social and economical liberation of the working people from fascist yoke and capitalist exploitation. The General Union of Bulgarian Agricultural Cooperatives published for the needs of the youth cooperative movement a magazine called "Young Cooperator" to assist its activities. In 1940 the youth cooperative movement had a membership of over 50,000. An illustrated cooperative magazine for children called "Rositsa" was also published.

The cooperatives paid great attention to the education and involvement of students in cooperative activities. Student cooperatives were established for the purpose. They organized cooperative canteens for schoolchildren, promoted active political education among them and gave them their first lessons in independent economic activity — the management and the whole work of these cooperatives were done by the schoolchildren who were members of the cooperative.

Through their broad educational activities the cooperatives were seeking to reach all social strata and groups and all generations, and that was one of the important factors for the success of the cooperative movement.

The cooperatives are associations of small-scale producers. They cannot accumulate enough funds from affiliation and membership fees alone to carry out broad economic activities which may exert a noticeable influence on agrarian relations. After a cooperative is established it must be rendered moral and financial assistance. In this respect the experience of our cooperative movement is quite instructive. Following the appearance of the first cooperatives at the beginning of the century, a cooperative legislation was enacted with the adoption of the 1907 Law on Cooperatives. Central and district cooperative unions were established accordingly.

On the eve of the 1944 socialist revolution the General Union of Bulgarian Agricultural Cooperatives was a huge economic organization with abundant funds and means, with a broad activity which included foreign trade in almost all kinds of agricultural produce, and with a highly qualified staff for management, assistance and control over cooperative activity. Members of the Union were 44 district cooperative unions and 2,019 individual cooperatives.

Throughout the period of capitalist rule the Bulgarian cooperative movement received material aid not only from the cooperative unions but also from the state and cooperative banks – the Bulgarian National Bank, the Bulgarian Agricultural Bank, and the Central Cooperative Bank (in the wake of the economic depression, in 1934 the Bulgarian Agricultural Bank and the Central Cooperative Bank merged into the Bulgarian Agricultural and Cooperative Bank). This big banking institution lent credits to all Bulgarian cooperatives and to private farmers as well.

By 1940 the Bulgarian Agricultural and Cooperative Bank had granted credits to 2,404 cooperatives with 5,171 collective and 428,256 individual members. Their debts to the bank exceeded 2,700 million leva (at 1940 rate). This figure clearly shows the role of the bank in the development of the Bulgarian cooperative movement and in boosting the role of cooperatives in the development of agriculture.

The conclusion is that the cooperatives can grow successfully and exert a positive influence on agrarian relations and agriculture with a certain measure of support and with cheap credit. Credit institutions must be established together with the establishment of cooperatives. Under capitalism these are the cooperative banks and cooperative unions.

*Some Final Notes and Inferences on the
Development of Cooperatives and Their Role for the
Advancement of Agriculture under Capitalism*

Already in the years of capitalist rule the cooperatives penetrated deeply in the various sectors of Bulgaria's economy, especially in agriculture, and encompassed a large part of the population.

The following types of cooperatives were in existence in this country at the beginning of 1944; 2,232 universal village cooperatives, 432 cooperatives for the handling, processing and sale of agricultural produce (vine-growers, dairy, wine-producers, tobacco, etc.), 36 town consumer cooperatives, 6 building cooperatives, 220 forestry cooperatives, 51 artisan cooperatives, 7 mutual benefit societies and 117 popular banks, as well as 29 independent agricultural cooperatives and farming departments at universal cooperatives, or a total of 3,158 cooperatives which were members of the respective unions.

Through their universal activities the cooperatives played an important role in slowing down the ruining of the petty and middle peasants, in raising farming knowledge and in promoting a number of specialized branches of agriculture. The cooperatives and their unions accumulated considerable property and funds which were indivisible cooperative property.

A large number of experienced economic cadres grew up and were educated in the cooperative movement. They managed the activities of the cooperative skilfully and efficiently, and after the victory of the socialist revolution they joined in the establishment of the public sector and in the management of the national economy.

Through membership in cooperatives the peasants convinced themselves of their usefulness, educated themselves in a spirit of collectivism, felt the strength of their unity and realized the necessity of moving to a superior type of cooperatives – the cooperative farms.

The cooperatives took an active part in the heroic armed resistance of the people against fascism (1941-1944). Many cooperative members participated in the broad network of supporters, aides and suppliers of the armed anti-fascist resistance. The cooperatives set aside means and provisions for the partisans.

It should be pointed out that under capitalism the cooperatives had some deficiencies:

a) first of all, there was the already mentioned fragmentation of the cooperative movement. The cooperatives were united in a great number of different central and district cooperative unions. The lack of complete unity in the cooperative movement caused much harm to it and the bourgeoisie and the government took advantage of this in their struggle against the cooperatives;

b) the activities of the different types of cooperatives were duplicated and intertwined. In their attempts to continue their existence, all types of cooperatives sought to conduct universal activities. In one and the same community a few cooperatives would open shops, buy agricultural and other produce, etc., which hampered the work of each one of them and gave rise to useless competition and struggle;

c) there were also a number of pseudo-cooperatives. Interested persons would bring together a limited number of members (7-8), close the doors of the "cooperative" to new members and, by using the cooperative form and the prestige of the cooperative idea, engaged in speculative activities and amassed illegal profits;

d) in some instances cooperatives were established in the absence of the necessary conditions and consequently they carried out no activity. This shook the confidence of the working people in the cooperative cause.

The overcoming of these and other weaknesses after the seizure of political power by the people was an absolutely necessary condition for the cooperatives to join actively and fully in the construction of socialism.

*Participation of the Cooperatives in the
Establishment of a Socialist Economy and a
Modern, Large-scale, Scientifically
Organized and Mechanized Agriculture*

The long struggle of the Bulgarian people against fascism and capitalism under the leadership of the Bulgarian Communist Party was crowned with success. On September 9, 1944, with the decisive help of the Soviet Army, the monarcho-fascist government was overthrown and a people's democracy was established by the Fatherland Front. The people's democracy leaned upon the alliance of the working class with the petty and middle peasantry. In its character the revolution of September 9, 1944, was a socialist one.

This opened a new chapter in the development of the cooperative movement. The cooperative ideas overlapped with the ideas of the new people's regime. The cooperatives joined actively in the building of the new society and in the establishment of the socialist economy.

The sweeping economic, political and social reforms carried out in this country required a radical reorganization of the cooperative movement. The existence of so many different cooperatives and unions was unnecessary, and the lack of unity among the leadership of the cooperative movement hampered cooperative activities.

The new socialist nature and content of the cooperatives demanded urgently a new organizational structure which could help achieve unity in the cooperative movement and steer properly the cooperatives' activity in socialist construction.

In 1947 the existing 22 cooperative unions united in a **Central Cooperative Union**. This was a decisive step towards unity of the cooperative movement in this country and towards clearing the way for its further progress under socialism.

Regional cooperative unions were set up through merger.

Some low-level cooperative organizations were preserved in the new structure of cooperatives:

- a) consumer (universal) cooperatives;
- b) cooperative farms;
- c) producer artisan cooperatives
- d) housing construction cooperatives;

The other types of cooperatives either merged with the universal cooperatives and became their departments, or were united with other related cooperative associations.

On the basis of the existing popular banks the **State Savings Bank** was set up. The State Savings Bank collects the savings of private depositors, grants personal loans and credits private housing construction.

The insurance cooperatives merged with the **State Insurance Institute** which was established on the basis of the state insurance organizations and nationalized private insurance companies.

The regional cooperative unions were merged into district cooperative unions. This was of paramount importance for the management of the cooperative movement and for its inclusion in the unified state plan for Bulgaria's socio-economic development.

The consumer cooperatives were preserved as the largest ones. They are mass socio-economic organizations which unite voluntarily the working people for a joint performance of economic activity and constitute an integral part of the socialist organization of the national economy.

During the transition from capitalism to socialism the consumer cooperatives, through their commercial, economic and other activities, drove out the mercantile and industrial capital from the villages and ensured the socialization of the means of production in retail trade, in some services and small industries.

The consumer (universal) cooperatives engaged in a broad activity for restoring the national economy, which had been devastated and plundered by German imperialism during the Second World War. They supplied the peasants with the necessary farm equipment and other materials for increasing agricultural production, took part in the reconstruction of industry, and themselves organized industrial production and services to the population.

The village cooperatives played an exceptionally important role in the establishment and consolidation of the cooperative farms through which the agrarian problem was solved radically.

A large number of cooperative farms were established originally as departments of the existing universal cooperatives. The cooperatives provided them with facilities, accountants and other managerial staff, in some cases assisted them financially, passed on to them their organizational experience, gave them their farm equipment free, etc. As the cooperative farms expanded and consolidated, they were separated and became independent cooperative organizations.

The Central Cooperative Union managed and assisted in every possible way the collectivization of farming, a process which lasted more than 12 years.

Thus the Bulgarian cooperatives played an exceptionally important role in the development of agrarian relations until the agrarian question was solved radically and for good through the establishment of cooperative farms.

At the present stage of Bulgaria's socio-economic development the consumer cooperatives are one of the forms of an active involvement of the population in the sphere of distribution and circulation, in the building of an advanced socialist society, for communist education. They are a school for social self-management.

The consumer cooperatives develop as universal cooperatives and through their broad and diverse activities they participate actively in boosting the growth of the socialist economy and the raising of the material and cultural well-being of the people.

As of April 1, 1983, the system of the Central Cooperative Union included over 500 united (regional) cooperatives with a membership of 2.25 million.

The consumer cooperatives organize and conduct the following activities:

First, they carry out retail trade, public catering and tourism, building and maintaining their own facilities for the purpose. Cooperative organizations operate 170 hotels, 24 motels, 34 camping-sites, 19, 125 shops, 10,354 restaurants and other public catering establishments, 800 general stores and 120 discos. The cooperatives own 65.4 per cent of all shops and 67.6 per cent of all catering establishments in Bulgaria. Thus the cooperatives service half the country's population, covering all rural and small urban communities. In the capital and the big cities, cooperative shops and restaurants exist side by side with the state-owned ones.

Second, the consumer (universal) cooperatives carry out industrial activity – the production of bread and pastries, soft drinks, millet-ale, confectionery, fruit and vegetable processing, the production of consumer goods, fashionable and luxury items and delicacies, and render various services to the population in the settlement systems. The cooperatives produce 94 per cent of the soft drinks, 53 per cent of the confectionary (a total of 256 different items), 55 per cent of the bread (50 different bread products), and 36 per cent of the snacks in this country. The cooperatives own 31 large, medium-size and small industrial enterprises for non-edible goods, 30 enterprises for processing agricultural produce, 22 food-industry enterprises and over 5,000 workshops and other facilities for a variety of services.

Third, the cooperatives produce their own agricultural products in farms, hatcheries and greenhouses, and buy up from the population and the personal farms various agricultural products of plant and animal origin, wild fruit, medicinal herbs, mushrooms, etc.

Through their economic activities the cooperatives are actively involved in the advancement of the settlement systems and in the construction and expansion of the social infrastructure of communities. They build cultural halls, rest homes, childrens' playgrounds, organize cultural and other events for their members, for the young people and students, the pensioners and the rest of the population for

attracting their participation in the economic activity and initiatives of the cooperatives.

Fourth, the cooperative system has its own educational base and takes care of raising the qualification and culture of the cooperative workers.

The consumer cooperatives carry out their whole activity either directly or through their branches, enterprises, factories, bases and other facilities. They may take part in the construction of inter-cooperative enterprises and associations, or to carry out joint economic activity with the district cooperative unions, the Central Cooperative Union or other organizations on the basis of participation with shares.

The consumer cooperatives and the whole cooperative system organize and carry out their activities on the basis of self-accounting and self-support by using their own resources – share capital and accumulations which are received from the membership fees and from the funds which have been accumulating for more than 90 years.

In accordance with the foreign economic policy of the People's Republic of Bulgaria, the Central Cooperative Union carries out a broad and diverse international activity aimed at strengthening the international cooperative solidarity in the name of peace, democracy and social progress.

The Central Cooperative Union is engaged in all-round cooperation with the cooperative organizations of the Soviet Union and the other socialist countries. The long-term agreements signed with them are implemented successfully. Various forms of economic, scientific, technical and production cooperation with many other countries have also been put into effect. Specialization and joint production ventures in a number of areas and on the establishment of joint societies and enterprises are being considered.

The Central Cooperative Union carries out a considerable activity within the International Cooperative Alliance by participating actively in the sessions of its Central Committee and other bodies and by coming up with practical and constructive proposals aimed at strengthening the unity of the international cooperative movement. A vivid example in this respect is this seminar.

Assistance to cooperatives in the developing countries is rendered in a variety of forms. One of them is the training of cooperative activ-

ists at the International Cooperative School of the Central Cooperative Union where 95 courses for cooperative members from 36 countries of Asia, Africa, Latin America and Europe have been organized over the past 10 years.

The foreign-trade activity of the Central Cooperative Union proceeds at brisk rates. Bulgarkoop, the foreign-trade organization of the Union, maintains contacts with cooperative organizations and firms in more than 65 countries.

Through its diverse international activity the Bulgarian cooperative movement performs its internationalist duty to the world cooperative movement.

IN CONCLUSION

we may note some general national peculiarities of the Bulgarian cooperatives:

1. Having appeared soon after the national liberation and the establishment of capitalist agrarian relations, they have occupied a prestigious and lasting place and have played an important role in the socio-economic development of this country.

2. The Bulgarian cooperatives have always been genuinely popular and mass organizations, and in the past they encompassed the broadest strata of the poorest and middling peasants and workers.

The greater part of the cooperatives and their members have always been in the front ranks of the struggle against exploitation by local and foreign capital, defending the interests of the working people, for economic and social progress.

3. The cooperatives quickly adapted themselves to the national characteristics of small-scale private farming and to the other necessities of the Bulgarian village, and in all stages of their development they have organized and carried out universal activities.

4. The cooperative legislation, the cooperative unions and centres, as well as the cooperative banks established already at the beginning of the century, guaranteed all the necessary conditions for the universal activities of the cooperatives, for the development of agrarian relations, and for the whole economy of this country.

5. The victory of the socialist revolution created conditions in which the cooperatives have been able to manifest their real possi-

bilities in service of the people, and for moving on to the establishment of cooperative farms as cooperatives of a superior type.

For countries with a socialist orientation the cooperatives are the only way for uniting the petty private landowners and for raising small-scale primitive farming to the level of large-scale, mechanized and highly effective agricultural production.

The voluntary principle in establishing producer cooperatives and the all-embracing assistance by the state are among the most important conditions for their consolidation and development.

6. The cooperatives play an important role in the establishment and progress of the socialist society in all stages of its development. The cooperatives will also be an objective necessity during the transition from socialism to a communist society.

7. The Bulgarian cooperatives have old internationalist traditions which they cherish and further by maintaining broad international links, by collaborating actively with the cooperatives in the socialist, developing and capitalist countries and by readily rendering assistance to the cooperatives in the developing countries.

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**AGRARIAN REFORMS AND AGRICULTURAL
PRODUCER COOPERATIVES
IN
BULGARIA BEFORE THE VICTORY OF THE
SOCIALIST REVOLUTION
IN 1944**

AGRARIAN REFORMS AFTER BULGARIA'S LIBERATION

/1878–1920/

The agrarian reform is a state undertaking designed to introduce certain changes in landed relations. In a broader sense of the word, the agrarian reform is a host of measures which, beside being designed to introduce changes in landed relations, are also aimed at creating conditions for the advancement of farming and the improvement of rural life.

Agrarian reforms have been and are still carried out in the world – some more, others less radical, depending on the specific historical, social, economic and political set-up in a given country. They are most urgent and all-encompassing in economically and socially underdeveloped countries where feudal landed relations prevail, agriculture is primitive and the rural population lives in misery. The aim of agrarian reforms is to create favourable conditions for agricultural progress, for doing away with social injustices in landed relations, for abolishing poverty among the peasant population and for an effective utilization of the labour resources of rural communities.

Many agrarian reforms have been carried out in Bulgaria in the past with the purpose of abolishing the feudal landed relations which were established before and during the five centuries of Ottoman rule when the land passed into the hands of the Turkish state and the big Turkish landowners. The Bulgarian population possessed no land of its own. Feudal exploitation and national oppression aggravated the conditions of peasants to the utmost. In addition to the numerous heavy taxes of which there were as many as 70 different kinds, peasants were also exploited through the huge and compulsory state

deliveries which were purchased at a cost three times lower than market prices. Peasants were plundered by all means possible and nobody was held responsible. Big farms were established on which the Bulgarian population was forced to work for little or no remuneration in the form of corvée.

In 1839 the Turkish state issued a law under which the Bulgarians were allowed to possess some land. The mandatory state deliveries were abolished and a free trade in farm produce was introduced. The property differentiation in the Bulgarian rural communities gradually gained momentum. A stratum of well-to-do Bulgarian peasants and landowners appeared and grew rapidly.

After the Russo-Turkish War of 1877–1878 as a result of which Bulgaria was liberated from Ottoman domination, the land of the Turkish landowners was handed over to the Bulgarian population. In effect, Bulgaria's liberation in 1878 played the role of a bourgeois-democratic revolution. The State carried out a series of agrarian reforms which did away with feudal relations and practices in agriculture and put some order in land ownership by legalizing the large-scale transfer of the land of the emigrating Turks to the Bulgarian population. Part of this land was appropriated as state, municipal, church and monastery property. In this way the new Bulgarian state carried out a quick and basically revolutionary land reform, the first of its kind in Europe.

The agrarian reforms following the Liberation were aimed primarily at augmenting the acreage of arable land at the expense of parts of the state-owned land, common pastures, cutting woods, etc. This was paralleled by the adoption of laws on the protection of common land and on the prevention of its misappropriation by the population. A most important role was played by the 1885 Agrarian Reform Act which endorsed the principle that the land belongs to

those who till it. Funds were allocated and local committees were set up for carrying out the reform. A number of other bills for the protection and consolidation of private land ownership were also enacted. A land settlement of landless and poor peasants was effected, the maximum acreage allotted per household being 16 hectares. The same size of land was left to the owner himself. An inalienable minimum was also fixed, provided the owner cultivated the land himself. The number of the members of the household was taken into account when determining the size of land settlement. The law provided for a free use of pastures and woods which were formerly landowner property. A special body was also set up for carrying out the reform. In fact, those were locally appointed commissions vested with broad powers to determine the objects of the law, the rights and duties of the landed, the price to be paid to the former owners and so on. The State paid for the expropriated land, while those among whom it was distributed paid it off over a 10-year period at an interest rate of 6 per cent. The latter had no right to sell it before it was paid off completely. The quality of the land was also taken into account, so that everybody could receive an equal amount of "good, intermediate and low-quality" land. The reform was completed until 1890. A total of 80,000 hectares of land were distributed. The agrarian reform did away with the last vestiges of feudal landed relations. Gradually Bulgaria became a country with a predominantly small and middle-bracket land holdings. The way was cleared for the development of capitalism in the countryside.

In order to increase the acreage of arable land the State subsequently passed a law on the cultivation of part of the common village pastures as a result of which the peasants were given additional land. Another law fixed the boundaries of state, municipal and private woods and excluded scabby ones and those unfit for use from the forest stock; these were handed over to the population as pastures or for cultivation.

The agrarian reforms carried out prior to the First World War contained a number of progressive elements and led to the abolition of feudal landed relations. Yet, they did not solve the agrarian question completely. On the contrary, a process of property differentiation began in rural communities.

The petty and some of the middle-bracket farmers found themselves in an economic plight. The State took no measures to improve

farming and alleviate the lot of peasants. The agrarian reforms cleared the way for a free purchase and sale of land and a layer of big land-owners and capitalist farms gradually took shape, and big capitalist farms appeared. The petty and many middle-bracket farmers became more and more indebted to the banks and especially to local money-lenders and merchants. They borrowed loans to feed their households, pay taxes and doctor's bills or buy draught animals, small implements etc. More than 70 per cent of the loans were used up for consumption purposes. More often than not the poor peasants failed to pay back their loans in good time because of the paltry revenues they received from their small farms and before long the amount of the money borrowed doubled because of high interest rates. In order to pay off their debts, the debtors were compelled to sell not only all their farm produce but also part of their land to the money-lender or the big landowner. Many small holders lost all their land and became hired labourers, especially during the wars.

Bulgaria's economic development in the wake of the First World War brought about a profound socio-economic differentiation in the countryside as a result of which several different groups of rural population were formed: *hired labourers* (landless peasants) *poor peasants* (part-time labourers with little land of their own) *petty farmers* (leaseholders), *middle-bracket peasants* who secured their livelihood through hard family labour and allocated small quantities of farm produce for sale and *big (well-to-do) holders* who used hired labour or let part of their land to leaseholders against a rent. There were also a small number of purely capitalist farms. The political strifes in the villages were linked mainly with the struggle of the landless and poor peasants either for acquiring land of their own or for guarding whatever little land they had against being taken over by money-lenders and merchants for unpaid debts or by the State for unsettled taxes. As the prevailing form of ownership in the rural areas were the small holdings which rendered any progress impossible, the country's agriculture became increasingly underdeveloped and the majority of peasants were impoverished. The carelessness and corruption of the ruling classes, wars, natural disasters, etc., further aggravated the situation of the overwhelming part of the peasantry who comprised over 80 per cent of the country's population at that time. In terms of per capita national income Bulgaria was tailing the list of European nations with only Albania standing behind her.

*The Agrarian Reform of the BAP
Government (1920–1923)*

After the First World War, a government of the Bulgarian Agrarian Party (BAP) headed by the outstanding agrarian leader Alexander Stamboliiski came to power as a result of general elections. It was during its rule that the State first turned its policies to the countryside with the purpose of creating better conditions for agricultural development and for improving the lot of peasants and took a series of measures to this end. A new and much more radical agrarian reform was effected. Already in 1920, the year in which it came to power, the BAP government adopted an agrarian reform law under which a landed stock for the land settlement of peasants was set up. It included both public (state, municipal, church, monastery, etc.) land and land expropriated from big landowners. All the private land in excess of 30 hectares per household and above 10 hectares per household if the owner did not cultivate his land himself was added to the state landed stock against payment at average market price. Private land made up 60 per cent of the state landed stock.

In 1921 the government adopted a new land settlement law known as the *Landed Property Act*. Under that law land was given to landless and poor peasants and to workers who would like to engage in farming. Agricultural cooperatives, farming specialists and others were also given land. The idea was to create such a system of land ownership under which farmers would be allowed to own as much land as they would be able to till themselves together with the members of their households. The maximum amount of land owned by a household was fixed at 30 hectares. If the owner was not a farmer himself he could not possess more than 10 hectares, and if he had no family he was not allowed to have more than 4 hectares. The amount of land given to a farmer varied from 0.5 to 8 hectares, depending on the availability of land and local needs.

Those given land had no right to sell it, including their own land, for a period of 20 years. They were obliged to till the land themselves and if for a period of up to three years after receiving the land they did not till it or managed it badly, it could be taken away from them by decision of the municipal commission observing the implementation of the Landed Property Act (LPA).

Those given land paid for it at prices not higher than the average market ones during the 1905–1915 period. Municipal and district commissions were appointed to monitor the implementation of the agrarian reform. The supreme body in charge of the agrarian reform was the Landed Property Department at the Ministry of Agriculture which supervised the application of the law, fixed expropriated land prices, endorsed the decisions of the district LPA commissions and handled all other matters related to landed relations.

Because of a host of difficulties and pressure from the Bulgarian Agrarian Party's right wing, the total acreage of the landed stock in the middle of 1923 did not exceed 84,000 hectares. With 80,000 applicants waiting for land, this meant 1 hectare per household which was much below actual needs. The government failed to raise the planned landed stock of 600,000 hectares for a variety of reasons among which were the State's financial difficulties, post-war economic collapse, opposition from big landowners and reactionary political forces in the country, short terms, etc. But despite its limited scale, the land reform of the Agrarian government had a progressive character and was of major political significance because it infringed on private property which had hitherto been considered "sacred and inviolable".

Parallel with the land reform, the Agrarian government also carried out a series of other undertakings to the benefit of agriculture and farmers. It introduced an income tax which affected mainly the merchants and industrialists, while the land tax was reduced and left to the communes. An agrarian credit reform to the benefit of farming was carried out. A state consortium took over the grain trade, the result being a limitation of profiteering and better prices for producers. The agricultural cooperative movement was considerably encouraged and aided as a means of combatting profiteering and introducing some farming improvements. Associations for a cooperative use of water by the rural population were set up. The cooperatives began implementing a series of measures designed to improve farming by supplying machines for common use by the population, organizing the delivery and production of planting material, farming implements, parent-stock, etc., and arranging the cooperative sale and processing of farm produce. Naturally, these undertakings benefited the bigger farms which had the necessary funds and were able to use more rationally modern means of production. Though partially,

these measures led to a certain improvement of farming and somewhat alleviated the lot of peasants. For the first time the agrarian reform acquired a comprehensive character because it not only redistributed the land but also comprised a series of other economic, social and organizational measures. The rapid growth of the agricultural cooperative movement with government support played a particularly important role in this respect.

But despite the good intentions of the Agrarian government to create conditions for the development of agriculture and improve the lot of peasants through the agrarian reform and some other measures, the results were very limited.

The agrarian question as a whole was not solved. Most farms remained small, with primitive facilities and low productivity. No substantial organizational and technical improvements were made in farming. The exploitation of agriculture by financial and commercial capital continued. Life confirmed the objective truth that in the conditions of a bourgeois capitalist system no radical agrarian reform was possible. One of the reasons for the limited character of the agrarian reform of the Agrarian government was the unrealized necessity of a strong worker-and-peasant alliance against the onslaught of the bourgeois-fascist reaction. On the other hand, the Agrarian government was a short-lived one. It was overthrown in a military coup d'état on June 9, 1923, and a bourgeois monarcho-fascist rule was established in the country.

The process of democratization of agrarian relations and advancement of farming was held. After the monarcho-fascist coup on June 9, 1923, the country's reactionary forces started an offensive against the working people. The Landed Property Act was revoked and a restoration of big private land ownership began. Through administrative decrees the former owners were given the right to take back their land from the peasants among whom it had been distributed and they did so by brutal and violent means.

Agrarian Reforms of the Bourgeois Fascist Government

The bourgeois-fascist government had to reckon with the discontent created among the peasantry and with the "land hunger".

They too carried out a series of agrarian reforms. An agrarian reform law known as *Farm Act* was adopted in 1924. Under that law, the land settlement was done only at the expense of public land (state, common and other land), because the private land included in the state landed stock by virtue of the 1920 law passed by the Agrarian Party government was excluded from it. From 60 per cent under the 1920 law, the share of private land in the state landed stock was reduced to 5 per cent under the new law.

The chief purpose of this and of the other agrarian reform laws of 1930 and 1933 was to establish "viable" family farms on which the labour of the household was to be used. According to the "theory" of the bourgeois economists, these small family farms were most viable and were the main structural unit of agriculture. That is why the State made efforts to consolidate and modernize them so as to increase agricultural production. In 1934, 63 per cent of the rural households possessed less than 5 hectares of land each, parcelled up into a large number of small and scattered plots. Over 80 per cent of the rural household possessed less than 10 hectares of land each. With the passage of time and as a result of the partition of patrimonies, intensive land sale, differentiation and so on, the number of farms grew while the acreage of land possessed by each decreased. For instance, the average acreage per farm in 1926 was 5.72 hectares and in 1946 was 4.27 hectares. However, if the big estates are excluded, the average size of the majority of small and medium-size farms was even smaller. A law on re-allocation, i.e. throwing together a farm's land into 1-2 big plots, was adopted in 1933 in order to do away with the fragmentation of farmland. But this measure failed to produce the desired results, because it proved to be very costly and because a reverse process began instantly as a result of partitions, land sales, etc.

Despite the measures taken by the State, these small family farms kept marking time and degrading. The land was tilled with primitive means of production. The main implement was the wooden plough. Only the large farms used more modern farm equipment and machinery. In 1934, for instance, only 1.12 per cent of the farms, usually the bigger ones, had seed-drills, 0.95 per cent had reaping machines, 0.4 per cent used cultivators, and so on. The use of such primitive equipment rendered the introduction of agrotechnical innovations impossible. Yields were negligible — 10-12 centners per hectare.

Livestock breeding was just as primitive and unproductive. The average milk yield per dairy cow did not exceed 450–500 litres; laying capacity was 70–80 eggs per hen. For this reason the incomes of peasants were very low and in order to make both ends meet they had to borrow money, mainly from private money-lenders, at an interest rate which was sometimes as high as 50–60 per cent; they were constantly in debt to banks, money-lenders, grocers and others. In less than 10 years the debts of peasants increased 12-fold. The State was compelled to pass laws on remitting their debts in order to save the small farms from going bankrupt. But despite these measures, more and more small farms went bankrupt, the peasants were impoverished, aged prematurely and died of hard labour, malnutrition and diseases. A “hidden unemployment” existed in the rural areas: only 50 per cent of the labour of the families of small farmers was used. Because of the underdeveloped character of industry, free manpower could not be used outside agriculture. As a result of the lack of full employment, low labour efficiency, primitive production facilities, financial difficulties and brutal exploitation by money-lenders and merchants, agriculture was continuously lagging behind in its development and the gap between town and village deepened. A migration from rural to urban areas began, but jobs were hard to find in the towns because of the unemployment which existed there. The property differentiation in the countryside continued, more and more peasants lost their land and became hired labourers. Those who had little land led a hand-mouth existence, despite the hard daily labour of all members of the family, children and aged people included. The lot of peasant women was particularly harsh. They worked out in the fields together with the men and along with that they had to look after the animals and poultry in the farmyard, prepare the family’s food and clothing and raise their children. Infant mortality in rural communities assumed great proportions. The younger generation was degenerating. The population’s annual growth rate decreased. Social inequality in the rural areas was increasing.

The petty farmers with up to 5 hectares of land each who constituted 63 per cent of all the farmers in the country possessed only 29 per cent of the land, while the big ones with over 40 hectares each accounted for only 0.2 per cent of all farmers but owned over 2 per cent of the land. The state undertakings to help petty farmers did not

and could not eradicate the inherent shortcomings of small-scale agriculture or its fragmentary and primitive character. It proved to be by nature an insurmountable obstacle to the introduction of scientific and technological progress in agriculture, to increasing production and doing away with the poverty and cultural backwardness of the peasant population.

Despite the obvious failure of small-scale agriculture, there were bourgeois "scientists" who kept talking and writing about the advantages of small family farms. Here is how Yanaki Mollov, a professor of agricultural economics, "proved" the advantages of these farms: "The studies in many countries show that by straining all their resources and restricting consumption, ... in almost all countries these farms have stood firmly and have demonstrated an exceptional ability to survive..." Unintentionally, the professor admits that small-scale farming manages somehow solely through the back-breaking labour of the peasant family and its miserable existence.

Attempts at Setting up Production Village Cooperatives

Life urgently demanded that a new way be chosen. That way was the amalgamation of small farms through the establishment of producer cooperatives which would pave the way for the introduction of scientific and technological progress in agricultural production as a prerequisite for increasing it and reducing its costs and for the economic and social progress of rural communities. The country's progressive forces and the more intelligent part of the peasantry became increasingly convinced of the small-scale and primitive agriculture's lack of perspectives and looked for a way out of that situation. The Bulgarian peasants' own experience convinced them of the correctness of Marx's statement that "... small-scale landed property excluded by its nature the development of the productive forces ... and the progressive application of science". Their plight confirmed Lenin's words that "... petty owners can never save themselves from want ..."

Compelled by life and supported by educated and progressive public figures, the Bulgarian peasants sought the help of cooperatives not only as a means of fighting exploitation but of introducing improvements on their farms through their own resources and mutual

assistance. Thus various kinds of cooperatives appeared already at the beginning of the century. The cooperatives, especially in the rural areas, entered all spheres of village life: crediting, supply, sale, processing of produce, etc. In this way, encouraged by the success of cooperative undertakings, the peasants themselves turned to the establishment of agricultural producer cooperatives as a means of amalgamating and modernizing production and of achieving economic and social progress in rural communities.

Attempts at a joint or cooperative cultivation of land were made in Bulgaria already at the turn of the century. Even though very few of these attempts proved a lasting success, they pointed to the way Bulgarian agriculture should follow in future in order to overcome its intrinsic shortcomings. The idea of cooperative cultivation of the land won the support of increasing sections of the rural population and the progressive public in this country. The cooperative cultivation of the land developed considerably during the 1938–1941 period when more than 60 different kinds of agricultural producer cooperatives were set up. They organized with big success large-scale cooperative production, using machinery and introducing science, and organized various social activities. The peasants from many other villages were about to follow their example. But as a representative of the big landowners and capitalists, the bourgeois-fascist authorities were against the cooperatives altogether and therefore took a particularly negative stand on agricultural producer cooperatives and in 1942 issued a decree banning the establishment of new ones. All sorts of obstacles were raised to the activities of the existing cooperatives. But despite all obstacles and difficulties, they continued to function successfully and many of them, about 30, lived up to the socialist revolution in 1944 and even grew quickly.

Let us make a little deviation before we dwell in detail on the organization, activity and results of the agricultural producer cooperatives in Bulgaria. Attempts at a cooperative cultivation of the land were made at the time in other countries, too. With the advancement of world science and technology, the organic shortcomings of petty farming became increasingly acute. Small farms were faced with two options. One way for them was to be ruined further and devoured by the big capitalist-owned farms, a slow and painful way. The other way was the amalgamation of small farms into producer cooperatives

which would be able to use up-to-date machinery and modern scientific achievements so as to increase production, reduce its costs, raise sharply labour efficiency and improve quality. In this way petty farmers would not be ruined but would remain owners of their land and labour in the cooperative where they would work for themselves and for their own well-being. But without help from the state and without the support of the progressive public the attempts at organizing big farming cooperatives by pooling small farms have seldom proved to be a lasting success. If in Bulgaria the attempts at a cooperative tillage of the land proved successful already before the establishment of popular rule in 1944, this was due to the fact that they received all-embracing support from the village cooperatives, the chambers of agriculture and the country's progressive forces, including the parties of workers and peasants, the BCP and the BAP, and progressive businessmen, politicians and intellectuals. In that struggle for the affirmation of the idea of a cooperative farming the worker-peasant alliance was growing stronger without which it was impossible to find a radical solution to the agrarian and peasant question. After the socialist revolution that alliance was further strengthened during the restructuring of the rural economy. It goes without saying that in the then unfavourable political and economic set-up the farming cooperatives did not and could not spread on a broad scale or demonstrate to the full their real advantages and great possibilities. Still, they did show the advantages of large-scale mechanized agriculture over the small and primitive farms. They obtained twice bigger yields from crops and livestock with less costs and effort. In addition, they also organized a series of social undertakings such as the opening of kindergartens, bakeries, summer kitchens and others which considerably alleviated the household chores of peasant women. The farmers' labour in the cooperatives was easier and more productive. The cooperatives helped their members build homes, gave education to their children, organized their vacation and so on. All these gains of the cooperative farms attracted the interest of peasants and they embarked boldly and decisively on the only salutary road, i.e. the merger of small and medium-size farms into producer cooperatives.

Let us now take a look at the fundamental principles and organizational structure of cooperative farms in Bulgaria before the establishment of popular rule in 1944.

Different forms of cooperative farming organization appeared, with a different degree of socialization of the means of production.

a) **Lower form** in which the cooperative organized the cooperative tilling of part of its members' land for the purpose of cultivating an intensive crop. e.g. rice, or on hired stock land. The greater part of the members' land, implements and animals remained for private use. Provided good results were produced, this form could popularize the idea of cooperative farming and serve as a serious step towards the establishment of completely cooperative farms. But its shortcoming was that the members' interest was divided between the private and the cooperative farm with the scales tipping in favour of the private. This led to irregular participation in cooperative work and hence to poor results. This form could not eliminate the shortcomings of small-scale farming.

b) **Higher form** of cooperative farming in which the private farms of the cooperative's members are amalgamated into a single cooperative farm. The cooperative farmers brought into the cooperative all their land, implements and draught animals. The land remained private property but was tilled jointly. The implements and draught animals were bought up by the cooperative at market prices and became cooperative property. The fully cooperative farms were organized on the basis of the following principles:

1. Members were admitted or expelled by the cooperative's general assembly. A member was allowed to leave the cooperative 2 years after being admitted to membership.

2. Upon joining the cooperative each member was obliged to bring in for common use all his land. During the first 1-2 years the perennial plantations were left for private use. Should a member decide to leave the cooperative, he was given back his land but had to pay for any lasting improvements made on it such as meliorations, perennial plantations, etc. The preservation of private ownership over the land was an important prerequisite for peasants to decide in favour of joining a cooperative, not only because they were very much attached to it but also because they were thus sure that if they decided to leave the cooperative they would again have their own land and farms. They were left some land and productive livestock for a small personal farm.

3. Upon joining the cooperative every member brought in his draught animals and implements which were valued at market prices

by a specially appointed commission and became cooperative property. Part of the value of the member's implements and draught animals is taken as a mandatory affiliation fee fixed according to the acreage of the land brought in and the rest is refunded to him over a period of 5 years. If the value of the implements and animals was smaller than the mandatory affiliation fee, the farmer paid the difference in cash over a period of several years. Should a farmer decide to leave the cooperative, he was paid back the value of the implements and animals brought in from which the depreciation allowance during the period of membership was deducted.

4. Each cooperative farmer was obliged together with the able-bodied members of his family to take part in cooperative work. During the periods of most intensive work (hoeing, reaping, threshing, harvesting, etc.), each family had to work a mandatory minimum number of days in groups of 10-12 persons each. The group leaders worked on an equal footing with the rest but also had the duty to supervise the quality of the work done, to register the participation of the cooperative farmers in work and check on the amount of the work done, and so on.

Cooperative farmers were paid by the month depending on the number of wages earned for the different kinds of work, and at the end of the year they were entitled to extra pay depending on the total income realized. The total income was the equivalent of what was left after deducting material expenditures from the gross income.

5. The total income realized during a given year was divided into 3 parts: 45 per cent for labour, 40 per cent for the land and 15 per cent for the cooperative funds ("indivisible" - for building the farm's facilities, "bad harvest and natural disasters", "reserve" and "social"). The land rent was distributed according to the amount and quality of the land brought by the farmer into the cooperative.

6. The agricultural producer cooperatives were managed by applying the principles of all cooperative societies. The Chairman of the Managing Board steered the activity of the cooperative farm on the basis of the decisions of the general assembly and of the Board. In his work the Chairman was assisted by an organizing agronomist and a technologist. The general assembly also elected an Auditing Council to monitor the management's activity.

7. The cooperative farms gradually developed all those branches of crop-raising and livestock-breeding for which conditions were at

hand. In order to ensure round-the-year employment for the farmers, the cooperatives also organized subsidiary non-farming activities such as construction, work, timber processing and other workshops, transport groups, etc. Each cooperative had tractors and the necessary attachments and tractor-driver machines. The 7 agricultural cooperatives in Pleven district had a common machine station built by the local Chamber of Agriculture and were assigned the task of maintaining the cooperatives' machinery, training skilled personnel, supplying new machines and fuel and organizing the most rational use of tractors, and so on.

8. Each cooperative had an accounting service that included an accountant and a book-keeper who registered the overall activity of the cooperative, gave periodically an account to its members, kept the farmers' accounts, etc.

9. The cooperatives organized their activity on the basis of a model statute endorsed by the Agricultural and Cooperative Bank, specified in accordance with each cooperative's concrete conditions and adopted by its general assembly.

10. Depending on local conditions, the cooperative farms were organized either as divisions of the common village cooperative or as independent agricultural producer cooperatives. Wherever the management of the common village cooperatives had a positive attitude to cooperative farming, the cooperative farms were organized as divisions of the village cooperatives which helped them with personnel, buildings, machinery, etc. This was the positive side of this form, but it also showed some shortcomings. As questions such as the borrowing of loans, supply of machinery and others were decided by the cooperative's general assembly, this often created difficulties in production.

In conclusion, several things should be pointed out. First, large-scale cooperative and mechanized agriculture in which the basic shortcomings of small-scale personal farming are overcome, opens up unlimited possibilities for a progressive development of agriculture through its modernization, industrialization and intensification, for raising the living standards of the rural population on this basis. **Second**, the success of this new form of farming organization demands the presence of a series of favourable conditions such as a radical agrarian reform, full support to the cooperative farms on the part of the state and the progressive public, a democratic national economy

which restricts the exploitation of the rural population by the capitalists, well-trained and devoted cadres, a rational scientific organization and mechanization of production so that the modern cooperative agriculture may demonstrate its advantages and win prestige among the peasantry. **Third**, the organization of peasants into producer cooperatives is a difficult and complex task. It was not easy for the peasants, traditionally private holders and farmers, to decide in favour of such revolutionary turning point in their lives. In order to overcome this psychological barrier it was necessary to prove with concrete examples the great advantages of big cooperative farms and to organize them in such a way which would be both acceptable to the peasants, and would allow a rational and effective organization of production. That is why some Chambers of Agriculture and village cooperatives took to organizing about a dozen experimental model cooperative farms. As already mentioned, these experiments proved successful and showed the way for the development of Bulgarian agriculture. It goes without saying that in the unfavourable conditions at the time they could not demonstrate this form's unlimited possibilities to the fullest measure. It was not before the establishment of popular rule that the unhindered advancement of cooperative farming began. All over the country the peasants began setting up agricultural producer cooperatives after the example of the several dozen cooperatives which already had several years of experience and played the role of pioneers in the field of cooperative farming in Bulgaria. The people's government and the state declared that they would render every support to cooperative farming which further encouraged peasants to establish agricultural producer cooperatives.

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**THE COOPERATIVE FARMS – THE KEY
TO THE RADICAL SOLUTION
OF THE AGRARIAN PROBLEM
IN BULGARIA**

INTRODUCTION

The agrarian question is one of the main questions facing the countries which have attained independence and have set out on the road of independent economic and social development. It was a central issue in the struggle of the Bulgarian people for national liberation and social progress and was solved radically as a result of the victory of the socialist revolution and the establishment of agricultural cooperatives (cooperative farms).

The decades-long struggle of the Bulgarian people – of the working class, the peasantry and the people's intelligentsia – ended in the victory of the socialist revolution on September 9, 1944. Political power passed into the hands of the working people from town and village, united in the Fatherland Front. A new era in the nation's history set in. But the country's economy had been crippled by the war and plundered by German imperialism, industry was underdeveloped and the existing enterprises were not in operation, transport was at a standstill and agriculture was in a grave condition.

Agriculture was faced with the urgent task to ensure the feeding of the people and especially of the armed forces which were taking part in the ultimate defeat of the nazi forces, and to provide raw materials for the restoration and development of industry and agricultural produce for export. With its inborn defects the small-scale, primitive and ruined agriculture inherited from capitalism could not possibly fulfil this task. The solution of the agrarian problems and the restructuring of agriculture became a matter of topmost importance. In these conditions the Fatherland Front government found – on the grounds of the theory of scientific socialism about the advantages of large-scale, mechanized, science-based agriculture over small-scale, primitive farming; of the world historic experience of the Soviet Union and the experience of the cooperative movement and especially of the agricultural producers' cooperatives in Bulgaria – the cooperative farms to be

the best way of solving the agrarian question and of developing agriculture further on.

*Creation of Political, Economic and Social
Conditions for the Establishment and Development
of Cooperative Farms*

The process of setting up cooperative farms began immediately after the victory of the revolution on September 9, 1944. The introduction of the cooperative system in agriculture is a complex and difficult process which depends on certain political, economic and social conditions. A tremendous amount of work was done to create such conditions in Bulgaria.

Important political and economic measures were carried out in 1946 and 1947: the network of imperialist agents in the opposition parties was destroyed, a peace treaty was signed and Bulgaria came out of the Second World War with dignity, a new Constitution endorsing the victory and gains of the working people was adopted; the Fatherland Front and the alliance between workers and peasants was consolidated. This enhanced popular rule and affirmed Bulgaria's status as a people's democracy. The Fatherland Front government rendered tremendous political, organizational and financial assistance to the cooperative farms. Its very first programme statement issued on September 17, 1944, explicitly pointed out that the land "will belong to those who till it" and that "the government will encourage and assist the cooperative cultivation of the land".

The most important condition for the introduction of the cooperative system in agriculture is the country's industrialization in which the leading role is played by the heavy industry. Already Lenin had pointed out that "only the large-scale industry, capable of reorganizing farming as well, can provide the material basis of socialism".¹

The nationalization of industry in 1947 paved the way for the country's industrialization at rapid rates. As a result, 93 per cent of the industrial production was put under state control, 2 per cent passed into the hands of the cooperatives and 5 per cent remained in the private sector made up mostly of petty craftsmen. Socialist

¹ V.I. Lenin. Works, 4th (Russian) edition, Moscow, vol. 32, p. 434.

production relations were established in industry and this served as a basis for a rapid development of the productive forces. At the end of 1948 industrial production increased by 203 per cent over the pre-war level. At the same time, however, agricultural production which was based on small private farms was still failing to reach its pre-war level. A discrepancy occurred between the rapidly growing industry and small-scale agriculture. The historical course of development demanded a reorganization of agriculture, too.

At the Fifth Congress of the Community Party in December 1948, the great son of Bulgaria, Georgi Dimitrov, substantiated the need for a socialist restructuring of agriculture and pointed out the way to it.

“It is impossible to build the people’s democracy and go on with socialist construction for a long time on two different bases: large-scale socialist industry, on the one hand, and parcelled up, small-scale and underdeveloped agriculture, on the other. Agriculture should gradually but persistently be placed on a new technical basis, i.e. on the basis of large-scale production by pooling the individual private farms into big cooperative farms.”¹

The main principles of the introduction of the cooperative system in agriculture were formulated and endorsed as follows:

a) **Voluntariness.** The strict observance of this principle ensured the active and conscious involvement of the peasantry in the cooperative farms. The Party was firmly committed to a strictest observance of the principle of voluntariness in the setting up of cooperative farms and took prompt and stark measures against any violations of this principle.

However, the principle of voluntariness does not mean waiting passively for the peasants themselves to arrive at the idea of cooperation of the land. On the contrary, a great deal of organizational and political work proved necessary to show the peasants the advantages of the cooperative tillage of the land and the benefit they would derive from it for them to decide voluntarily to join the cooperative farms. An intensive and broad activity was carried out in this country to this end in several directions:

¹ G. Dimitrov. Political Report of the Central Committee of the Bulgarian Workers’ Party (Communists) to the Fifth Congress, 1952 edition, p. 81.

— establishment of model state and cooperative farms with a high degree of mechanization and a scientific organization of production whose successes should serve as an example to peasants;

— conducting a broad and diverse political-explanatory and educational work;

— imposition of restrictive measures against the exploiting and hostile elements.

b) **Internal cooperative democracy.** Democracy is intrinsic to the very nature of cooperatives. The observance of internal cooperative democracy played an important part in attracting the peasants to the cooperative farms. The cooperative farmers settle at an assembly all the basic problems of the cooperative, elect the managing bodies themselves and have the right to be elected to these bodies, enjoy freedom of criticism and self-criticism and may recall those members of the management who have failed to justify their trust, and so on.

c) **Preservation of private ownership over the land contributed to the cooperative.** In the specific conditions obtained in Bulgaria, the issue of landed property was a very acute one. The introduction of the cooperative system in agriculture was done without nationalizing the land which remained private property. This question was scientifically and creatively formulated by Georgi Dimitrov. "As far as the nationalization of the land is concerned, we believe that in our conditions of establishing cooperative farms this question is of no practical significance, i.e. the nationalization of the land is not a condition sine qua non for the advancement and mechanization of our agriculture."¹ This approach to land ownership and the distribution of part of the revenues depending on the size of the land brought into the cooperative amounted to a certain concession to the middle-bracket peasants and proved instrumental in attracting them to the cooperative farms.

d) **Material incentive and combining the cooperative farmers' private interests with those of society.** This principle is of decisive importance for the proper development and consolidation of cooperative farms. Peasants join the cooperative farms if they obtain material benefit from it, if the cooperative farms guarantee them a better life and if their labour there is appreciated and remunerated fairly.

¹ G. Dimitrov. Selected Works, vol. 2, p. 452.

A high degree of material interest in the growth of cooperative production is ensured mainly through the adequate work quotas and remuneration of labour in accordance with the quantity and quality of the work done.

The cooperative farmers' personal (auxiliary) farms play a big role in combining private and public interests. This means that along with engaging in public production on the cooperative farms their members are also entitled to small personal farms whose size is specified in the statutes. This is necessary because production in the public sector cannot always meet all the personal needs of the cooperative farmers. Besides that, the personal farms make for a full use of the labour of cooperative farmers, especially of the elderly and minor members of the household. They are a source of extra quantities of agricultural produce and incomes.

e) **Planned management of production in the cooperative farms.** Large-scale production can only be managed and developed on the basis of planning. Ever since their establishment the cooperative farms have been organizing their activity and have been managed according to plan. Naturally, in a socialist country where the economy as a whole is developed on the basis of planning, the plan of each individual cooperative farm is a part of the national plan.

These were the main principles applied in this country when the practical measures for the establishment of the cooperative system in agriculture were mapped out and implemented. They are also embedded in the Model Statutes of Cooperative Farms.

The Fatherland Front government supported the establishment of cooperative farms with all the means at its command. A Law on Cooperative Farms was adopted in 1945, by which all cooperative farms were exempted from any state and local taxes whatsoever during the first three years after their establishment, came into possession of state and municipal lands free of charge and were granted privileges in using credits and buying building materials, breeding animals, seeds and seedlings, etc. The state provided free agronomical and technical aid to the cooperative farms.

A Law on Landed Property was adopted in 1946, on the basis of which the agrarian reform was carried out. It was intended to minimize the political and economic influence of the capitalist elements in the country by restricting the size of landed property. This law set the

maximum extent of landed property to 20 hectares and up to 30 hectares in the Dobroudja grain-producing region. Land owners who did not cultivate the land themselves were allowed to possess up to 5 ha at the most. As a result of the agrarian reform, 579,749 ha of land were brought into the state landed stock. Part of them – 227,604 ha – were distributed among 128,855 landless and poor peasants, 174,042 ha came into possession of the state farms, 133,637 ha were distributed among the cooperative farms, and the rest among other institutions and organizations.

The nationalization of industry carried out on December 23, 1947, was not only a prerequisite for the establishment of the cooperative system as it accelerated the country's industrialization, but was also directly linked with it because 1,500 flour mills, over 400 oil-factories, 673 carder workshops and other facilities connected with agricultural production were taken away from the rural capitalists.

Another form of nationalization of the basic means of production was the compulsory purchase of big farm equipment in 1948. As a result of that measure 3,350 tractors, 3,700 threshing machines, 1,660 tractor ploughs and other machines were handed over to the machine- and tractor stations.

A progressive income tax was introduced in the country in 1948. The tax paid by each farmer was determined by the amount of the income received and whether he used hired labour. Compulsory state deliveries were introduced in 1949. The poor peasants possessing up to 0.7 ha of land were exempted from those deliveries, while all others were taxed progressively depending on the size and quality of the land possessed, and delivered fixed amounts of produce to the state. The sharecrop system, land sale and purchasing were banned.

These and other economic measures, coupled with a broad political and organizational work, prepared the groundwork for private farmers to join the cooperative farms voluntarily.

The discovery of the cooperative farms as the sole appropriate form of collectivization in our country was an important condition for the reconstruction of agriculture. The use of only one form of production cooperation was motivated by the lack of diversity of forms of land ownership and use, and the developed network of cooperatives in Bulgaria.

Structure of Land Ownership in Bulgaria ¹

Size of farms	1934		1944	
	Number	%	Number	%
Up to 1 hectare	119,627	3	154,400	14
From 1 to 4 hectares	344,577	29.4	460,200	41.7
From 5 to 10 "	326,785	47.9	404,000	36.6
From 11 to 20 "	81,230	16.6	75,000	6.8
Over 20 hectares	12,650	3.1	10,200	0.9
	884,869	100.0	1,103,900	100.0

As can be seen from Table 1, 91.3 per cent of the farmers owned less than 10 ha of land each, and within 10 years only, as a result of land fragmentation, the number of private farms increased by nearly 220,000. The number of holdings of up to 4 ha rose, while that of all the other categories dropped. This structure of land ownership accounted for the similar interests and psychological adjustment of peasants to pooling into cooperatives and there was no need to look for diverse forms of cooperative ownership that would suit the interests of different social groups of landowners.

Given the existence of a large number of universal and other cooperatives at the time, the cooperative farms were initially set up as divisions of these cooperatives with the right to separate as independent organizations. In the first years this was essential for consolidating the cooperative farms. They benefited from the prestige, ample experience, facilities and personnel of the universal and other cooperatives. This coexistence between the cooperative farms and the other cooperatives was natural and necessary at the beginning. But as the cooperative farms grew they had to be organized as separate cooperatives from all others, because their goals and tasks are different from those of non-producer cooperatives.

After the Second National Conference of Cooperative Farms in 1950, at which their Model Statutes were adopted, they began to be

¹Statistical Yearbook of the People's Republic of Bulgaria, 1935-1947

set up on a mass scale and be organized as separate, independent cooperative organizations.

The establishment of the cooperative system in agriculture, which began immediately after the victory on September 9, 1944, progressed at rapid rates, as evidenced by Table 2.

Table 2

Development of the Cooperative System in Bulgaria

Year	Number of coop. farms	Number of house-holds in coop. farms (in thousands)	Land in coop. farms (%)	Average size of coop. farms (in hectares)
1944	110	7	0.6	240.9
1945	382	34	3.1	383.8
1946	480	41	3.7	359.6
1947	579	46	3.8	328.5
1948	1,100	124	7.2	265.8
1949	1,601	156	13.6	346.2
1950	2,506	502	51.1	862.2
1952	2,741	553	60.5	914.6
1957	3,128	982	86.5	1,177.7
1958 ¹⁾	975	1,244	95.0	4,505.4
1967	866	955	95.0	3,847.7
1971	725	886	95.0	4,131.6

As shown above, the establishment of the cooperative system was accelerated after the Fifth Party Congress in 1948, which dealt with the theoretical and practical aspects of socialist construction in this country. In 1950 the acreage of the land pooled into cooperative farms exceeded 51 per cent and that year marked a turning point in the establishment of the cooperative system in the sense that this process was completed in the country's main agricultural regions and systematic work was started on consolidating the cooperative farms organizationally and economically.

The cooperation of farming in the mountainous and semi-mountainous regions was completed in 1956-1957, and thus the cooperative system in agriculture triumphed once and for all.

¹ The decrease in number was due to the merger of cooperative farms.

The establishment of the cooperative system in Bulgarian agriculture was largely facilitated and accelerated by a host of favourable factors which existed in the country.

First and foremost, the cooperative movement in Bulgaria had traditions of long standing. There existed a broad network of consumer, credit and other cooperatives, which at the time of the revolution of 1944 numbered 3,158. In the rural areas 7-8 out of 10 households were members of the local cooperative.

The cooperatives won great prestige and trust with their struggle against the exploitation of peasants and against foreign and local monopoly capital. That is why the poor and middle-bracket peasants readily responded to the appeal for establishing cooperative farms.

Secondly, the ideas of the cooperative movement penetrated this country simultaneously with the ideas of scientific socialism and developed under the influence of these ideas. The cooperative movement was headed by the most progressive representatives of the nation who earned the affection and trust of the working people. When the cooperative system began to be built in agriculture they became pioneers and organizers of the first cooperative farms and their personal example convinced and attracted the peasants to these farms.

Third, the world historic experience of the kolkhoses in the Soviet Union and of the agricultural producers' cooperatives in Bulgaria could be applied in a creative way. The advancement of the idea of the cooperative farms as the most suitable form under the specific conditions in this country, the retention of private ownership of the land and the strict observance of the principle of voluntariness and material interest played a major role in the establishment of the cooperative system in agriculture.

Fourth, the state rendered all-sided and constant assistance to the cooperative farms. Machine-and-tractor stations (MTS) were set up with state funds. The servicing of the cooperative farms with highly productive machines was organized through the MTS within a short time. After the cooperative farms became well-established, the state handed over the agricultural machinery to them under most favourable terms.

The state rendered further assistance to the cooperative farms by granting them credits under favourable terms, through tax concessions and the price policy.

The care and help from the state in establishing and consolidating the cooperative farms have been paid back manifold in the rise of the people's living standards and all-sided development of the national economy.

*Social and Economic Character and
Organization of the Cooperative Farms*

The cooperative farms are socialist agricultural organizations set up as a result of a voluntary association of peasants for the purpose of a collective cultivation of the land with public means of production. They became established as large-scale, highly mechanized, economically powerful agricultural enterprises, as a tested form of organization of the working peasants and of highly effective agricultural production. Characteristically, upon joining them the cooperative farmers retain the private ownership of the land, with all the economic consequences ensuing therefrom. Part of the farms' revenues are distributed among the cooperative farmers as a remuneration for the land in accordance with its quantity and quality. The cooperative farmers are free to sell or donate their land and it is inherited by their heirs. But even though private ownership over the land is retained, some serious changes occur in this ownership. It becomes ideal ownership in the sense that a cooperative farmer owns a certain quantity and quality of land in the common fields of the cooperative farm and not a definite tract of land. The right to possession and cultivation of the land is transferred to the cooperative farm. The land is merged into big tracts over which large-scale, mechanized and science-based public production is organized. Should a member of the cooperative decide to leave, the respective area of land is shared out to him from the end of the cooperative tracts, or he is reimbursed in cash.

The remuneration paid for the economic realization of private land ownership in this country is called 'rent'. In essence the rent from cooperative farms has nothing in common with the absolute land rent under capitalism. Its source is not the labour of hired workers or tenants to whom the land is let, but the labour of all cooperative farmers. The amount of the rent in cooperative farms is not determined by the average capitalist share of profit, but by the Statutes and the general assembly of cooperative farmers, and is controlled

by the socialist state. The rent in the cooperative farms is a new economic category of the period of transition from capitalism to socialism, and does not express relations of exploitation.

While preserving private ownership of the land, the Party has always believed that the ultimate triumph of socialism in the countryside is impossible without a socialization of the principal means of production, i.e. the land. The socialization of the land in this country has been done gradually, without particular difficulties, and as an experience this may also be of interest to the countries which have chosen the road of socialist development. Such a mode of land socialization was forecast and scientifically substantiated by Georgi Dimitrov at the Fifth Party Congress in 1948, "we believe that through a gradual enlistment of the poor and middle-bracket peasants in the cooperative farms, through the development of the machine-and-tractor stations, as well as through the prohibition of land lease, restriction and consequent prohibition of the purchasing and sale of land, restriction and consequent abolition of the rent by decision of the cooperative farmers themselves — when conditions permit this — the question of land nationalization will be solved in practice as the whole land remains to be used for good by the working peasants."¹

This line has been confirmed by life. With the development and consolidation of the cooperative farms and the increase of their revenues, the ratio of the distribution of the income in return for labour and the land changed in favour of labour. Under the Law on Cooperative Farms adopted in 1945, 60 per cent of the farms' revenues were distributed according to the invested labour and 40 per cent as rent for the land. The Model Statutes of 1950 stipulated for no more than 30 per cent of the total revenues to be allocated to rent for the land. By decision of the cooperative farmers' assemblies, however, the land rent was gradually reduced: in 1951 it amounted to 22.7 per cent of the total revenues, in 1953 — 15.9 per cent, in 1956 — 9.3 per cent, in 1958 — 1.9 per cent, and since 1959 no rent has been paid for the land. In this way the cooperative farms' revenues began to be distributed exclusively on the socialist principle,

¹ G. Dimitrov. Works, vol. 14, p. 346

i.e. according to the quantity and quality of the work done. Private property was not economically realized any longer, and in effect socialized. Under these circumstances, nationalization of the land was no longer necessary in practice.

The cooperative farms operate on the basis of **Model Statutes**, in which all the basic questions of cooperative farm organization are settled. The main principle of establishing cooperative farms is voluntariness. The working peasants unite in cooperative farms voluntarily in order to gain victory over the exploiters, overcome the object backwardness of agriculture and guarantee a good life for themselves through common effort and labour. The strict observance of the principle of voluntariness is of crucial importance for the proper establishment of the cooperative farms, for ensuring a high degree of conscientiousness and activity on the part of the cooperative farmers, and for good discipline and success in production.

Eligible for membership in cooperative farms are all men and women above the age of 16 who participate in the production activity of a cooperative farm themselves or through the labour of the members of their household, no matter if they possess land of their own or not. Members of a household who have not completed 16 years of age and work on the cooperative farm are also admitted to membership. The members are admitted and relieved by decision of the general assembly.

The cooperative farms are economic organizations closely concerned with their members' material interests. This requires a certain stability of membership and that is why the Statutes provide for a mandatory membership of at least 3 economic years, and for the members with no land — 1 year. **All members have equal rights.** Each has voting rights in decision-making in the general assembly, as well as the right to elect and be elected on the managing and control boards, to be nominated and elected to other posts of responsibility, etc. Cooperative farmers are duty-bound to participate through their labour and that of the members of their households in the cooperative farms's production activity.

Upon joining a cooperative farm, besides the land which remains private property, each member brings into it his own and his household members' farm equipment: machines, ploughs, winnowers, carts, draught and productive animals (except the livestock left him for personal use). The cooperative farmers are also obliged to deliver

to the cooperative farm the seeds required for sowing the land brought in and fodder for feeding the livestock until the next harvest.

The farm equipment and animals contributed by a cooperative farmer are evaluated in cash by a commission elected by the general assembly and the evaluation is done in his presence. A part of this sum goes to cover the mandatory affiliation fee, used for the supply of farm equipment. Depending on the size of the land contributed by him every cooperative farmer is obliged to secure the equipment necessary for its cultivation. That is why on the basis of the Model Statutes the general assembly specifies a mandatory affiliation fee. This is a correct decision which is based on the retention of private ownership over the land. In this way the property of the cooperative farms – fixed and current production assets – is initially formed of the cooperative farmers' affiliation fees. Further on the cooperative farms' property is augmented by accretion of part of the revenues realized, credits and other sources.

In their activity the cooperative farms observe strictly the principle of combining public interests with the personal interests of the cooperative farmers. The personal holdings of the cooperative farmers play a major role in combining properly public and personal interests. In accordance with the statutes of the individual cooperative farms, the general assembly allocates up to 0.2 hectares of land to each cooperative household for personal use in the intensive agricultural regions and up to 0.5 hectares in the rest of the country. In the mountainous and semi-mountainous regions the acreage of the land for personal use may be increased to 1 hectare at the expense of uncultivated, abandoned or undersized plots of land which are not suitable for mechanized cultivation. Besides that, each cooperative household is entitled to small-size farm equipment for their personal farm, 1 cow, 1-2 goats, 1-2 sows with farrows, up to 5 sheep, or 10 in the mountainous regions, and an unlimited number of poultry, rabbits and bee-hives. The managing board appropriates part of the cooperative farm's draught animals and machines for servicing the cooperative farmers' personal holdings. The cooperative farms also supply them with fodder for raising the livestock and poultry on their personal farms.

The existence of personal holdings of the cooperative farmers is necessary because of the yet insufficient development of production on

the cooperative farms in order to meet some of the cooperative farmers' personal needs. The personal farms make for a full use of the labour of cooperative farmers and the members of their households and of all reserves for increasing agricultural production. The main purpose of the personal farms is to produce animal products, meat, milk, fruit, vegetables, etc. for personal use and for sale.

In view of the importance of the cooperative farmers' personal holdings, measures have recently been taken to cut short the wrong tendencies towards reducing and even abolishing personal holdings at some places, and to strengthen them.

All the work on the cooperative farms is done personally by the cooperative farmers and the members of their households. The permanent employment of other personnel is allowed only for people with special training: agronomists, zootechnicians, veterinary surgeons, accountants, etc.

The main form of labour organization on the cooperative farms is the **work team**. The managing board distributes the able-bodied cooperative farmers into permanent work teams, approved by the general assembly. In crop-raising the teams are set up usually for a single crop rotation, while those working on plantations of perennial crops – for a period of no less than 5-6 years. The teams have a permanent composition. They are assigned to given areas of land with the necessary equipment, draught animals and production facilities. Thus the work teams acquire a degree of independence and can organize the production of agricultural goods themselves.

Depending on the specific production, the work teams may be organized in different ways and for different purposes: grain-producing, fodder-growing, market-gardening, vine or fruit-growing, mixed, complex mechanization teams of machine-operators, etc.

The number of cooperative farmers in a work team also depends on the specific conditions such as the area of land assigned to the team, the kinds of crops, degree of mechanization and so on. In 1970 the average number of cooperative farmers in the different kinds of work teams was as follows: grain-producing – 111 people, market-gardening – 79, vine and fruit-growing – 92, mixed – 94 and combined machine-operators and crop-growers teams – 147. A production team is headed by a team leader who distributes the work among the cooperative farmers and is obliged to organize most rationally their work and the use of the means of production. The best cooperative

farmers with proven qualities as good organizers and ample farming experience and knowledge of the production processes are elected as team leaders. In recent years there has been a tendency to nominate agricultural specialists to this post. In 1981, out of a total of 7,406 team leaders in Bulgarian agriculture 4,354 (58,8 per cent) were agronomists with higher or secondary special education. Thereby the very role of agricultural specialists is changing from advisors to direct organizers and managers of agricultural production. Good organization is required within the work team to ensure a most rational utilization of labour and the means of production and to intensify the control and self-control over the quality of the work done. The chief form of the inner team organization is the **group**. The cooperative farmers who make up a team are divided into groups of 10-15 people each, catering for 5-6 different crops on permanent plots. The group is headed by a group leader who has an equal share of work with the other members of the group.

All the operations on cooperative farms are done according to the piecework principle, in groups or individually. **Work quotas** are drawn up and endorsed by the general assembly. **They specify the amount of work to be done or the quantity of produce to be obtained** (in terms of decares, pieces, tons, etc.) **within an 8-hour work-day under particular working conditions**. Each quota is computed in working-days or cash depending on the strain and skill required by the different operations, the importance and urgency of the work done. The more difficult, sophisticated and important operations are more highly evaluated and bring higher pay.

In livestock-breeding production is organized in dairy, poultry, pig, sheep and other farms. Breeder teams are set up within each farm. Each worker caters for a given number of animals and his remuneration depends on the produce obtained from them.

Socialist forms of labour remuneration on the basis of the work team organization of labour have now been introduced in the cooperative farms. Through the remuneration of labour the socialist principle 'from everyone according to his abilities, to everyone according to his work' is realized and personal material interest is created among the cooperative farmers in the result of their work. During the year the cooperative farmers receive advance payment of up to 90 per cent of their remuneration and at the end of the year they are paid the difference whose amount depends on the final results.

The final result of the production activity of a cooperative farm is its aggregate output. It is estimated in kind and in cash and includes the following material values created during the year: the basic and surplus produce of crop-raising and livestock-breeding; the output of subsidiary enterprises; the growth in draught and productive animals, plantations, etc.; other material values produced through the labour of the cooperative farmers, cash revenues from services rendered to other organizations and individuals.

The total income is what is left after deducing production costs from the aggregate output value. The total income is the value of the newly created product of the cooperative farmers' labour. It is a source of labour remuneration and expansion of production. Consequently, the total income is a very important indicator characterizing the results of a cooperative farm's activity.

The sums in payment for the cooperative farmers' labour and for replenishing the cooperative farm's funds are appropriated from the total income.

In accordance with the Model Statutes, the following funds are set up on cooperative farms:

a) **Extension and Technical Improvement Fund** formed through appropriation from the total income, allowances for depreciation, receipts from the liquidation of fixed assets, insurance compensations for damages and losses, etc.

The money from this fund is used for the promotion of technical progress in agricultural production, for extending production facilities and for replenishing current assets.

b) **Social Welfare and Cultural Undertakings Fund** formed by annual deductions from the total income.

This fund is used for paying benefits to cooperative farmers incapacitated for work, and for financing the whole cultural, educational and social-welfare activity of the cooperative farms. The money from this fund is also used for building community cultural centres, nurseries, kindergartens and other buildings for cultural and social purposes.

c) **Labour Remuneration Reserve Fund.** It is also replenished by appropriation from the cooperative farms' total income and is used for stabilizing the annual pay of cooperative farmers, for guaranteeing their labour remuneration in case of natural calamities, poor harvests and other objective reasons.

d) **Additional Material Stimulation Fund** has also been set up in recent years with the purpose to enhance the cooperative farmers' personal and collective material interest.

It is raised through appropriation from the total income, part of wage funds savings, reduced production costs, and the effect from the improved quality of produce.

Other funds may also be formed by decision of the general assembly.

The amount of appropriations for the different funds is also determined by the general assembly.

The cooperative farms are democratic organization. Their management is based on the principle of inner cooperative democracy. This principle demands participation of all cooperative farmers in the farm's management; electiveness of all executive and control bodies; accountability of the executive and control bodies and of the senior managerial personnel to the members of the cooperative farm; complete freedom of criticism and self-criticism; and a right to recall the executive bodies of management before the expiration of their term. In keeping with these requirements each cooperative farm is ruled by the **general assembly**, and, in the interim between assemblies, by a managing Board and a chairman.

The general assembly is the supreme organ and sole sovereign ruler of the cooperative farm. It decides all matters specified by the Statutes.

The managing Board is elected by the general assembly for a two-year period. It manages the cooperative farm in accordance with the country's laws, the Statutes and the decisions of the general assembly.

The general assembly elects a chairman of the cooperative farm who is in charge of the day-to-day affairs and the implementation of the decisions of the assembly and the managing Board. He also represents the cooperative farm before the state bodies, public organizations and individual citizens.

The general assembly also elects an auditing commission which exercises control over the entire activity of the cooperative farm.

*The Cooperative Farms' Merger — a New Stage
in the Development of the Cooperative System
in Agriculture*

The cooperative farms have traversed a long distance their progress. They have developed both in width, gradually encompassing all the individual private farms, and in depth, establishing an entirely new kind of material and technical base, growing stronger organizationally and economically, improving the structure and technology of production, and raising output and the cooperative farmers' incomes.

The Party and the government extend constant care to the cooperative system in agriculture and its advancement. Of particular significance in this respect are the measures carried out after the April 1956 Plenum of the CC of the BCP. The government carried out a series of measures to solve the pressing problems in agriculture and raise the cooperative farmers' material interest in increasing the output of agricultural produce and reducing its costs. The farm prices of staple agricultural products were raised, the system of compulsory state deliveries was abolished and contractual purchasing at fixed farm prices was introduced. The cooperative farms were granted financial facilitation and the prices of capital goods manufactured by industry for agriculture were reduced. Financial aid was rendered to underdeveloped cooperative farms in the mountainous and semi-mountainous regions. The questions concerning the retirement of cooperative farmers were solved. This created lasting material stimuli in agriculture and gave a powerful impetus to the development of the cooperative farms.

At the end of 1958 and the beginning of 1959, a merger of the cooperative farms was carried out. The existing 3,200 and over cooperative farms were merged into 945, and the average area of cultivated land increased from 1,062 to 4,505 hectares. This amalgamation marked a new stage in the development of the cooperative system in agriculture, characterized as follows:

First, the cooperative farms merger opened up new and greater possibilities for utilization of the land, labour resources, machinery and other means of production to the full, and provided the conditions for a most appropriate production specialization and for applying the latest achievements of science.

The amalgamated cooperative farms can make use of all the advantages of large-scale production over small-scale one, and have greater financial and economic possibilities to build a modern technical base of agricultural production.

The cooperative farms launched intensive meliorative undertakings and began establishing big plantations of perennial crops, something which the small enterprises could never afford financially.

Secondly, technological progress in agriculture was accelerated. Great headway was made from partial mechanization of individual production processes to a complex mechanization of all the basic and auxiliary operations in crop-raising and livestock-breeding. In order to ensure unity of all factors of the production process it became necessary to change the form of technical servicing of the cooperative farms. In 1962 and 1963 most cooperative farms bought the tractors and other agricultural machinery from the machine-and-tractor stations, set up their own repair workshops and improved considerably the exploitation of the machinery.

Third, agriculture was saturated with a large number of highly qualified managerial cadres and agricultural specialists. University-trained specialists were promoted chairmanship and other posts of responsibility. Working on each amalgamated cooperative farm were 10-15 specialists with higher education: agronomists, zootechnicians, vets, engineers and others. Agriculture already had at its disposal 120,000 tractor, combine-drivers and other machine operators. The skills of all cooperative farmers were upgraded and they became true organizers and masters of agricultural production.

Fourth, this stage was characterized by a further socialization of the land and the other means of production. The movement for a voluntary abolition of the rent from the land promoted the cooperative farms to a higher level in their development as socialist agricultural enterprises.

At that stage the cooperative farms became the main and almost exclusive producer of some staple products in this country.

In this way the cooperative farms merger created more favourable conditions for a faster growth of the productive forces and for improving production relations in agriculture.

*The Scientific and Technological Revolution
in Agriculture and the Development of the Cooperative
Farms. Establishment of Agro-industrial Complexes*

The main trend in Bulgarian agriculture today is intensification, which proceeds under the influence of two exceptionally important factors: the scientific and technological revolution and scientific management.

The present-day scientific and technological revolution differs in character and scope from its predecessor, the industrial revolution. It has raised the role of science and linked it directly with production, and has introduced qualitatively new elements in the revolutionary transformation of production, such as automation and cybernetization, and radical changes in the technology, organization and management of production. The modern scientific and technological revolution has had a tremendous impact on the development of agriculture. While the technical revolution in the 19th century encompassed mainly the branches of industry and left agriculture almost unaffected, the contemporary scientific and technological revolution has brought about profound revolutionary changes in this sphere of production, too. **The main and decisive requirement of the scientific and technological revolution in the agricultural sphere is the introduction of industrial technologies in production and industrial methods in its organization and management.**

Intensification is now associated with the application of industrial methods and comprehensive solution of all problems of agricultural production, including mechanization, technology, chemicalization, irrigation, improvement of crop varieties and livestock breeds, organization and so on. Production, processing and marketing are united in a single cycle.

Among the activities and crops in which industrial methods have been introduced at this stage are mainly those for which systems of machines for comprehensive mechanization have been developed and technologies have been evolved accordingly: grain production sunflower and sugar-beet growing, poultry and pig breeding, etc. Models are being worked out for the introduction of industrial methods also in vine-growing, market-gardening, tobacco production, cattle breeding and other branches. By and large, the present stage is characterized by a creative quests and the development of models for introducing

industrial methods in agriculture. The industrialization of agricultural production will sharply raise labour efficiency, reduce production costs and make Bulgarian agricultural products more competitive on world markets. In the final count, it will create more favourable conditions for raising the people's living standards.

Industrial technologies engender a number of new problems in agricultural production, including the need for further concentration and specialization.

The consistent intensification and industrialization of agricultural production are possible in the conditions of a higher degree of concentration and specialization of production that open up much wider prospects for applying the latest achievements of modern science and technology. The theories advanced and upheld in the past by bourgeois economists in this country and abroad about the advantages of small-scale farming over large-scale agricultural production have sustained an utter fiasco. The great advantages of large-scale production in agriculture have been proved both in theory and practice. One of the main problems in agriculture in all countries now is to find ways for its further integration and mechanization.

Of all forms of concentration of agricultural production which were experimented with, the April 1970 Plenum of the CC of the BCP endorsed the agro-industrial complexes (AIC) as the most suitable and promising one.

The agro-industrial complexes are socialist economic organizations with a high degree of concentration and branch specialization of production. They create conditions and open up vast prospects for applying the achievements of scientific and technological progress, for introducing industrial methods in production and integrating agriculture with the food industry. They unite on the principle of voluntariness cooperative and state farms and other enterprises and organizations from a micro-region with approximately the same soil, climatic and economic conditions and with similar conditions for production and possibilities for specialization. An agro-industrial complex may incorporate enterprises which are either cooperatively or state owned. The individual enterprises retain a relative organizational, economic and juridical independence.

The agro-industrial complex manages the overall economic activity of its members. For the purpose the management of the agro-industrial

complex carries out a scientifically substantiated territorial and branch concentration and specialization of production and sees to the proper distribution of the productive forces.

The agro-industrial complex sets up its own specialized enterprises for the production and processing of agricultural produce which are equipped with modern machines. They are set up with funds of the complex and credits and operate on the basis of self-support.

For the needs of its members and enterprises the agro-industrial complex organizes a unified system of supply, storage facilities, transport, a common agro-chemical centre and building enterprise, processing plants, etc.

The accumulation of funds from the individual members and enterprises is centralized in the agro-industrial complex, allowing it to introduce industrial technologies in agriculture and carry out a wide-ranging social and cultural activity.

In 1980 there were 283 agro-industrial complexes in Bulgaria, each having an average of 12,702 hectares of arable land, 2,823 people employed in production, and 19 million levs in fixed assets.

The agro-industrial complexes are the successors and continuators of everything positive created by the cooperative farms and are further applying their experience in the development of agricultural production and improvement of social relations in the countryside in the conditions of the scientific and technological revolution and building the advanced socialist society.

CONCLUSION

The agrarian question in Bulgaria was solved radically and for good with the establishment of the cooperative farms and with the triumph of the cooperative system. They destroyed the narrow framework within which agriculture had developed under capitalism, created the material prerequisites and opened up wide vistas for the development of the productive forces.

From a means of exploitation and a cause of discord in the past, the land became public property and a common possession of the working peasantry, an object for applying their constructive, creative labour and a source of affluent and cultured life.

Small-scale and primitive production gave way to large-scale scientifically organized, mechanized, highly productive and profitable agriculture. In terms of staple-crop yields per unit of land Bulgaria is today among the foremost countries in the world.

From the strata of poor and middle peasants, exploited and oppressed under capitalism, emerged the class of cooperative farmers — free and educated bearers of the loftiest virtues of the man of today.

Formerly an underdeveloped agrarian country, Bulgaria has become an advanced agrarian-industrial state with a stable and rapidly growing economy.

Professor KALCHO KALCHEV,
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**ECONOMIC AND SOCIAL RESULTS
OF THE AGRARIAN REFORM
IN BULGARIA**

The development of each society is governed by objective laws. Their action, as reflected in the changing level of productive forces and character of production relations, leads to the transition from lower to higher forms of society's organization. In this sense the triumph of the cooperative system in the Bulgarian village has brought about radical quantitative and qualitative changes in its socio-economic development.

Here we shall try to reveal the economic successes and social changes and achievements as a result of the collectivization of farming in this country—the increase of agricultural production, the improvement of the living standards, life-style and culture of the population, etc.

1. Economic successes as a result of the agrarian reform and the establishment of the cooperative system.

First and foremost, the agrarian reform and the establishment of the cooperative system in agriculture created possibilities for concentration and specialization of the different branches in cooperative farms, and later in agro-industrial complexes and in whole regions of the country, in accordance with the natural and socio-economic conditions. Conditions and possibilities were likewise created in the individual agro-industrial complexes for an optimum specialization and concentration of the land, fixed capital, material and technical facilities, as well as for an optimum distribution of the labour resources.

The agro-industrial complexes in the grain-producing regions have set up a new type of work teams for grain and fodder production on an industrial basis, each including several dozen machine operators catering for 2,000, 3,000, 4,000 or more hectares of land and equipped with modern highly-productive machines: powerful tractors of 150-200 hp, combine-harvesters and others.

Conditions for growing fruit on plantations of 1,000 – 2,000 hectares each at the highest scientific and technical level have been created in agro-industrial complexes in Plovdiv and Varna district.

Market-gardens and vine plantations of 1,000 to 3,000 hectares each, have been laid out for cultivation on an industrial basis.

Concentration and specialization have been gradually carried out in livestock and poultry-breeding, too. At the beginning the cooperative farms had cow-breeding farms with 80 to 150 cows, sheep farms with 1,000 to 3,000 ewes and poultry farms with up to 5,000 layers

each. Today the size of cow farms is between 500 and 1,000 or more cows each, and there are beef farms at a number of agro-industrial complexes on which 3,000 to 10,000 or more calves are fattened every year. Pig farms for fattening 20,000 and up to 100,000 pigs a year, poultry farms with a capacity of 100,000 to 300,000 layers and broiler farms with a capacity of 5 to 10 million broilers a year each have also been set up.

All this growth is most closely connected and interdependent with the expansion of the machine and tractor fleet and the industrialization of agricultural production.

The fixed production assets in agriculture have been continuously increasing and more than doubled every 10 years. For instance, in 1968 they amounted to 1,940 million, in 1970 to 4,353 million and in 1980 to 8,500 million leva. (Statistical Yearbook of the People's Republic of Bulgaria, 1980, p. 126; Ibid., 1981, p. 116).

Agriculture has been steadily supplied with increasingly advanced machines and equipment in keeping with the requirements of concentration and specialization of production. On the other hand, the new machinery has been a factor in the development of this process.

Upon the establishment of popular rule in this country, agriculture had at its disposal about 3,000 tractors and not a single combine-harvester. Thanks to the fraternal assistance of the Soviet Union and the other socialist countries, collectivization of farming went apace with its supply with tractors, combine-harvesters and other agricultural machinery. Five hundred combine-harvesters were imported from the Soviet Union in 1950-1951 alone, when the cooperative farms were established on a mass scale. Every year since then our agriculture has been supplied with increasingly advanced machines. Agricultural engineering plants have also been built with Soviet assistance. In 1980 our agriculture had 150,540 tractors (in terms of 15 hp) and 21,000 combine-harvesters, while the energy resources amounted to 12,009,000 hp.

Chemical fertilizers were almost unknown in our agriculture till the Second World War. The country's fertilizer plants built after the establishment of popular rule supplied the national agriculture in 1982 with more than 1 million tons of fertilizers, or over 230 kg per hectare of arable land.

The use of electricity in farming was practically unknown prior to its collectivization. In 1970 the consumption of electric power in

agricultural production amounted to 675 million kWh and in 1980 to 1,048 million kWh.

Another salient feature of the development of the material and technical basis of agriculture is the acreage of land under irrigation, which increased from about 40,000 hectares prior to the establishment of the cooperative system to over 1.2 million hectares, or more than 26 per cent of the arable land today.

Broad vistas have opened up for the development of agricultural science which is concentrated in the Agricultural Academy with its research institutes, experimental stations and research and development units. Through selection, high-yield crop varieties and highly productive livestock and poultry breeds have been developed and introduced in practice.

As a result of comprehensive agrotechnical, agrochemical, agrobiological and other undertakings, of the introduction of the latest achievements of science and technology and of industrial technologies in agricultural production and its intensification, crop yields and livestock productivity have increased several-fold compared with those achieved in small-scale farming.

For instance, average wheat yields have risen from 1,100-1,200 kg per ha and a record high of 1,310 kg in 1939 and 1,155 kg in 1948 to 3,965 kg in 1980 and to 4,620 kg in 1982, and this country has emerged among the leading wheat-producing nations of the world.

In maize production, the average yields increased from 1,360 kg of grain per ha in 1939 and 1,180 kg in 1948 to reach 4,820 kg in 1979 and 5,480 kg in 1982. Similar achievements have been registered in many other crops.

The average milk yield per cow jumped from 450 litres in 1939 to 2,973 litres in the public sector in 1980. In the past two years it has exceeded 3,000 litres. The average wool shear per sheep went up from, 1,511 kg in 1934 to 4,447 kg in 1980. The average layability per hen has increased from 73 eggs in the past to more than 200 eggs in recent years (202 in 1980).

Farm produce per capita is also much bigger. Thus, for instance, while in the 1945-1948 period the average per capita wheat production was 185 kg, in the 1975-1980 five-year plan period it was 398 kg; maize production rose from 76 to 299 kg respectively; sunflower seed — from 13 to 45 kg; Oriental tobacco — from 4.9 to 13.6 kg;

sugar beet from 38 to 208 kg; milk from 82 to 224 litres, meat from 27 to 85 kg, and so on.

As can be seen, the output of many agricultural products now exceeds the per capita needs of them which allows the allocation of considerable quantities for export.

The most significant indicator of the successes of large-scale cooperative farming is its total output. Taking 1939 as a basis = 100, in 1980 it reached 256.2, a more than 2.5-fold increase, with the total output of crop-growing rising to 210 and that of livestock and poultry-breeding to 333.2, which shows that the latter has been growing much faster. According to statistical data, labour efficiency in 1979 was 8 times higher than in 1939. This indicator is the chief criterion for the advantages of large-scale cooperative agriculture in the People's Republic of Bulgaria over the small-scale private farming under capitalism in the past. It is an indicator of the advantages of concentrated and specialized agricultural production in the agro-industrial complexes, industrial- and agrarian complexes, research and production amalgamations and others, over the small- and medium-scale farms under capitalism.

The Twelfth Congress of the Bulgarian Communist Party has set new tasks for the development of agriculture at higher rates in the Eighth Five-Year Plan period till 1985, and up to 1990, with a view to meeting still better the needs of the population and industry for agricultural products, and the requirements for exports. The Congress has set the task of developing agriculture further through the intensification of production, the introduction of the latest achievements and discoveries of science and technology, the application of home and foreign front-rank experience and so on. It has also set the task to solve the grain problem in the first place, by increasing the production of cereals, including fodder grain, to 10.5-11 million tons, or to over 1,200 kg per capita. This will help solve the fodder problem too, and boost the output of animal produce for local consumption and for export. Agriculture is to be supplied with additional quantities of modern machines, fertilizers and preparations and with more productive crop varieties and livestock and poultry breeds. On aggregate, agricultural production during the Eighth Five-Year Plan period is planned to increase by 20 per cent over the Seventh one.

In 1982 agricultural produce increased by 4.7 per cent over 1981. The production of cereals amounted to 9,957,000 tons, an increase of 15.3 per cent over 1981. The production of meat went up by 4.7 per cent up, of milk by 5 per cent up, of eggs by 3.1 per cent up and so on. Agriculture was supplied with nearly 3,600 new tractors, more than 1,200 grain combine-harvesters and many other agricultural machines and transport vehicles. Agriculture is passing increasingly on an industrial basis, agricultural labour is getting ever closer to industrial labour and its qualification, intellectualization and productivity are increasing.

2. Social consequences of the triumph of cooperative ideas in the Bulgarian village.

The agrarian reform and the establishment of the cooperative system in Bulgarian agriculture, the growth of its material and technical base and the country's industrialization have brought about progressive qualitative social changes in Bulgaria's rural economy.

First of all, the open and hidden unemployment inherited from the past was done away with. Historical data show that before the establishment of popular rule nearly 40 per cent of the able rural population had seasonal, or part-time employment. Under the new conditions, full employment was ensured for most of the population thanks to the expansion of agricultural production and the rising standards of land cultivation. The remaining part, mostly young people, opted for a career in industry and industrial construction.

Secondly, a tendency towards a reduction in the number of the village population became manifest with the introduction of scientific and technological achievements in agricultural production, its intensification and the rise in labour efficiency. Thus, for instance, while prior to the establishment of popular rule more than 82 per cent of the country's population lived in rural communities, in 1981 the share of the rural population was 36.5 per cent. Over this period the country's population increased by 27 per cent. The tendency to urbanization and concentration of the population in territorial industrial agglomerations is a progressive one. Naturally, urbanization is also an expression of the growth of some rural communities into towns and of the appearance of new industrial urban centres.

Third, the incomes of rural households in specie have been continuously increasing which is a conspicuous social development. Thanks to the general educational and cultural policy and the perfection of the system of distribution, conditions have been created for a more affluent life.

Fourth, as a result of scientific and technological progress, the rapid mechanization of agricultural production and the introduction of industrial technologies, agricultural labour has changed in character and is increasingly becoming a variety of industrial labour. A new type of agricultural workers have appeared. They operated sophisticated machines and mechanisms, use electricity and chemicals and apply the achievements of agronomical and zootechnical science in practice. The principles and methods of production organization and management typical of industry occupy an increasing share in their field of activity.

Considerable changes have occurred in this spirit in the division of labour and occupational structure of agricultural workers. Gone are the days of primitive universality of farm work by the use of wooden ploughs, draught animals and other implements of manual labour.

With the introduction of machines in farming and the development of comprehensive mechanization the number of people without a speciality is diminishing, while many new professions and workers with a narrow specialization have appeared. In the first years following the establishment of popular rule these were the tractor, combine-harvester and truck drivers, the team leaders, accountants and operators of tractor-driven machines, after whom appeared the operators of more sophisticated machinery, technicians working on land improvement-projects, electricians and others. Their work has earned recognition for the profession of agricultural machine operators.

In the course of development from partial to complex mechanization in agriculture there has been a rapid increase in the personnel of machine operators with a broad technical training, such as tractor-drivers and operators of livestock and poultry farm equipment. Formerly unknown professions, closely linked with the mechanization and automation of agricultural production and management have appeared. These are the machine-operators in grain production and market-gardening, operators of milking installation and feeding

equipment on livestock and poultry farms, dispatchers, programmers, analyzers, laboratory technicians and others. The social image and thinking of agricultural workers are gradually but tangibly changing and are getting closer to those of industrial workers.

The main figure shaping the image of agricultural workers is the machine-operator. The personnel employed in mechanization will determine the future of Bulgarian agriculture as well.

The changes in the material and technical basis of agricultural production and the deepening division of labour have led to considerable changes in the level of education of agricultural workers. Their standards of education, qualification and general culture have substantially increased. Their ranks are continuously replenished with more specialists and skilled workers with higher and secondary special education. From 17,000 in 1959 the number of specialists with higher and secondary education in agriculture has risen to more than 50,000. Out of the total number of specialists with higher, semi-higher and secondary special education in this country in 1981, 6.22 per cent were employed in agriculture. Over the past 10 years their number has increased by about 17,000, of those with higher education by 32 per cent, with semi-higher education by 88 per cent and with secondary special education by 48.6 per cent.

Over 20,000 specialists with higher and nearly 30,000 specialists with secondary education are employed in agriculture today. Some 80,000 machine-operators are engaged in agricultural production and nearly 7,000 skilled workers service milking installations on dairy farms. More than 2,100 scientific workers work in the field of farming. In relation to the total number of workers and office employees engaged in agriculture these cadres are close to 15 per cent, and in proportion to the workers alone who are 704,641 people, the machine-operators and other specialists except those with higher education they are close to 17 per cent.

Another characteristic feature of the radical social changes in the Bulgarian countryside under socialism since 1944 is the new way of life and thinking of the Bulgarian peasants.

People who have had a chance to visit the Bulgarian villages 30-35 years ago are definite on visiting them again today that they have been totally renovated and that people there lead a modern life. This is

admitted even by the enemies of existing socialism. That is the result of the continuous progress of the Bulgarian village.

The People's Republic of Bulgaria has a most comprehensive social security scheme for agricultural workers.

The main trend in this respect has been the increase of the share of the state in providing the necessary funds for pensions and indemnities. From their very emergence the cooperative farms assumed the obligation to meet a part of the social needs of their members.

However, practice has shown that a comprehensive solution to the question of the cooperative farmers' social security cannot be achieved through the efforts of the cooperative farms alone because they are not in a position to allocate enough funds for the purpose. That is why a centralized state-cooperative fund was set up in 1957. The pensioning of cooperative farmers was also introduced that same year. Bulgaria was among the first countries in the world to introduce a retirement scheme for peasants under which men at the age of 60 and women at 55 are entitled to state pensions. Cooperative farmers also receive pensions in case of disability.

In 1970 the government adopted measures for gradually levelling up the retirement terms of cooperative farmers with those of industrial workers and office employees. Since 1973 cooperative farmers have been receiving the same monthly family allowances as industrial workers and office employees. The privileges enjoyed by the latter, such as additional maternity leaves, increased lump-sum benefits upon employment accidents and bigger cash indemnities and leaves for looking after a sick child, have been granted to cooperative farmers as well. In 1976 cooperative farmers were granted the same retirement and social security terms and rights as industrial workers and state servants. This is a historic gain of the Bulgarian peasants.

In the conditions of existing socialism farmers work not only for themselves but for the whole of society. This being so the risks in agriculture had to be taken not only by those employed in it, but also by society. This concept was most concretely expressed in the setting up of a centralized fund in 1982 by the state and the cooperative farms against risks in agriculture, called "Bad Harvest, Natural Calamity and Economic Influence".

The social consumption funds play an increasingly important role in meeting the growing needs of farmers. These funds have become a

vehicle of social and cultural progress of the Bulgarian village and a powerful means of satisfying the diverse needs of farmers. A policy of gradually levelling up the difference in the incomes of farmers and of industrial workers and office employees is being consistently implemented.

As a result of the rapid growth of the farmers' incomes the level of consumption in rural areas is steadily rising and its structure is improving. Consumption per household in the villages has more than doubled over the past 30 years.

Over the same period the food expenses per household in the villages have dropped from 52.6 per cent of their total spending to 45.6 per cent. Considerable qualitative changes have also occurred in the diet of the rural population: the consumption of foods of a higher nutritive value has increased. The interior appointment of village houses has radically changed and in many respects is in no way inferior to urban homes. The housing problem in Bulgaria's rural areas has been solved once and for all.

The spendings on manufactured goods, services, furniture and other consumer durables, as well as on recreation and entertainment, have been steadily growing. In the past 10 years the spendings of agricultural workers' households on clothing have risen nearly 4-fold, on housing and furniture more than 4-fold and so on. The radio and TV sets have become a salient feature of the village home.

Today's younger generations learn about life in the Bulgarian villages under capitalism only from books, archive films and old houses, hamlets and streets which have been preserved as museum exhibits. Our contemporaries have witnessed how rural homes changed beyond recognition. While in the past there were people who slept on rush-mats on the floor, today bedroom suites, upholstered furniture, Persian-type rugs and other luxuries are a common sight in village homes. Bathrooms are no longer a luxury but an everyday necessity.

The consistent implementation of the policy of intensifying agricultural production and the introduction of industrial technologies and methods of production have led to thorough-going changes in the way of life in the villages, and have stepped up the process of its growing closeness with urban life. The most characteristic sign in

this respect are rural housing conditions and their updating and improvement from the point of view of architecture, urbanization and interior appointment. The image of Bulgarian villages has radically changed and is getting increasingly closer to that of urban communities.

A considerable part of the villages are developed on the basis of new town-planning and architectural designs in line with the latest requirements of rural socio-economic development. Many villages have become urban-type settlements. All villages are supplied with electricity and running water.

At present 50 per cent of the village households have washing machines, over 50 per cent have refrigerators and more than 60 per cent have TV sets. In the past 10 years the number of villages with sewage systems has increased by about 50 per cent. The number of places at nurseries and kindergartens has doubled over this period, which has made it possible to accommodate in them up to 100 per cent of the infants in the younger, and nearly 30 per cent of the children of the second age group. Bulgarian women in the villages today are to a large extent relieved of the dreary household chores of the past.

The triumph of the cooperative ideas and of the cooperative system in the Bulgarian village during the years of popular rule has, in the long run, removed the basic differences between town and village populations.

The narrowing of the gap between towns and villages in this country is done not only by raising continuously the economic and social level of rural communities but also by improving the network of communications between them. Round-the-clock bus services link the rural communities with the cities. More than 90 per cent of the roads in Bulgaria are asphalt-paved. It is no longer a problem for villagers to go to the cinema, the theatre or to a concert in the neighbouring town or city, and return home at night. Village children commute comfortably by bus to special vocational schools in the towns.

As a result of the rise in educational standards and occupational skills and of the rapid development of the mass media, Bulgarian farmers can familiarize themselves and profit by the latest achievements in science, technology and culture. Most indicative in this respect is the rapid growth in the number of cultural establishments in Bulgarian villages. The number of cinemas has increased 4-fold over

the past 30 years, that of libraries by more than 2,000, and the stock of books 3 times over.

Almost all villages have primary schools while the bigger ones have secondary comprehensive, technical or vocational schools. Most of the graduates of village primary schools continue their education at various kinds of secondary comprehensive, vocational or other schools. The doors of universities, especially agricultural ones to which they are admitted with priority, are wide open to the young men and girls from the villages.

The radical change in the life-style and cultural standards of rural communities is playing a no less significant role in keeping manpower in agriculture than material incentives to labour. The overall improvement of the material and cultural standards and living conditions in the villages has created the prerequisites for keeping better educated and highly qualified manpower in agriculture and for regulating the migration from village to town.

The progress of the Bulgarian village over the past four decades since the establishment of popular rule in 1944, is an irrefutable proof that a complete triumph of the cooperative system in agriculture, a radical renovation of the villages and a positive change in their inhabitants' thinking can only be achieved in the conditions of a people's democracy along the path of socialist development.

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**PERSONNEL TRAINING –
AN IMPORTANT FACTOR
FOR THE IMPLEMENTATION
OF THE AGRARIAN REFORM**

The subjective factor of production, i.e. man with his knowledge and experience, is among the decisive ones for the socio-economic progress of any country. This is particularly true of the role of personnel in carrying out revolutionary reforms and boosting the effective development of agriculture. This inference has been confirmed by Bulgaria's social experience in the field of personnel training and in using them for the purpose of carrying out the agrarian reform and ensuring the prosperity of cooperative farming.

The agrarian reform is a knot entangled in which are the tasks concerned with the alteration of the forms of land ownership, the mode of distributing farming revenues among the members of society and those engaged in this particular branch in view of doing away with overt and hidden unemployment, increasing production, raising its effectiveness and meeting the population's growing needs.

The agrarian reform in Bulgaria following the socialist revolution was carried out by pooling the land and farming implements of small and middle-bracket holders into cooperatives and by redistributing the land of big landowners. In effect, these were profound qualitative changes which, together with the subsequent development of agriculture, put new requirements to both managements and personnel, namely that they should be ideologically convinced of the advantages of cooperative farming, that they should be able to influence the thinking of peasants in favour of cooperative ownership and a collective form of management of agricultural activity; that they should have a new style and methods of managing amalgamated cooperative agriculture, organize the labour of a large number of agricultural workers so as to combine most felicitously personal, collective and public interests by applying widely the principle of cooperative democracy, create a

new material and technical base by employing the latest achievements of science and technology, improve it and make its use more effective, use the methods of planning in management and other activities, make a conscientious and not sporadic use of commodity-money relations for stimulating labour activity, effect a socially fair distribution of incomes and lead each cooperative farm and its divisions and units to increasingly better production results.

Parallel with that the managerial and executive personnel had to overcome the opposition of ideological and political enemies to this progressive agrarian reform. They had to fight also the conservatism of a large number of petty and middle-brackets farmers who were firmly committed to private landownership, and tradition and feared the future in the new conditions of agricultural production. All this required a sound ideological and political training and endurance of the personnel.

The need for revolutionary changes in production relations and for raising the standards of productive forces in agriculture prompted the People's government to simultaneously train personnel, carry out an agrarian reform and organize the new forms of agricultural production, as this was badly needed. The following ways were resorted to for solving the skilled personnel problem: a) a quick training and retraining of the available personnel and their involvement in solving the new tasks; b) studying quickly and borrowing the experience of Soviet kolkhozes, the world's first farming cooperatives; c) well-planned training of qualitatively new local personnel in keeping with the requirements of cooperative agriculture and its most urgent tasks.

During the initial stage following the victory of the revolution the People's government had to use the services of the *personnel potential inherited from the past* for carrying out the agrarian reform and boosting agricultural development. A differentiated approach to this potential was chosen. The leading place in carrying out the revolutionary changes in agriculture was allotted to the participants in the revolution themselves, such as revolutionaries, progressive people from the farming and universal rural cooperatives established before, as well as to new devout followers and supporters of the agrarian reform. In the conditions of the re-

volutionary explosion the number of the latter grew. But that was an intricate process. Not all the agricultural specialists from the bourgeois system supported the agrarian reform. That was natural because the bourgeoisie had trained skilled personnel for its own ideological and political ends and concepts. The People's government had to influence their thinking and use special knowledge in the sphere of agriculture.

A source of managerial personnel for the cooperative farms and of specialists for the different sectors of agriculture were the people with higher agricultural education. Ever since Bulgaria's liberation from Ottoman domination such specialists had been trained abroad, in Czechoslovakia, Austria, Belgium, France, Germany. Some of them returned home not only as good specialists but also as carriers of revolutionary ideas and supporters of farming cooperatives.

A very important role in training local specialists for the needs of Bulgarian agriculture was played by the agro-forestry and veterinary faculties of Sofia University. Most of the students in them were progressive village youths. It was these specialists employed in scientific institutes, experimentation stations of plant-growing and livestock-breeding and agricultural chambers, and founders and managers of farming cooperatives in the conditions of bourgeois rule, united in progressive unions of agronomists, vine-growers, that became pioneers in carrying out the agrarian reform and establishing socialist cooperative farms. For instance, one-month courses for agronomists who were appointed to set up cooperative farms and work in them were organized already in March 1945, i.e. only a few months after the revolution. These courses offered qualitatively new knowledge in the field of cooperative farming. The number of these courses rapidly increased. Among the lecturers were the country's best specialists who were bearers of revolutionary ideas. Some of them had graduated in the Soviet Union.

The graduates of *secondary agricultural schools* were recruited for the needs of the agrarian reform as medium-level managerial personnel and agricultural workers. Such schools had been set up already under the bourgeois regimes either at the initiative of progressive agricultural functionaries for the purpose of raising the culture of peasants, or of training specialists for the big capitalist farming estates. At these schools with a 5-year course of study, on

the basis of well prepared curricula and thanks to qualified instructors, the pupils received a solid training in plant-growing, viticulture, market-gardening, etc. After passing through short courses and seminars, these specialists were appointed managers of cooperative farms or team leaders.

In Bulgaria there was one more type of schools training specialists for agriculture in the fields of crop-raising, livestock-breeding and farming machinery. They were called *practical agricultural schools*. Applicants were admitted after completing their primary education. The course of study lasted 2 or 3 years. Knowledge in the field of agriculture could also be acquired in extended courses, mostly during the winter season, in which young people enrolled to get some basic farming knowledge.

Among the sources of agrarian reform cadres were also the progressives who had graduated from the Semi Higher Agriculture Institute.

There were other sources of providing specialists, too. Cooperative theory and practice were taught at all the country's secondary and higher schools of economics and commerce. The cooperative idea had permeated deeply in the consciousness of the economics intelligentsia, especially in the rural areas. Much of the credit for this belonged to the Semi Higher Cooperative Institute which was later closed by the reactionary bourgeois governments. Many of the graduates of these educational establishments were used for the needs of cooperative farms as accountants, economists, planning experts, etc.

The People's government also employed specialists from among the members of the youth cooperative groups set up at almost every universal crediting or farming cooperative. About 300 youth teams were formed on this basis at the cooperative farms already in 1948. They were directly engaged in production. More than 200 agrotechnical scientific seminars were set up to raise their knowledge and skills.

It should be pointed out that the short-term courses for the training of managers and other managerial personnel of cooperative farms, of team and group leaders and for raising the knowledge of the agricultural workers played a most important role in the establishment of cooperative farms during the initial period of their activity. The purpose of these courses was to give the participants

in them basic and modern knowledge in the field of organizing and managing cooperative farms, the scientific organization of labour, the improvement of the effectiveness of farming, livestock breeding, mechanization and the operation of the machines which were being introduced in agriculture. These courses were organized by the Ministry of Agriculture for top-level managerial cadres, by the agriculture departments of the district people's councils for intermediate level agricultural cadres, and by the cooperative farms for the training of team and group leaders and workers. The lecturers and instructors were scientists, agronomists, specialists in animal husbandry and shock workers. These were out-of-service and evening courses and among those attending them were people from all age-groups and with different schooling. The whole country became an agricultural university for the people. The courses were of varying duration, from a week to three months. Field practice was held side by side with the reading of lectures. The necessary textbooks and practice manuals began to be published gradually.

Along with the training of skilled workers, it was also necessary to raise the qualification and proficiency degrees of those who had already finished the elementary courses for agricultural workers. Obviously, this form of accelerated training of skilled personnel in short-term courses for the needs of the agrarian reform is of special interest to the developing countries.

Naturally, the nucleus of the inherited potential of specialists with ideological conviction and experience in cooperative farming were the not very large number of specialists with higher and special secondary education and the persons who had taken part in the setting up and management of cooperative farms before the establishment of popular rule. It was mainly they that headed the agrarian reform and had a decisive share in its success.

The specialists who have received their education in the Soviet Union are credited with a decisive contribution in training local skilled personnel, in introducing progressive experience and in further developing cooperative farming in this country. At the very beginning of the reform cooperative farm managers and specialists in crop-raising and livestock-breeding were sent to the USSR to study the experience of the kolkhozes. They returned home with better knowledge and greater experience which spread

quickly. The Soviet Union sent to Bulgaria consultants and advisers who gave on the spot their contribution in carrying out the reform and organizing the activity of the cooperative and state farms and of the machine-and-tractor stations. Agricultural machinery was received mainly from the USSR and its use demanded the presence of Soviet specialists. We should note the broad development of scientific and technical cooperation and the exchange of experience between Bulgaria and the Soviet Union. Later this form of cooperation developed also with the other Council for Mutual Economic Assistance member-states which embarked on the road of cooperative farming.

The new socialist form of organization of cooperative farming ensured progress but also demanded highly qualified managerial personnel and agricultural workers. This is the reason why some cooperative farms began lagging behind, as there appeared a discrepancy between the availability and need of skilled agricultural personnel. There was a shortage of agronomists, livestock specialists, veterinary doctors, land surveyors, engineers, planning experts, accountants and other specialists. In a number of cooperative farms the education and qualification of managers and team leaders was inadequate.

At the same time the material and technical basis of the cooperative and state farms and machine-and-tractor stations rapidly grew. A need was felt of engineering and technical personnel. The branch and intra-branch structure of agriculture grew more sophisticated. The extensive factors for its growth were exhausted. A migration of the rural population to urban communities was witnessed where it found employment in industry and construction. A need was felt for intensifying agricultural activity and introducing more productive machinery and industrial technologies. These and other factors called for raising further the educational and occupational level of manpower in agriculture.

In order to comply with these new needs of skilled personnel the People's government turned into a state policy the planned training of specialists with higher agro-economic education, of medium-level farming personnel and skilled workers.

A Higher Agricultural Academy was set up in 1948. It united faculties of agronomy, veterinary medicine, forestry, animal husbandry and electrification and mechanization of agriculture. It

gave fundamental and applied knowledge and trained specialists for modern farms of a high technical and scientific level. The number of agricultural personnel with *higher education* increased. The impetuous development of agriculture called for expanding further the training of specialists with higher education too. For the purpose some of the faculties of the Agricultural Academy grew into independent higher education establishments such as a Higher Institute of Agriculture, Higher Institute of Veterinary Medicine, Higher Institute of Mechanization and Electrification of Agriculture and Higher Institute of Forestry. Scientific research establishments concerned with different fields of agricultural activity were set up: an Institute of Agricultural Economics, Organization and Planning, an Institute of Wheat Growing, an Institute of Maize Growing, an Institute of Livestock Breeding, an Institute of Vine Growing, an Institute of Cotton Growing etc. Some of these developed on the basis of former experimentation stations. These institutes are now located in different parts of the country: Sofia, Plovdiv, Stara Zagora, Pleven, Tolbukhin and elsewhere, and are thus close to the needs of agriculture in these regions.

So, the People's Republic of Bulgaria has the necessary higher education establishments for the training of agricultural specialists. These educational and research establishments are staffed by highly qualified scientific experts — academicians, professors, associate professors, senior research workers and laboratory technicians. Thanks to scientific studies and their application in practice agriculture has scored outstanding successes in increasing crop yields and raising the productivity of animals. High-yield and draught-resistant varieties of wheat, maize and other crops have been developed and introduced. New highly productive farming machines which ensure a high degree of mechanization have been introduced. Industrial technologies are applied in the raising of a number of crops. This suits the newest form of agricultural production organization, the agroindustrial complexes. Inner proportions in the higher scientific potential of specialists have also been formed, i.e. a proper ratio between agronomists, veterinary doctors, engineering personnel and so on. The quality of training at the agricultural education establishments is being continuously raised: curricula and syllabuses are improved and the lecturing and re-

search staff raise their qualification through post-graduate studies and specialization in this country and abroad. In Bulgaria there is a large number of Doctors and Candidates of Agricultural Sciences. At the beginning they gave their share in carrying out the agrarian reform and today contribute to raising higher the level of Bulgarian agriculture.

The planned character of the training of agricultural specialists presupposes the maintenance of proportions between specialists with higher and secondary education. It is only natural that a number of functions of agricultural labour do not require higher education. It is in the country's interest that part of the total number of specialists be allocated for performing functions requiring secondary agricultural education. That is why in this field too the People's government has raised the training of *secondary-education agricultural specialists* to the level of state policy. The number of agricultural vocational schools has risen from 4 before the establishment of popular rule to about 85 at present. They specialize in different kinds of agricultural activity and have all the necessary facilities. These schools are staffed by very good teaching personnel. The study plans and programmes are continuously improved. Many of the graduates enter employment in material production directly. The best of them continue studying at establishments of higher learning.

Thanks to this policy in the training of personnel with higher and secondary special education, the Central School for Cooperative Farm Managerial Personnel which was set up in the first years of popular rule proved to be no longer necessary. Naturally, its experience is essential for countries where the agrarian reform is to be carried out against the background of a shortage of farming specialists with higher and secondary education. The managerial personnel of the agro-industrial complexes are agronomists, engineers or other specialists with higher and special secondary education. Through the years, the tendency of increasing the number of cooperative farm managerial personnel with higher education is evidenced by the following data: out of a total of 3,211 managers of cooperative farms in 1958, 250 were with higher education, 483 with secondary education and 715 had graduated courses for managerial personnel. Here are some more figures characterizing this progressive tendency: in 1970 the number of

specialists with higher education per every 10,000 permanently employed in agriculture increased 2-fold. Their number per 100 hectares of arable land rose from 2.18 to 3.29. In 1981 the number of people with higher education working in agriculture was 14,732 and those with special secondary education was 16,342. By and large, a high educational level has been created for the specialists working in cooperative farms, agro-industrial complexes and other agricultural enterprises.

Parallel with the policy of training specialists with higher and special secondary education the People's government has also adopted as a strategy the training of agricultural personnel: workers engaged in crop-raising and livestock-breeding, tractor and truck drivers, mechanics and others. This is done in occupational training centres, extension courses and agrotechnical circles. Courses for the training of farming team leaders were organized immediately after the establishment of the first cooperative farms. In the 1977-1980 period alone the number of mechanics in charge of tractor teams rose from 1,450 to 2,580, the number of tractor and combine drivers from 8,600 to 9,600 and that of mechanics and electricians from 7,000 to 9,600, etc. This is in keeping with the degree of mechanization, chemicalization and biologization of a series of farming activities.

On account of the rapid advancement of science and technology and the development of front-rank experience, knowledge quickly becomes obsolete. That is why an integral part of the policy of training farming specialists is the raising of their qualification. In this aspect qualification is a form of a continuous brushing up of one's knowledge, overcoming morally outdated knowledge and skills and putting them in conformity with the latest scientific and technical achievements in agriculture on a national and international scale. The raising of the qualification of agricultural specialists is done in a variety of forms. The specialists with higher education undergo 1 or 2 years of post-graduate training. They may also brush up their knowledge in brief courses at training centres. An Institute of Raising the Qualification of Agricultural Specialists has been set up at the Agricultural Academy of the National Agro-Industrial Union. The agricultural workers raise their qualification in various courses. Over a million people engaged in agriculture have raised their qualification in the past 5 years

alone. Every 4-5 years specialists or machine operators attend courses to brush up their knowledge or getting a higher proficiency degree.

With the introduction of computers and the application of economic and mathematical methods and models in agriculture, the training of specialists for this purpose has begun accordingly. Students at the higher agricultural establishments study the latest developments in this field. Electronics experts are employed in agriculture. A strategy of intellectualizing the management and other activities in this sphere is being implemented.

The whole activity concerned with the training of specialists for agriculture is carried out on the basis of planning. Plans are drawn up for the training of specialists with higher and special secondary education and for raising the qualification of executive personnel. These plans are an inseparable part of the comprehensive plans for the socio-economic development of the country and agriculture, of each cooperative farm and agro-industrial complex. Reflected in each plan are the needs of specialists specified on the basis of normative acts according to kinds of education (higher or secondary) and functions (agro-economists, veterinary doctors, livestock specialists, planning and labour experts, etc.). The necessary methodology, methods and organization of the elaboration and implementation of these plans have been evolved. The graduates of higher education establishments, vocational schools or occupational training centres are allocated to different agricultural enterprises and are guaranteed employment. Training is free of charge.

The training of specialists is far-reaching in scope. The course of training lasts several years. An individual's participation in agricultural production spans 2-3 decades. Changes also occur in knowledge. All this has made it necessary to start working out long-term forecasts for the development of agricultural personnel in agro-industrial complexes, cooperative farms and other enterprises. They are indelible from the forecasts for the overall development of agriculture. They contain information about the main trends in the development of needs and the resources for meeting them and the funds necessary for the purpose over a period of 15-20 years from the scientific positions. A forecast encompasses the age bracket, the necessary ratio between the specialists with higher

and special secondary education, the structural correlations in a technical aspect (mechanization, automation, etc.). The forecasts are usually prepared in three main variants: long-term, medium and short-term. The traditional forecasting methods such as expert assessment, extrapolation, economic and mathematical models are used and the variants are fed into computers. The results are embedded in scientific conceptions, long-term plans, etc. With their help our country chooses and implements a long-term strategy of the development of the potential of agricultural personnel.

A long-term forecast of the needs and resources of man-power in agriculture for the period from 1986 up to the year 2000 has been worked out.

In the course of the agrarian reform and the subsequent development of agriculture the People's Republic of Bulgaria has scored outstanding achievements in personnel training. There are a number of shortcomings and weaknesses, too. But methodological, organization and practical experience has already been accumulated and a streamlined system for training skilled personnel for the needs of cooperative farming has been evolved. A modern material and technical basis has also been set up for the purpose. The necessary teaching and research potential is at hand, too. This is reflected in the successes of agriculture. Its achievements arouse considerable interest abroad.

To comply with this interest and with many queries and requests for studying Bulgaria's experience in the field of the agrarian reform and personnel training, as a member of the International Cooperative Alliance and in accordance with its policy of rendering assistance to the developing countries the Central Cooperative Union has drawn up and implements a broad programme. An *International Higher School for Agricultural Specialists and Cooperative Activists* has been set up in Sofia in keeping with this programme which also reflects the policy of the Bulgarian government. It is at an academic level. It trains senior cooperative functionaries and agricultural specialists according to special study plans and programmes taking into account the interests of the world cooperative movement and the countries concerned. The teaching staff includes academicians, university professors, associate professors, assistant professors and senior research associates. Field practice is organized in model agricultural

cooperatives under the guidance of leading theoreticians and specialists.

The study plans and programmes include such important subjects as the main aspects of the cooperative movement which cover the history of cooperatives, problems of the world cooperative movement and its role in solving the global problems of the day, the appearance and development of cooperatives in Bulgaria, their role in Bulgaria's economic development and the organizational structure and functions of the Central Cooperative Union.

The programme for training cadres for agricultural cooperatives occupies a special place. It offers knowledge in the economy, organization and management of agricultural cooperatives, more specifically management and planning of cooperative farms, financing and crediting, the ways for making them more profitable, the methods of revenue distribution, investment policy, the scientific organization of labour and wages. The questions of technical progress at cooperative farms and agro-industrial complexes figure prominently. These include mechanization, automation and chemicalization (use of chemical preparations and mineral fertilizers), artificial irrigation, the latest trends in plant growing, the increase of crop yields and livestock productivity, etc.

Another important area of personnel training at the International School is the industrial (craftsmen's) cooperative: economy, organization and management of producer cooperatives, planning their activity, analysis and accounting, prognostication, optimizing the activity of such cooperatives and the ways for raising their profitability, home and world market studies, achievements and prospects for promotion of cooperation with cooperatives from the socialist, developing and capitalist countries, possibilities for integration in industrial production, utilization of national raw materials, manpower and its qualification, marketing, etc. An integral part of the School's programme are financial and credit matters, prices, markets, the ways for achieving a higher economic effect and higher profit.

The third important area is *the training of cadres for consumer (commercial) cooperatives*. The questions pertaining to the economy, organization, planning and management of commercial

cooperatives are studied in detail. Planning and analysis, market research, the organization of deliveries, prices and profitability hold an important share. Other subjects which are studied in detail include trade policy, labour remuneration, the change and improvement of the material and technical basis of cooperative trade (small-scale and comprehensive mechanization, automation, robotization, etc.). Special attention is devoted to labour efficiency and the reduction of turnover costs in cooperative trade. The students acquire theoretical and practical knowledge in the planning and management of financial, investment, commercial and other activities.

The fourth area is *the training of personnel for public catering cooperatives and for the purchase and processing of farm produce*. Parallel with that and depending on the interests of students and their countries, Bulgaria's experience in the field of universal agricultural credit cooperatives, town cooperatives (popular banks), fishing, market-gardening, student and other cooperatives is also taught.

Naturally, the training does not include only the different aspects of the Bulgarian cooperative movement but also the national specifics of the cooperatives in the countries the students come from. A permanent information stock is being formed. Special attention is devoted to the place and functions of the International Cooperative Alliance, the links with FAO, UNIDO and other international organizations.

The length of the training courses is different. Two-year courses are organized during which the foreign students live in Bulgaria. Most popular are the six-month courses. Two-month, 45-day and one-month courses are also organized depending on the wish of a given country. Managerial cooperative personnel and lecturers for higher and secondary cooperative schools are trained.

Applicants with university education are admitted to the International School which is planned to become an International Higher Cooperative Institute, but students with secondary education are also admitted for a longer period of training. The graduates are handed diplomas in the respective speciality. These diplomas are recognized in the countries with which we have signed cooperation agreements.

The material and technical basis is conducive to raising the qua-

lity of training and the qualification of managerial cooperative personnel. The School is accommodated in the building of the former Agricultural Academy which has all the necessary lecture halls and study rooms fitted out with modern equipment. The students live in a hotel-like hostel with all comforts and conveniences.

Training at the International Cooperative School is tuition-free. Students receive scholarships and free clothing.

A competition system has been introduced to improve selection. The applicant countries propose a number of candidates among whom the School's management selects the best. This also suits the interests of the cooperative organizations from the countries which send students. The requirements to the students' education, abilities and industriousness have been raised because of the increasing use of economic-mathematic methods, computers and micro-processors in the planning and management of cooperative activities.¹

Over the past few years alone the International School of the Central Cooperative Union of Bulgaria has provided training to about 700 students (cooperative activists) from 41 countries in Asia, Africa, South America and Europe with assistance from the International Cooperative Alliance, FAO and UNIDO. Most of the students come from countries with a socialist orientation such as Ethiopia, the People's Democratic Republic of Yemen, Angola, etc. There are also students from developing countries such as Morocco, Jordan, India, Nigeria and others. The cooperative organizations from the Middle East countries (Egypt, Iraq, Syria, Algeria, etc.), are broadly represented.

Bulgaria's experience in the development of the cooperative movement and especially in the establishment of agricultural cooperatives and their activity is taught in conformity with the resolution of the UN Economic and Social Council and the aims of the International Cooperative Alliance in the form of scientific-practical conferences and international seminars with participants from the respective countries. This is also the form of teaching the theory and practical experience in the field of the agrarian reform,

¹ The Central Cooperative Union supplies applicant countries with detailed information on admission and enrolment terms.

other kinds of cooperatives and the training of personnel. Such conferences have so far been held in Bulgaria with the purpose of demonstrating the achievements of cooperatives.

Another form of sharing knowledge and experience in the field of the theory and practice of the Bulgarian cooperative movement is *the sending of experts and lecturers to various countries along the line of the UN, FAO, UNIDO, ICA* or by virtue of bilateral contracts between the CCU and the cooperative associations and federations of the countries interested. On this basis courses are planned to be organized by the CCU on the territory of other countries together with the opening of branches of the International School.

In the training of national and foreign cooperative personnel the People's Republic of Bulgaria *cooperates with the countries from the world socialist community*. This is helpful towards the exchange of progressive experience in the preparation of study plans, programmes and lectures, in arranging field practice, and towards the continuous improvement of the School's activity.

With its broadly democratic traditions the Bulgarian cooperative movement is seeking to fulfil with dignity its internationalist tasks. By training cooperative personnel it gives its valuable contribution to raising their qualification and thus promotes the development of the world cooperative movement and its role in solving mankind's global problems.

SPEECH BY MR ANDRE SAENGER, DIRECTOR OF ICA
AT THE CLOSING OF THE SEMINAR

Dear Comrades,

The President of the Central Cooperative Union, Mr Ivan Prumov, wished that I share my impressions of the Seminar, and this I shall do with the greatest pleasure.

I think that we should pay tribute to those who worked hard to present us five very interesting papers about the contribution of the agrarian reform to Bulgaria's development. President Prumov emphasized this with strong arguments in his paper. We should read the papers submitted once again.

As a participant in this Seminar, I am convinced that our cooperation will help us live better, in peace and understanding. According to Prof. Mihail Minkov and his colleagues, and as practice shows, it is clear that the cooperative ideas will live long. Moreover, very valuable ideas were advanced by the veterans of the cooperative movements, Messrs Bocho Iliev, Georgi Zhelev, Dimiter Syulemezov, Kalcho Kalchev and Stoyan Yanev. What they said was interesting and important for the developing countries as they are very young countries. In some of them, half of the population is under 20 years of age, and the ideas of the elder are good for the younger — this is also one of the truths of which we were reminded here. Reforms, no matter which or what, could be enforced with success, and it was pointed out here that what is needed for the purpose is not only faith in them but time, too.

It is necessary to go ahead little by little, step by step. In this process the training of cooperative personnel is a very important task. We expected with interest the intervention by our friends and colleagues from FAO who said that the cooperative movement would continue to play an important role in the development of the individual countries.

During this morning's visit to the International Cooperative School for training cooperative cadres from the developing countries I saw a splendid audience of trainees from the four corners of the globe. They, who come from the North, the West, the East and the South, have met here and this is a proof that the cooperative idea and the cooperatives are a crossroads which is of much greater significance

than the mere economic activity carried out by a producer, consumer, agricultural or other cooperative.

I do not remember who exactly said that science cannot do without knowledge. By paraphrase, I would like to say that cooperatives cannot develop without well-trained and erudite people.

Here we heard statements which reminded us very timely and correctly that models cannot be transferred directly from one place to another. I am not quite sure, but as far as I remember, it was Prof. Kalcho Kalchev who said that when Bulgaria made use of the experience of Soviet specialists, and applied it in agriculture, these specialists said that a model couldn't be applied elsewhere without taking national characteristics of the respective foreign country into consideration. And I was very happy this morning when the FAO representative, Mr Beloglavec said that while there was much to be learned from the already existing movements, each country should adapt them to its local conditions.

As far as training is concerned, I understood from today's discussions that there was a relationship between the desire and the need to transfer experience in the educational courses which last from 2 to 6 months. I am returning from Japan where I studied their cooperative schools at which training lasts 3 years. In other words, there is a connection between what is offered and the needs of the developing countries which must now acquire new knowledge, become familiar with science, and train their own skilled personnel. And this must be done in the shortest possible time. I don't think that in a developing country one should wait for 3 years to be trained as a cooperative worker. And this is a problem first of all for the countries concerned, and in the second place for the international organizations, no matter whether governmental ones like FAO, or non-governmental ones like ICA.

From the deliberations and considerations which we heard here I felt a great satisfaction with what was said by our friend from Morocco — that all cooperatives in his country were based on the six principles adopted by the Congress of the International Cooperative Alliance in Vienna. I think that it will be nice to recall these six principles and it will be good if every movement is inspired by these six principles and abides by them.

If you allow me, Mr Chairman, I would also like to recall the considerations contained in the speeches of the FAO representatives, and stress once again the need for adequate agrarian reform legislation. I would also like to draw a parallel, and say that there should also be legislation for the cooperative movement. Right now this is one of the problems with which the ICA is occupied. Through the mediation of UN bodies – the Social Development Commission – we prepared a draft-resolution which went through the UN Economic and Social Council 3 or 4 months ago. This was a resolution asking the UN Secretary General to submit a report to the UN General Assembly in 1985 on the results obtained in the individual countries in encouraging the development of the cooperative movement. In that resolution we asked the Secretary General to prepare a report in collaboration with non-governmental organizations concerned with this matter – and we had the International Cooperative Alliance in mind. This report should also contain a paragraph on the importance of government assistance to the establishment or promotion of cooperative movements. Raising this problem is very important for us, for today we witness all sorts of governments' attitudes – from governments which do not care for the development of the cooperative movement or obstruct its development to the other extreme, i.e. governments which believe that cooperatives are of such a great significance that they begin to act as their sponsors.

Mr Beloglavec also spoke about mass participation. I would like to remind you, and may he also be kind enough to remind his organization, that the cooperatives – I think that there are about 300,000 agricultural cooperative societies in the world – are a source of exceptional energy, and offer the rural masses great opportunities for participation in development. I liked it very much that in his intervention Mr Beloglavec spoke about the role of women in the development of the cooperative movement. Mr President Prumov also reminded us that in 1985 there would be another Seminar in Bulgaria which we shall organize together and which will deal with the role of women in the cooperative movement. 1985 will be the UN Year of the Youth. I think that we cannot treat women separately from youth, as they give birth to life. It is obvious that in 1985 we shall have enough topics to discuss about the very important role women play in the

promotion of the cooperative movement. I can say that a competition for writing articles on this topic will be announced in the cooperative press. The Women's Committee of the ICA will present three articles, at least one of which shall be on the subject "Women and the Cooperative Organizations" in which they play a major role. I am happy to say that the International Committee of Women Cooperative Members is very active, and that Mrs Lyudmila Alipieva who is present here is a member of this Committee and at the same time she is performing her functions at the Central Cooperative Union.

Well, Mr Chairman, it was without any preparation in reply to your request and with greatest pleasure that I shared my impressions from the Seminar.

I would not like to keep silent about something which I have been eager to say for two days now.

I would like to refer to your wonderful hospitality – the whole organization which was created for our benefit from the very beginning until this moment was remarkable in every respect. We thank you for everything you did as Chairman of this Seminar which has ended so successfully.

I would also like to say that I highly appreciated the work done by your interpreters. I listened to the English and French translation in succession. Having worked at the UN for 25 years, I can say that I have seldom heard such high quality translation.

I would like to thank you all, dear Bulgarian cooperators, who spared no time and effort so that this Seminar may be brought to such a successful conclusion.

I would like to extend my best regards to the Central Cooperative Union of Bulgaria and its distinguished workers who were with us all the time.

A colleague of mine said to me: "It is not important what we do; what matters is the way in which we establish contacts with the others in order to be able to achieve what we try to." I think that herein lie all the hope and faith of the cooperative movement. This is also a promising future for us.

SPEECH BY IVAN PRUMOV, PRESIDENT OF THE
CENTRAL COOPERATIVE UNION OF THE PEOPLE'S
REPUBLIC OF BULGARIA, AT THE CLOSING
OF THE SEMINAR

Esteemed cooperative workers,
Colleagues,
Friends,
Dear guests,

The International Cooperative Seminar, organized by the Central Cooperative Union of the People's Republic of Bulgaria in accordance with the decision of the Agricultural Committee and the Executive Committee of the International Cooperative Alliance, has now ended its work.

We, the Bulgarian cooperators, tried to tell you about and familiarize you in the most accessible way and as fully as possible with the years-long experience of the Bulgarian cooperatives in solving one of the acutest problems of our times – the agrarian problem and agrarian relations, both under capitalism, and in the conditions of socialist development. We also tried to acquaint you with the actual results – both economic and social – of the successful solution of these problems.

As far as Bulgarian experience is concerned, I would like to emphasize once again what was said in the papers and what Mr Beloglavec mentioned in his speech, and to which Mr Saenger also drew our attention – that there should be no established pattern in the application of the experience of others. It is necessary, it is right to study the experience of others, but everyone should apply this experience in his own country while taking the local conditions and specific circumstances into account.

We, the Bulgarian cooperators, as well as all the Bulgarian people are deeply and firmly convinced, from our own experience of the exceptionally great advantages of the producer cooperatives, of the cooperative farms, in solving of the agrarian problem and improving agrarian relations, in increasing agricultural production, in abolishing hunger and poverty, and in guaranteeing high material and cultural

prosperity of the broad masses of working peasants. This is what we wanted to show; how it shall be realized in other countries is the problem of these countries themselves.

I hope that during the discussions over the last two days you were able, to understand what we did in the past few decades. I also hope that your visit to the district of Pleven where you shall be able to see for yourselves and get a first hand idea of the development of the cooperative movement and of the role of the Bulgarian cooperatives shall also contribute to your forming a full impression of the role and significance of the cooperative farms for the progress of agriculture and for the solution of the agrarian problem in the People's Republic of Bulgaria.

Allow me, dear colleagues and friends, to thank you again most cordially and fraternally for responding to the invitation of the Central Cooperative Union of the People's Republic of Bulgaria and for coming to this country; thank you also for your active participation in the discussions, as well as for your contribution to the attainment of the objectives of this Seminar.

I would like to express thanks on behalf of the Executive Committee of the Central Cooperative Union for your interest in the Bulgarian cooperative movement, for the warm greetings and wishes, for the kind words you had about the Bulgarian cooperatives and the Bulgarian cooperative workers.

I would like to express thanks particularly to Mr Saenger, Director of the International Cooperative Alliance, for his high appreciation of the Seminar and for the valuable ideas he expressed in his closing speech.

My thanks also go to Dr Kamal Hamdy Abul-Kheir, Vice President of the ICA Agricultural Committee, the FAO representatives, Messrs Dravi and Beloglavec, and to all participants who attended our Seminar.

I also express my thanks for the Declaration which you adopted. For us, Bulgarian cooperators, it is a great reward and an incentive to work and carry out better our internationalist duties to the international cooperative movement and the International Cooperative Alliance. And may we assure you that we shall do our best to carry out the wishes expressed in the Declaration in the best possible way. I think that I shall voice the general view of all participants in the Seminar if I say that the meetings, talks and discussions during the

Seminar shall no doubt strengthen the friendly relations and cooperation among our cooperative organizations and enhance the role and the prestige of our world cooperative organization, the International Cooperative Alliance.

I would like to assure you, dear colleagues and cooperative workers, that the Bulgarian cooperators will always be your sincere friends who will continue to take part in all ICA activities aiming at the consolidation of international cooperative solidarity, at cooperation among nations in their struggle for lasting peace, democracy and social progress.

Allow me with these words to close the International Cooperative Seminar and to wish you, on behalf of the Central Cooperative Union of the People's Republic of Bulgaria, on behalf also of all Bulgarian cooperators who number over two million people, on behalf of the Executive Committee of the Central Cooperative Union, and on my own behalf, the best of health and much happiness to you and your families, as well as new and greater successes in the struggle for the development and strengthening of the cooperative movement in your countries, many new and greater successes in solving the agrarian problem in your countries, in the name of your nations' happiness and prosperity.

Long live the international cooperative solidarity!

May our cooperative motto "One for all, all for one" live through the centuries!

Long live peace among nations!

And the best of luck in the difficult and lofty cooperative work!

Thank you for your attention!

DECLARATION

by the Participants in the International Cooperative Seminar
June 1983, Sofia

The participants in the International Cooperative Seminar which was held in Sofia from June 14 to 16, 1983, and was organized by the Central Cooperative Union in compliance with the decisions of the Agricultural Committee of the International Cooperative Alliance.

ARE GRATEFUL

to the International Cooperative Alliance for its responsiveness, and to the Central Cooperative Union of the People's Republic of Bulgaria for the organization of the Seminar and for the opportunity offered to visit cooperative facilities and study the Bulgarian experience in the application of the agrarian reform for the reconstruction of agriculture.

EMPHASIZE ON

the use of organizing such seminars and participating in them.

APPRECIATE HIGHLY

the papers presented by prominent Bulgarian economists in the field of agriculture and the agrarian problems.

NOTING

that the exchange of experience, views, proposals and recommendations, and the discussions have as their basic objective the desire to extend and consolidate international cooperative cooperation;
that agrarian reforms and restructuring are of interest to the developing countries in their economic and social progress;

that the training of personnel is an important condition for the implementation of the agrarian reform.

CONSIDER

that the cooperatives have great opportunities to contribute towards the positive development and change of agrarian relations, while guaranteeing the growth of agricultural production.

EMPHASIZE

that the successful implementation of the agrarian reform and the development of cooperatives in the world would be possible under the conditions of lasting peace and social justice.

PROPOSE

that all the materials used during the Seminar be published by the Central Cooperative Union of the People's Republic of Bulgaria and submitted to the cooperative societies and movements which are members of the International Cooperative Alliance, for their information.

June, 1983 S o f i a

LIST

of the participants in the International Cooperative Seminar
on The Role of the Agricultural Cooperatives and their
Contribution to the Implementation of the Agrarian Reform
in the People's Republic of Bulgaria,
Sofia, June 13-17, 1983

No	Name	Country	Organization
1	2	3	4
1.	Andre Saenger	Switzerland	Director of the International Cooperative Alliance
2.	Danilo Beloglavec	FAO	
3.	Mokpokpo Dravi	FAO	
4.	Dr Kamal Hamdy Abul-Kheir	Egypt	Deputy Chairman of the ICA Agricultural Committee
5.	L. Abubakar	Afghanistan	Deputy Minister of Agriculture and Land Reform
6.	Mohammed Hassan Rashek	Afghanistan	Vice- President of the Central Union of Village Cooperatives
7.	Naimi Abdelkader	Algeria	National Alliance of Algerian Peasants – Secretary of International Relations
8.	Ntari Boniface	Congo	Ministry for Internal Affairs, Economy and Cooperatives Sector, Head of Cooperative Department
9.	Heriberto de Arias Perez	Cuba	ANAP – National Alliance of Farmers, officer in the International Department
10.	John Martin Appiah	Ghana	Cooperative Council of Ghana – Secretary General
11.	Costas Retos	Greece	Panhellenic Confederation of Agricultural Cooperative Societies

12. Laszlo Filipsz	Hungary	National Council of Agricultural Cooperatives – Counsellor, Deputy Head, International Cooperation Department
13. Ahmed Jait	Morocco	Office for Cooperative Development, Head of Economic Department
14. Henchizo Golvan	Mexico	Ministry of Agriculture, Director, Farm and Forestry Producer Organization Department
15. Raul Fernandez Galiana	Mexico	Distinguished Cooperative Worker
16. Raul Fernandez Gomez	Mexico	Ministry of Agrarian Reform, Deputy Secretary, International Cooperation, Deputy Director, Agricultural Statistics
17. Angelo Raul Dos Santos	Mozambique	Ministry of Agriculture
18. Jose Ivan Gutierrez	Nicaragua	Ministry of Agriculture, Director, Agrarian Reform Department
19. Jose Augusto Gomes Paixao	Portugal	National Federation of Consumer Cooperatives
20. Gheorghe Danaila	Romania	Union of Agricultural Cooperatives, Member of the Standing Bureau and Secretary of the UNCAP Economic Commission
21. Muhammed Hassan Mayub	Syria	Vice President of the General Union of Peasants
22. Luka Mlaki	Tanzania	Union of Cooperative Organizations
23. Mohammed Chaabane	Tunisia	National Agricultural Union, Documentary Editor
24. Miroslav Kosina	Czechoslovakia	Union of Agricultural Cooperatives, Secretary
25. Cyril Moravcik	Czechoslovakia	Member of the Plenum of the Union of Agricultural Cooperatives, President of the Agricultural Cooperative Union in Zagorska Niva

26. Nguyen Shang	Vietnam	President of the Union of Consumer Cooperatives
27. Vu Lyu	Vietnam	Union of Consumer Cooperatives, Head of International Dept
28. Mohammed Abdulah Salehi	PDR of Yemen	Ministry of Agriculture, Head of Cooperative Department
29. Ivan Prumov	Bulgaria	President of the Central Cooperative Union
30. Kiril Malinov	Bulgaria	Senior Vice President of the National Agro-Industrial Union
31. Pancho Ivanov	Bulgaria	Senior Vice President of the Central Cooperative Union
32. Georgi Tomov	Bulgaria	Member of the Ruling Board of the Bulgarian Agrarian Party
33. Prof. Mihail Minkov	Bulgaria	Corresponding Member of the Bulgarian Academy of Sciences, Distinguished Agricultural Worker
34. Prof. Ivan Loutsov	Bulgaria	Deputy Rector of the Academy of Social Sciences and Social Management
35. Stefan Zhelev, Cand.Ec.Sci.	Bulgaria	Vice President of the Central Cooperative Union
36. Bocho Iliev	Bulgaria	Hero of Socialist Labour, Distinguished Agricultural Worker
37. Prof. Nikola Vulev	Bulgaria	Director at the Central Cooperative Union
38. Prof. Kalcho Kalchev	Bulgaria	Distinguished Agricultural Worker
39. Ivan Zahariev	Bulgaria	Director General at the Central Cooperative Union
40. Stoyan Yanev	Bulgaria	Distinguished Cooperative Worker
41. Stefan Andreev	Bulgaria	Bulgarian Agrarian Party
42. Dr. Krustyu Brousarski	Bulgaria	Director of the Institute of Agricultural Economics
43. Bogomil Delov	Bulgaria	Director at the Central Cooperative Union
44. Velichko Manchev	Bulgaria	Director at the National Agro-Industrial Union
45. Dimiter Syulemezov	Bulgaria	Distinguished Cooperative Worker
46. Georgi Zhelev	Bulgaria	Distinguished Cooperative Worker

**THE PLACE AND TASKS OF COOPERATIVES
IN BUILDING A DEVELOPED
SOCIALIST SOCIETY IN BULGARIA**

TODOR ZHIVKOV
Secretary General of the Central
Committee of the Bulgarian Communist
Party and President of the State
Council of the People's Republic
of Bulgaria

**THE COOPERATIVE MOVEMENT IN THIS COUNTRY:
PROBLEMS AND TASKS**

Exposé at the meeting of the Politburo of the
BCP Central Committee with the Executive Committee
of the Central Cooperative Union concerning the
role and tasks of the cooperative movement in
implementing the decisions of the BCP 12th Congress.

(Verbatim report, March 2nd, 1982)

“We are glad that our Central Cooperative Union is well-known far beyond this country’s boundaries. It enjoys high international prestige and maintains broad contacts with kindred unions and organizations from the Soviet Union, the socialist countries, and dozens of other countries.”

TODOR ZHIVKOV

Comrades,

This Politburo meeting with the Central Cooperative Union leadership was initially scheduled to be held on the eve of your 9th Congress. However, because I was too busy, and also because of some unforeseen circumstances which occurred to me last year, it could not be held as scheduled. We only had a brief meeting with Comrade Ivan Prumov.

Having plenty of time today, we can discuss at length the place and tasks of the Central Cooperative Union at this stage and the ways and means for implementing the decisions of the Twelfth Congress of the BCP.

I think that we need not convince ourselves here of the great importance the Bulgarian Communist Party has always attached to the cooperative movement. Our Party's stand and its attitude to this movement are well-known and were reiterated of your regular Congress, too. Still, I would like to take this opportunity to express the high assessment Politburo gives to the work of the Central Cooperative Union's Ninth Congress.

— At it, you made a profound analysis of your work so far and charted concrete ways to fulfil the tasks set to the cooperative movement by the Party's Twelfth Congress.

— The Politburo believes that, as in the past, the cooperative movement activists in our country will continue to work wholeheartedly in order to translate the Party policy into a reality.

— We are convinced that you, as Members of the newly elected Executive Committee, are fully aware both of the high confidence placed upon you, and of the responsibility each one of you bears for implementing the decisions of the Party's Twelfth Congress and of the Central Cooperative Union's Ninth Congress.

Comrades,

Before talking about the practical work which the cooperative organizations are to carry out under your guidance during the 8th five-

year plan period, I would like to raise the question about the place and role of the cooperatives in the building of a developed socialist society in this country.

I think this is necessary for at least two reasons:

— First, because without a clear understanding of the global, strategic questions concerning the future development of the cooperative form of ownership and its specific forms of organization, we would not be able to outline correctly the tasks facing the Central Co-operative Union at the this stage.

— Secondly, because it is no secret that a great many people nowadays tend to the cooperative societies as unimportant. What is more, some believe that the cooperative organizations have already played their historic part and have no future in the stage of the mature socialism, that the cooperatives are not in conformity with the formulation that the State is the owner, and the workforce the master; they think that the cooperative form of ownership should be considerably restricted, and gradually taken over by the State, and so on.

What does history teach us, and what should our Marxist-Leninist stand on this question be?

As is known, Marx and Engels attached great importance to the cooperative as a means of winning over the middle and petty peasants to the cause of the proletarian revolution.

In the conditions of the New Economic Policy following the victory of the socialist revolution, Lenin wrote his famous articles "On the Cooperative". In them he underscored the important and, in some respects, indispensable role cooperatives play in building up socialism. In this connection Lenin also substantiated the necessity of a large-scale state support to the cooperative system.

— Lenin's ideas on the cooperative opened up the road to the socialist reorganization of small private ownership in the Soviet Union and in the other socialist countries.

— Our Party creatively applied Lenin's cooperative plan by setting up cooperative farms.

— The Party also applied Lenin's cooperative plan in the development of the consumer and producer cooperatives in this country.

We have always been guided by the cooperative's formulations of principle, formulations which were worked out by the founders of our revolutionary theory. At the same time, however, we take into account the fact that they did not leave us any elaborations on the cooperative future in the conditions of advanced socialism. And we

now live and work precisely in the stage of its construction.

What is our view on this question?

Can we say that at this stage of development there is no room for cooperative ownership and for cooperative forms of organizing social labour?

Such a question has but one answer only, and the answer is clear and explicit; no, we can't!

The place and role of the different kinds of ownership, and of the forms of economic activity at the stage of building a developed socialist society are determined by the objective laws and tendencies of our allround social development.

Therefore, the very existence of cooperatives today is not dictated by, or depending on, anyone's subjective desires, but on the specific economic requirements, on the social functions the cooperatives are able to perform.

Which are these requirements and social functions?

In the first place, the cooperatives are socialist organizations for joint economic activity' by the working people on the basis of self-initiative.

They offer the cooperative members a possibility to carry out economic activities and to unfold their initiative. Our State is interested in the promotion of this activity and initiative to the benefit of the working people themselves, and of the society as a whole.

Can there be anything better than the working people themselves helping in meeting their needs?

Second, the cooperatives carry out manifold activities to meet the people's everyday needs of goods and services.

These activities are very important socially; they are to the benefit of all.

Third, the cooperatives assist actively the development of personal farming.

Together with the agro-industrial complexes, the cooperatives supply personal farms with the necessary production means, and buys off their output. The importance of these farms for increasing agricultural production is steadily growing.

Fourth, the cooperatives are an effective form of ownership.

They function on the basis of self-financing and self-accounting, and consistently apply the principles of the new economic approach and its mechanism.

Fifth, the cooperatives help form a new attitude towards labour.

The cooperatives prepare the working people for the future communist self-government.

And last but not least, with its nearly one century-old history the cooperative movement is deeply rooted in our people's heart.

The people have confidence in the cooperatives, they do not regard them as something alien.

In a word, from the point of view of both their nature and activity the present-day cooperatives are a socialist form of organizing social labour in the true sense of the word.

These are the principles which make it possible to continue our discussion; however, we shall not speak about whether the role of the cooperative movement will increase or diminish in the stage of building a developed socialist society. The purpose of this meeting is to discuss what additional practical measures the Central Cooperative Union as a production, trade and public organization, should take in order to fulfil the decisions of the Twelfth Party Congress.

What do I have in mind?

I think that your efforts should be aimed at solving three major problems:

– First, to subordinate the whole activity of the Central Cooperative Union to the realization of the main socio-economic objective which was set by the Twelfth Congress of the BCP:

– Second, to apply consistently and fully the economic approach and its mechanism at all levels – from the leadership of the Central Cooperative Union to each individual cooperative and:

– Third, to further strengthen and develop cooperative democracy, to work with the cadres in a qualitatively new way.

These are the three major problems which should become the essence and core of the activity of the Central Cooperative Union and of all its cadres all the way from the top to the rank-and-file members, and vice versa.

As is known, the Party's Twelfth Congress defined the chief socio-economic task at this stage as follows:

The Party policy aiming at the complex satisfaction of the people's growing material, social and cultural needs should continue.

How will in practice, the activity of the Central Cooperative Union and of its organizations become fully oriented to fulfilling the main socio-economic task of the 8th five-year plan?

This will mean, in practice:

a/ That the Central Cooperative Union should, in the first place, take its real place within the system of supplying the population with goods of large quantity and diversity.

I elaborated on this question at the Conference held in May, 1980, in the town of Rousse and at the National Conference last October.

There, I discussed the subject from a nation-wide point of view. Now I want to say a few words about the role of the Central Cooperative Union in solving this problem.

The data I used to prepare myself for today's meeting show that the state enterprises and organizations are the chief producer and supplier of the goods in which the Central Cooperative Union deals.

Here are some figures:

— in 1980, trade within the Central Cooperative Union system amounted to 3, 766 million levs, of which only 730 million levs, i.e. less than 20 per cent, were accounted for by the output of your enterprises.

— the share of your industrial output for 1985 is envisaged to amount to 1, 200 million levs, i.e. about 25 per cent, within a total trade volume of 4, 500 million levs;

— you envisage both for the present and for the end of the current five-year plan that "about 40 per cent of the turnover within our trade network will be realized through the sale of goods produced or imported by the Central Cooperative Union".

However, do these plans correspond to your possibilities?

Isn't the share of your goods you sell in your own shops too small? How, in your opinion, could things change in the future?

It is clear that very soon complex measures should be taken to alter the relative share of the goods you produce or receive from exchange operations with other countries, to make it reach 60 to 70 per cent by the end of the five-year period?

Is this task feasible?

Yes, it is! It is feasible because the cooperatives have great reserves and possibilities which are still being insufficiently tapped.

— You have experienced and enterprising people who have preserved and enriched the creative traditions of the Bulgarian cooperatives;

— You have a substantial material and technical base;

— You have material, financial and labour resources.

So it all comes down to this: get down to work, and organize the best possible use of the available facilities, modernize and reconstruct them where necessary, and, only as an extreme measure, build new and predominantly small- and medium-size enterprises, workshops and establishments;

b/ Another vital and topical question facing you is the one related to communal services.

It would not be exaggerated to say that for a long time now the Central Cooperative Union has not been practically engaged in the field of services. The cooperatives had a long-standing tradition whereby particularly in the villages, they used to carry out all kinds of activities needed by the people. This tradition has been neglected. It is obvious that in this respect, too, a decisive turn should be made, and the experience of the former so-called "universal village cooperatives" should be used.

— The vicious practice of trifling away people's time by making them go to the settlement system's center for the most ordinary kind of service which they could receive at the local cooperative should be done away with once and for all.

— Now in each settlement system, in each town you have consumer cooperatives of your own, and these cooperatives have branches, stores, workshops, etc. These enterprises themselves should offer services to the people, like e.g. plumber's, tailor's, shoemaker's, carpenter's, repair of sophisticated household appliances, farm tools etc., and such services in particular which the specialized enterprises either cannot or are reluctant to organize.

It depends on you, and on you alone, that no populated place, even the remotest one, should be left without the service shop it needs.

Specialized service bureaux should be set up. With a minimum number of managerial personnel (not more than 5 or 6 people), by attracting qualified specialists from outside who should work in their free time, they must render all kinds of communal services.

In this respect we have already accumulated good experience. About ten days ago I visited the town of Sliven and I saw for myself how they have organized services there. Sliven's experience has stirred interest even abroad. Recently, the Pravda newspaper wrote about it. This is a very good example which you could follow, too.

An issue which is most closely related to this question, is the

improvement of trade and public catering within the Central Co-operative Union system.

You have done a lot to establish the material base of trade in both villages and towns. There is no community in Bulgaria without a shop or a restaurant run by the Central Co-operative Union. The very fact that you have about 19,000 shops and more than 10,000 public catering establishments speaks for itself.

This, however, is not what we are speaking about today. Nor are we speaking about the further widening of the trade network, or the further growth of the number of public catering establishments. The point here is the standard of services, trade and public catering, the necessity of being "qualified businessmen", as Lenin said.

A great number of businessmen are engaged in the Central Co-operative Union network, they do business but are still very far from being expert businessmen.

It is on this fact that your cadres engaged in trade and public catering should focus their attention.

c/ The next question concerns the Central Co-operative Union's integration with the agro-industrial complexes.

Have you scored any successes in this field?

Of course, you have.

Then, why do I raise this question?

Because a more enterprising spirit is needed; because it is necessary to "untie the hands" of the leadership of the Central Co-operative Union in their dealing with the so-called waste and barren land and in their relations with the "weak agro-industrial complexes".

— They say we have about 400,000 hectares of "barren and waste land". I think that no serious obstacles exist for the cooperatives to utilize efficiently a considerable part of this land, for the production of farm produce which the cooperatives will process themselves.

— The purchasing of medicinal herbs, wild fruit, mushrooms, etc. should be reorganized on a broader basis by the joint efforts of cooperatives and forestry enterprises.

— Why don't consumer cooperatives integrate with the economically weak agro-industrial complexes (AIC) and thus provide additional resources for themselves, on the hand, and an additional source of income for the members of these agro-industrial complexes, on the other.

— Why don't cooperatives purchase and use all the produce from the personal farms of both the rural and the urban population which has not been purchased by the agro-industrial complexes or by any other organization?

There is a great number of such "whys".

If any obstacles exist for these "whys" to be crossed out, please, name them. The Prime-Minister is here, the Party's Central Committee Secretary on Agriculture is here, too. Here are also all the other responsible officials on whom the removal of these obstacles depends. I am sure that they will show understanding and will actively support you in your work.

Perhaps a better relationship should also be established between the Central Cooperative Union and the National Agro-Industrial Union.

It would be expedient that Comrade Ivan Prumov becomes a member of the Executive Committee of the National Agro-Industrial Union and be authorized by it to organize the work of the Central Cooperative Union concerning self-sufficiency and the most rational utilization of agricultural resources.

d/ Now, let us say a few words about the Central Cooperative Union's international economic activities.

We are glad that our Central Cooperative Union is well-known far beyond this country's boundaries. It enjoys high international prestige, and maintains broad contacts with kindred unions and organizations from the Soviet Union, the socialist and dozens of other countries too.

It should be clearly understood that we consider these activities of the Central Cooperative Union very important not only economically but politically, too.

— Many "Third World" countries want to cooperate with the Central Cooperative Union by setting up joint ventures on their territory, on the basis of their own raw material resources. Unfortunately, the Central Cooperative Union has not utilized these possibilities to the full, while the truth is that they could considerably enrich our market with some goods in demand, including delicacies, and contribute to the increase of our foreign currency receipts.

There are bureaucratic barriers which hamper the performance of activities on a large scale. These barriers should be done away with: the Central Cooperative Union should be allowed to come

out abroad on a broad front, on the basis of currency and budget self-financing and thus carry out an intensive international economic activity in order to increase the import of goods for the home market, and of raw materials for their production.

Comrades, these are only some aspects of the Central Cooperative Union's activity which are directly related to the attainment of the main socio-economic objective of the current five-year plan.

The second major problem I mentioned concerns the consistent and full implementation of the new economic approach and its mechanism within the system of the Central Cooperative Union.

On this question our Party has a clear-cut position of principle. We realized that the introduction of the new economic approach will be a process which will take some time. This very fact, however, requires that work on all fronts be carried out in a competent and systematic way.

a/ Rude as it may sound, the work of the Central Cooperative Union so far, both at the centre and locally, has somewhat been carried out negligently and bureaucratically. This is contradictory to the nature of such a socio-economic organization like yours. The cooperative principle, the self-accounting principle are violated and the administrative and bureaucratic methods of work and management prevail at many places.

The consistent application of the economic approach requires that the activity of the Central Cooperative Union, both centrally and locally, be based on the self-support principle as soon as possible so that your system may not have a single losing unit. No departure should be allowed from this criterion.

Economic relations between the Central Cooperative Union's branch organizations should be based on the contractual system.

This means that all activities — production, trade and purchasing — should be carried out on the basis of an agreement signed by the contracting parties.

When planning the Central Cooperative Union's activities the general principles should be applied and the plan should specify only the most important tasks as regards the production of goods and services for the population, and the contributions to the budget. As to all the rest, the Central Cooperative Union should have the right to take decisions itself, and bear the whole responsibility for its activities accordingly.

According to statistics, at present there are 421 cooperatives in a total of 292 settlement systems. Perhaps it would be expedient for the consumer cooperatives to merge and correspond to the number of the settlement systems. This will make it possible to tackle successfully all matters concerning trade and the self-sufficiency of the population in goods and services on the territory of the respective settlement system.

Besides, it would be expedient for the district cooperative unions to become some kind of consumer cooperatives' associations. They should render them assistance – on an economic basis – when joint undertakings are concerned. They should be financially dependable on the cooperatives, and not be a sort of an administrative “hat” above them, as is the current practice.

I think there are a lot of “hats” and duplicating units at the Central Cooperative Union itself as well. Maybe you are conscious of this fact, too, and have already taken measures to remove them.

b/ It is high time to throw light on another issue: the strengthening of the producer cooperatives, and their place in the further development of the cooperative movement in this country.

What is the present state of affairs in this respect?

The Central Cooperative Union is for the time being out of touch with the producer cooperatives. Methodologically, they are managed by the Ministry of Home Trade and Services, economically – by the Executive Committees of the District People's Councils and only organizationally, according to the Statute, by the Central Cooperative Union. Because of this, some cooperative functionaries use an apt expression: “We are managed by an eagle, a crayfish and a pike”. However, they don't say who the eagle, the crayfish, and the pike is!

One thing is clear: the producer cooperatives in our country are becoming fewer and fewer, they are growing weaker, and lose their vitality.

Here are some data:

– In 1965, the number of the cooperative industrial enterprises was 645; in 1980 it fell down to 179;

– While in 1965 more than 103,000 people were employed in them, in 1980 their number dropped down to 92,000;

– Now, pay attention to this fact: over the same period, the number of workers in the cooperative food-industry enterprises has dropped from 5,833 to 3,437.

These data can hardly be explained with the concentration and specialization of production alone.

I think that you will support me on a proposal to discuss the purposefulness of gradually including the producer cooperatives into the "one boss" system by placing them under the management of the Central Cooperative Union. This "one boss" will bear the whole responsibility for the all-round unfolding and utilization of their material and labour resources, for involving in their activities of pensioners, of disabled persons, and of all those who wish to work in the producer cooperatives and possess the necessary qualification.

Let me stress once again that this will in no case be an end in itself. An overall assessment of the present state and prospects of the cooperative movement in each community should be made, and a differentiated and realistic approach be applied in the search for a solution to this extremely important question.

And now briefly about the third major problem: the strengthening of cooperative democracy and the decisive improvement of the attitude to the cadres.

As I already mentioned, the cooperatives and the cooperative unions are voluntary organizations which work on their own initiative. Their whole work depends on their economic activity and initiative of the cooperative members and bodies.

a/ All this demands a greater degree of cooperative democracy, and higher social activity on the part of workforce teams.

The Central Cooperative Union should pay systematic attention to the promotion and enhancement of the public principle in the activity of the cooperative system. To this end, the elective bodies' rights and responsibilities should be further extended. Active members with a rich organizational and economic experience, and people devoted to the cooperative movement, should become members of these bodies.

In Bulgaria, this movement is deeply rooted among the people, who respond willingly to its initiatives.

The cooperatives should keep a close touch with the population they serve. The cooperatives' joint activities with the Fatherland Front, the Bulgarian Agrarian Party and the People's Councils, should be extended. This is the best way for enrolling the working people's mass and active participation in revealing hidden resources and possibilities to increase production and raise the standard of services.

b/ New, more appropriate methods will also be needed to promote cooperative democracy, to ensure the cooperative members higher and more active participation in solving the workforce teams' production and social problems.

The realization of the objectives laid down in the 8th five-year plan opens up wide possibilities for creative work before the Central Cooperative Union, too. This field awaits the cooperative members' industrious hands to plough and sow it in order to bear fruit which will enrich our meals.

Where are these industrious hands?

Here we come to the subjective factor on which the share of the Central Cooperative Union in putting out more goods and services depends most.

You, as leading cooperative activists, and the other high officials of the cooperative movement, should take to heart the noble ambition to do everything you can to enrich our market and bring about a tangible improvement of services.

Here is a field in which the cooperative cadres should do their utmost; a field in which they must prove that the cooperative cause and the people's well-being are dear to them.

— I stress on the subjective factor, for the cooperative members within the Central Cooperative Union system have all they need at their disposal and enjoy the full support of the Party and the State to unfold their energy.

In your system are engaged honest cadres, who are devoted to the Party's cause. This, however, is not enough to meet the great and responsible tasks set forth by the Party, by our time. It is the political flair and the business qualities of the people that decide of the success of every cause, of every new undertaking.

New, higher demands should be raised concerning the qualitative composition of your cadres in the districts and in the consumer cooperatives. This composition lags behind the new objectives and requirements: therefore, following the changes you already made at the central body, you should now think of re-organizing you medium-level personnel, particularly at key places, and of substituting some of them with men of modern frame of mind and initiative.

Some say the Central Cooperative Union should be given a ministerial status.

I do not quite understand, why should a socio-economic organization want a ministerial status. It is an independent socio-economic organization, isn't it?

Perhaps you think that this will help you solve some organizational and technical problems? If this is so, I am sure an appropriate solution can be found.

I would like to apologize to the comrades from the Central Cooperative Union, but I want to take this opportunity and say a few words about a wide-spread disease called "status mania".

It is very common for nearly everyone to ask for a "higher status". I think it is much more important what you give society, and not what your "status" is.

We must combat this phenomenon, and all those who have this disease should be cured of it. Everyone's aspiration should be to fulfil one's tasks, to use all one's skills, to improve the efficiency of labour. And then, higher ranks and higher pay will come by themselves.

To conclude, I want to say that there is no time to waste. Everything should be done to use to the best the cooperative system's possibilities to ensure a larger amount of diverse goods and services for the population with a minimum of labour and money.

The system of the Central Cooperative Union requires a radical shift from extensive to intensive development based on the consistent application of the new economic approach. This is the only way to transform the Central Cooperative Union into a powerful and dynamic socialist organization capable of realizing the new great objectives set forth by the Twelfth Congress of the BCP.

On behalf of the Politburo, and on my own behalf, let me once again congratulate most cordially the Central Cooperative Union's President and its newly elected Executive. We are convinced that under the leadership of Comrade Ivan Prumov, you will translate into deeds the formulations and decisions of Party's Twelfth Congress towards a new upsurge in the development of the Bulgarian cooperative movement.

I wish you and the Managing Board success in your noble activities.

Thank you for your attention.

LET US WORK PERSISTENTLY FOR THE WELFARE OF THE NATION

Message of greetings by the Central Committee of the Bulgarian Communist Party read at the Central Cooperative Union's Ninth Congress by Grisha FILIPOV, Member of the Politbureau of the Central Committee of the Bulgarian Communist Party, and Chairman of the Council of Ministers of the People's Republic of Bulgaria

Distinguished delegates and guests,
Comrades,

It is with satisfaction that I perform the pleasant mission I have been entrusted with by the Bulgarian Communist Party's Central Committee, by its General Secretary Comrade Todor Zhivkov, and by the people's Government to congratulate you most cordially upon the holding of your Ninth Congress, and to wish you fruitful and business-like work.

The Bulgarian Communist Party has always considered our cooperative movement as highly important, and continues to do so. For 90 years now, it has been extending continuous care for its all-round consolidation and development.

The cooperative movement was born at the same time with the socialist movement; it was tested in the struggle against capitalism; it took deep roots among the people, and became a fortress, a true defender of both workers and peasants who suffered under capitalist exploitation.

Following the victory of the socialist revolution, the cooperatives in Bulgaria became an active factor for the construction and renovation of our socialist Fatherland, and became an inseparable part of our economy and socialist production relations. Great is the merit in this respect of the historic April Plenum which opened broad vistas for development of the cooperative movement along the road to socialism.

The Central Committee of the Bulgarian Communist Party highly assesses your contribution to the implementation of the Party Programme to build mature socialism; to the fulfilment of the

December Programme for further raising the working people's living standards, for providing the population with more goods and services, for expanding the system of self-sufficiency of the settlement systems in basic foodstuffs and for implementing the Party's foreign economic policy.

You have achieved considerable successes, particularly after the Central Cooperative Union's Eighth Congress. Following the June 1979 decision of the Politbureau of the Party's Central Committee on "More Efficient Organization of the Central Cooperative Union's Activities", a general upsurge in your work was noted. Consumer cooperatives manufacture goods worth 840 million leva, and buy nearly 900,000 tons of farm produce annually. About one-third of this country's retail turnover is realized by cooperative shops and public catering establishments. More than half of the bread, snacks and pastry consumed in this country, are provided by the cooperatives.

Positive results have also been reached concerning the most rational utilization of the possibilities of personal farms to help increase agricultural production.

We are also happy about your international and foreign economic activity. At present, the Central Cooperative Union has business contacts with the cooperative organizations in all fraternal socialist countries, and with more than 40 cooperative organizations, associations and firms from the developing and the capitalist countries. This is not accidental, for the Bulgarian cooperatives have rich experience of useful activities serving the nation; this interest is justified, and has won them high international prestige and authority.

In brief, the cooperative movement in this country is successful in performing its mission concerning the construction of a mature socialist society. In this connection, allow me, on behalf of the Party's Central Committee, to extend our gratitude and thanks to the two million strong cooperative army for its zealous work and creative labour in the period between the Eighth and Ninth Congress of the Central Cooperative Union.

Comrades,

Each Congress of the Central Cooperative Union marks a new stage in its upward development. This can also be said of the present

Congress, too. Which is, however, its most important and most characteristic feature?

The most important and most characteristic feature of this Congress is the fact that it is held immediately after the historic Twelfth Party Congress, after the Rouse Conference of May, 1980, and after the remarkable speech of Comrade Todor Zhivkov at the National Conference of Party, State, Business and Public Activists held on October 24 this year.

These Party forums, together with Comrade Todor Zhivkov's instructions, put new requirements and set important tasks to the Party, to the nation as a whole, and to the Central Cooperative Union. The Party Central Committee considers that in the forthcoming years of socialist construction in the People's Republic of Bulgaria, the cooperative organizations will play an important role in the implementation of the Bulgarian Communist Party's economic and social policy.

You all know which is the major socio-economic goal of the Eighth Five-Year Plan, as formulated by the Twelfth Party Congress. It consists in a consistent and steady policy of more comprehensive satisfaction of the material, spiritual and social needs of the working people. In practice this means that the care for the people is task Number One of plans and decisions in all branches of the economy and all spheres of activity in the country. It is the major criterion for evaluating the activity of all bodies and organizations, of the cadres and the workforce teams, within the system of the Central Cooperative Union, too.

In this context, the Twelfth Party Congress formulated the Central Cooperative Union's key task under the Eighth Five-Year Plan as follows: "to further unfold its activities aimed at the fullest utilization of the country's material and social resources, to meet better the needs of the people".

You have considerable experience and successes in this field. However, a new objective of larger dimensions and higher perspectives is on the agenda now: to satisfy, in a more comprehensive way, new requirements of a higher order, the requirements of the socialist working man who is building the developed socialist society in the People's Republic of Bulgaria.

Life itself, the present and future of the working man under socialism require that each settlement system organizes itself in such a

way as to meet ever more fully and in a more complex manner the growing material, social and spiritual, needs of the working people. The consumer cooperatives can largely contribute to this end, since they are to be found in every village, in every sector of the city; hence, they are closer to the needs of the working people. For the purpose of meeting best the needs of these working people, it is necessary to:

- produce more goods of better quality, particularly such goods that are not available in sufficient quantity for the time being;

- provide cheap services of every kind, such as the people would need;

- adopt concrete measures allowing the best use of personal farms, of the labour of people in retirement age, and of artisans; promote the production of some small edible and non-edible goods.

In the future, the Central Cooperative Union should not rely on the centralized commodity stocks alone but should produce, through its economic organizations, high-quality goods from its own resources. The share of goods of its own production used for trade, should steadily increase. For this purpose, the Union should, on the basis of integration with the light, the food and the local industries, develop the cooperative system's production activity at the highest possible degree, and search for new ways and means to augment the commodity stocks. This does not apply to all kinds of goods but to commodities which are rare on the market, the demand for which is high, and which are of good quality.

The Central Cooperative Union has an important reserve at its disposal which it should use to the full in order to accumulate bigger commodity stocks; it consists in the construction of small facilities at modern technological level for the processing of produce of plant and animal origin, for the production of consumption goods, and for services. These facilities should mushroom within your system, everywhere where local raw materials and manpower are available.

Another production form – working at home – should also be used better, as well as the labour of pensioners, housewives, workers and others who wish to work off their normal working hours.

The quality of bread, pastries and snacks within the Central Cooperative Union's system should be improved so that they may compete with the large bread factories in terms of quality and flavour.

Better organization should be introduced in the activities relating to the collection and utilization of scraps for recycling; in gathering medicinal plants and wild fruit, in expanding the production of mushrooms, honey and others, in enriching the assortment of soft drinks on the basis of local fruit, plants and concentrates.

The Central Cooperative Union is expected to make a much bigger contribution to the further development of the population self-sufficiency system concerning staple farm products.

What should be done in this field?

On the one hand, the Central Cooperative Union should enter into large-scale cooperation and integration with the National Agro-Industrial Union, the agro-industrial complexes and other organizations, for a joint production of foodstuffs and joint running of animal farms; also, integration relations should be established with economically weaker agro-industrial complexes for the purpose of rendering them active assistance in promoting the development of some kinds of activities.

On the other hand, the cooperative organizations should pay particular attention to the development of personal farms. In this field, the Party policy is very clearly outlined: personal farms are regarded as an important potential for a speedier increase of the production of meat, milk, fruit and vegetables. As a continuation of cooperative farms, personal farms should also develop intensively. The Central Cooperative Union should wage a massive campaign to explain these issues and to organize matters so as to use all the potential of personal farms for increasing the output of agricultural produce. What is more, the cooperative organizations should be responsible for providing farmers with tools and equipment, seeds and fodder, in a word, with everything necessary for highly productive and modern farming.

Cooperative trade and public catering in the settlement systems should develop on a broader basis. Particular attention should be paid to the study of consumer demand, the improvement of the organization of commodity traffic, the introduction of a direct relationship between cooperative trade and production units, the use of modern forms of trade and the efficiency of services. The organization of canteen catering should improve on the basis of the material and technical resources available, and of the resources of personal farms. The state of cooperative markets and commission trade should be definitely improved and expanded.

Comrades, as you see, the Party Central Committee regards the consumer cooperative as a cell of the national economic organism which is called upon to become an important population supply, trade and service centre, and an important factor in the attainment of the major socio-economic goal which was approved by the Twelfth Party Congress.

Comrades,

If you want to approach this objective successfully, you shall have to carry out a radical change in your Union's activities from top to bottom and vice versa in order to achieve intensive development.

As stated at the Twelfth Party Congress, the course towards intensive development is an objective law of the further construction of mature socialism in this country. In our future work, it should become a guiding principle and an iron law within the cooperative system, too.

In practice this means to organize work in such a way as:

- to receive more national income from each lev of capital investments, from each unit of fixed assets;
- to produce more high-quality goods using less manpower and less raw materials;
- to make production costs per unit equal to those in the same branch in the most advanced countries;
- to implement a strict policy of economy and of an efficient use of technologies, manpower and financial resources, in line with the chief objective of the national economy.

These are the ways and means, these are the channels towards an intensive development which should be used everywhere, and by everybody, from the individual consumer cooperatives to the Central Cooperative Union as a whole.

An important key for success in this direction is the further perfection of the socialist organization of labour. The cooperative organizations should apply modern complex forms of organization which would allow them to use the three elements of production and trade best – the tools of labour, the objects of labour and live labour.

Special attention and care are required for the introduction and strengthening of the brigade form of labour within the cooperative system, since it is a basic factor for increasing the effectiveness of production and trade.

At the same time, the experience of foremost workers should become mass practice at the cooperative organizations; socialist discipline should strengthen in all fields: planning, finances, technology and labour. Research, design, pilot and development activities should definitely improve with a view to the timely and large-scale introduction of advanced technology achievements. We must do everything within our possibilities to guarantee the development of your activities on an up-to-date level, on the basis of new technologies and high efficiency, which will, in turn, guarantee a considerable growth of labour productivity.

The decision of the Twelfth Party Congress require a consistent implementation of the new economic approach and its mechanism.

Our cooperative movement has a commendable old tradition: each cooperative is self-supporting, and functions exclusively on democratic principles. This tradition should become the supreme principle in your future activities at all levels. To this end, the mechanism of planning, incentive and organizing in every cooperative organization, including the Central Cooperative Union's central management, should be improved. Labour remuneration at all levels should be based on the wage fund. The system of self-financing and self-accounting should be introduced everywhere.

The Central Cooperative Union is a socio-economic organization; as such, its entire activity should develop on an economic basis. It should function as a real economic association of cooperatives. Within the limits of the State plan and standards, it should freely participate in trade at home and abroad, competing inside the country with other trade, purchasing and production organizations for the purpose of a better and more efficient satisfaction of population needs.

The Central Cooperative Union should continue to develop extensively and in a creative and business-like manner the cooperatives' self-initiative, to expand internal cooperative democracy, and to promote the social activity of workforce teams.

Measures should be taken regularly to ensure the further consolidation and development of the public principle in the activity of the cooperative organizations by expanding the elective bodies' rights and obligations in decision-making, by electing on these bodies people with rich organizational and business experience, and by securing close, direct and steady contacts with the population. The cooperative

organizations should expand their joint activities with the Fatherland Front to gain the active cooperation of the population in utilizing all possibilities and reserves for higher output and better services.

The cooperative movement has deep and strong roots in our life. People respect and esteem it. Therefore, bureaucracy or poor administration should not be allowed to discredit what is good; no weeds should grow on the cooperative field. Therefore, at your Congress you will correctly consider new forms and methods of expanding cooperative democracy, of giving scope to the creativeness and talent of the cadres at all levels of management within the cooperative system, of enriching the consumer cooperatives with new content and transforming them into basic structural units which should be more closely tied, both organizationally and economically, with the settlement systems where they should function in accordance with the territorial and other requirements.

Both at the central body and locally, a consistent daily campaign should be waged against stagnation, routine, and self-complacency. The subjective factor should be quickly re-organized since much depends on it for the efficient development of our cooperative system in the future. Such are life's requirements. To this end, improvements should be introduced in the system relating to the cooperative cadres selection and qualification. The style and methods of work at all levels should be perfected, too.

Comrades,

We live and work in a complex, contradictory and dynamically changing international set-up.

Our people, like all progressive people, is interested in strengthening world peace, in consolidating detente, in restoring and promoting trust among states, in eliminating the threat of nuclear war. For these reasons, our Party and people accepted the CPSU Peace Programme as a programme of their own.

"As a Party, a State and people", Comrade Todor Zhivkov declared from the rostrum of BCP's Twelfth Congress, "we shall do our best that this Programme be translated into a living reality. Loyal to its consistent foreign policy of principle, the People's Republic of Bulgaria will continue to pursue a line of peaceful cooperation and understanding with all countries and nations".

In this context, the Central Cooperative Union should increase its contribution to the realization of our foreign policy and of our foreign economic course. Particular attention should be paid to the expansion and intensification of the Central Cooperative Union's foreign economic activities.

The Party's Central Committee and the Government consider that the expansion of relations and all-round closeness with the Soviet Union's *Centrosoyuz* and of multilateral cooperation with the cooperative unions of the other fraternal socialist countries should continue in the future, too. Cooperation should also be expanded, on an economic basis, with the cooperative organizations and movements in the developed capitalist states, and the developing countries in particular, by concluding long-term agreements on joint production ventures so as to increase this country's commodity resources, by signing tripartite contracts and carrying out exchange operations, by buying technologies and enlisting the services of foreign experts to speed-up the introduction of world achievements and the foremost experience of other countries.

On the basis of long-term agreements, industrial and technical cooperation should be carried out with cooperative organizations and firms from socialist and non-socialist states for the purpose of increasing this country's commodity and other resources. International tourist activity should be further promoted on the basis of integration with the State Committee for Tourism.

The Central Cooperative Union should increase its participation in the international cooperative movement with a view to strengthening the international cooperative solidarity, in the name of the struggle for peace, democracy and social progress.

The Party's Central Committee is convinced that the Central Cooperative Union will remain an active exponent of the peaceful policy of the People's Republic of Bulgaria and a champion of peaceful cooperation among nations.

Comrades,

The first year of the Eighth Five-Year Plan will be over within a counted number of days. This was a year of a glorious jubilee, a year of Bulgaria's transition into its 14th century of statehood. Our successes are a source of joy. In spite of complex international conditions, prospects are optimistic.

Guided by its Party and inspired by its achievements, our laborious and heroic people works hard for the implementation of the decisions of the Twelfth Congress, for more successes in all walks of social, political, economic and cultural life. There is no doubt that the people's high criteria and powerful creative abilities will provide the basic content of work both at your Congress and in the future activity of cooperative organizations in this country.

The Central Committee of the Bulgarian Communist Party and the Government are firmly convinced that the cooperative members and all workforce teams within the Central Cooperative Union's system, united around the Party's Leninist April policy, will work with inspiration and selflessness, with a feeling for initiative and a creative mind, for the successful implementation of the historic decisions of the Twelfth Congress, for new, outstanding successes in building the developed socialist society in our beloved fatherland, the People's Republic of Bulgaria!

Let us work for the realization of the motto of the Twelfth Party Congress: "Deeds, Deeds, and Deeds Alone", for the future prosperity of our Fatherland, for attaining the Party's strategic objective: "Everything in the name of Man, everything for the good of Man!"

TO SATISFY THE NEEDS OF THE PEOPLE

RESOLUTION of the Central Cooperative Union's Ninth Congress

Socialist Bulgaria has scored remarkable successes in its social, economic and cultural development. The Seventh Five-Year Plan was a peak of its progress. The upsurge in all walks of life has again confirmed both the correctness, viability and creative nature of the Leninist April policy of the Bulgarian Communist Party which is successfully pursued by the Party Central Committee headed by its General Secretary, Comrade Todor Zhivkov.

The Ninth Congress of the Central Cooperative Union which is being held in an atmosphere of high political and labour enthusiasm reports important achievements of the Bulgarian cooperative movement. Inspired by the decisions of the Twelfth Congress of the Bulgarian Communist Party which mapped out this country's development prospects for the Eighth Five-Year Plan and till 1990 and by the 25th anniversary of the historic April Plenum, and in honour of the 90th anniversary of the Party's foundation and the 13th centennial of the Bulgarian State, the working men and women from the Central Cooperative Union's organizations and enterprises have registered important achievements in the construction of the developed socialist society in Bulgaria.

The Bulgarian cooperative movement emerged together with the socialist ideas in this country, and has been serving the people for nearly a century now. Following the victory of the socialist revolution, the Bulgarian cooperatives became an active factor in the building up and renovation of the country. They became an integral part of its economy and of the new production relations. The April policy of the Party brought about conditions favouring the renovation of the cooperative organizations in the different sectors of the national economy and an increase of their practical contribution to the individual stages of socialist construction. Their role in further raising

the people's living standards and in meeting better the population's needs of goods and services becoming increasingly important.

The 1979 Decision of the Politbureau of the Central Committee of the Bulgarian Communist Party "On More Efficient Organization of the Activity of the Central Cooperative Union" provided a new impetus for mobilizing the forces of cooperators and workforce teams in implementing the Party's strategic policy towards improving effectiveness and quality.

In the period under review, the Central Cooperative Union organized the cooperatives manifold activity to improve resolutely the supply of goods and services to the population, and to increase the production of consumer goods. Positive results were achieved in utilizing better the possibilities of personal farms for increasing agricultural produce, in expanding the self-sufficiency system providing basic foodstuffs for the population in the settlement system and in the more rational use of labour, material and financial resources.

The application of the new economic approach and its mechanism promoted better economic efficiency in the overall cooperative activities.

The cooperative organizations made an important contribution to the country's successful social and economic development in the course of the Seventh Five-Year Plan. They attained the five-year plan's basic indices 61 days ahead of schedule. The net output plan was overfulfilled by 7 per cent, and labour productivity grew by 4.5 per cent. Over 35 million levs above the plan from turnover taxes went to the State budget. Above-plan profits of over 68 million levs were realized. Fixed assets valued at 342,037 thousand levs, or 157,046 thousand levs more than under the Sixth Five-Year Plan, were put into effect. At present cooperative organizations produce 51 per cent of the bread, 53 per cent of the confectionery, 36 per cent of the snacks, and 94 per cent of the soft drinks and account for 33 per cent of the retail trade.

Cooperative organizations run 17,000 shops (55.4 per cent), and 9,100 canteens (66.2 per cent) of the national trade network. The cooperatives supply about 56 per cent of the country's population with various goods.

The Central Cooperative Union promotes active economic, scientific and technical cooperation with the Soviet Union's *Centrosoyuz*

and with the cooperative organizations of the other socialist community countries; it maintains fruitful links with cooperative and other organizations, movements and firms in over 40 developing and capitalist countries. Through its large-scale international activity, the Central Cooperative Union contributes to the implementation of Bulgaria's peaceful policy. The Bulgarian cooperative movement performs successfully its role in the construction of the advanced socialist society.

All these successes of the Bulgarian cooperative organizations are the result of the industriousness and perseverance of cooperators and workforce teams. The development of the Central Cooperative Union achieved its full scope under the leadership and owing to the immediate concern of the Central Committee of the Bulgarian Communist Party, and of Comrade Todor Zhivkov in person.

Alongside with these positive results, the Congress of the Central Cooperative Union came to the conclusion that the present level of cooperative activities does not fully correspond to the increased requirements.

In some places, cooperative trade and public catering lag behind the possibilities, and do not meet the social and economic requirements of the settlement systems. There was a shortage of some consumer goods; the supply of goods was not smooth; sales were interrupted; some cooperatives did not seriously undertake the organizing of canteens. Though cooperative industries grew rapidly in the past few years, consumer goods production still does not correspond to the requirements set by the Twelfth Party Congress, nor does it correspond to the goals of the 1980 Rousse Conference. The Comprehensive Programme of the Central Cooperative Union for the Eighth Five-Year Plan is being implemented at slower rates.

Some managers did not take effective measures to increase rapidly the production of consumer goods, nor did they prove resourceful in using the possibilities for integration ties with other organizations. The Central Cooperative Union did not render the necessary assistance to the cooperative organizations to ensure the prompt reorganization of purchases under the terms of the 1981 Decree No. 1 of the Council of Ministers.

The development of certain activities proceeded in an extensive way. The achievements of science and technology and the experience of foremost workers were put into practice too; slowly reconstruction

and modernization were carried out at comparatively slow rates. Old patterns and primitivism were not entirely wiped out in building up the material and technical base. The introduction of new capacities and technologies was slowed down. The new economic approach was neither consistently nor fully introduced in all spheres of cooperative activity. This approach has not yet become a style and method of work, a genuine factor for the full expansion of the workforce teams' creative possibilities. The principle of self-financing is not applied totally; nor have conditions for self-support been created everywhere. Some organizations, branches and establishments still operate at a loss. The formal attitude of some managers towards the team principle of labour as a decisive condition for the perfection of the socialist organization of labour has not been entirely overcome.

No effective and fruitful campaign is waged for safeguarding cooperative property. Insufficient measures are taken against wastefulness and carelessness. There is a tendency towards an increase in indebtedness and debit interest as a result of delays in the repayment of credits, for non-productive purposes and so on.

The cooperative organizations broad social basis and higher economic and cadre potential open up possibilities for greater socio-economic efficiency. The main objective of the system's future development is higher efficiency of the overall cooperative advanced technology, in line with the decisions of the Bulgarian Communist Party's Twelfth Congress on the further construction of the developed socialist society in the People's Republic of Bulgaria and the realization of the task set by Party: **'AS A SOCIO-ECONOMIC ORGANIZATION, THE CENTRAL COOPERATIVE UNION SHOULD CONTINUE TO UNFOLD ITS ACTIVITY FOR A FULLER UTILIZATION OF THE COUNTRY'S MATERIAL AND SOCIAL RESOURCES, AND FOR A BETTER SATISFACTION OF THE NEEDS OF THE PEOPLE.**

Having heard and discussed the Report of the Managing Board the Ninth Congress of the Central Cooperative Union

DECIDED:

The Managing Board and Executive Committee of the Central Cooperative Union, the district cooperative unions and local cooperatives, and the managers of the cooperative enterprises should concentrate their efforts on the attainment of the chief and supreme goal of production under socialism – THE FULLER SATISFACTION OF THE MATERIAL AND SPIRITUAL NEEDS OF THE POPULATION, and should facilitate the key Party motto, i.e. EVERYTHING IN THE NAME OF MAN, EVERYTHING FOR THE GOOD OF MAN. To this end, favourable conditions will be constantly created for a better utilization of all financial, material and social resources.

Guided by the main strategic objective in accordance with the new economic approach, the Central Cooperative Union has set itself the task of realizing a net output of 545 million levs in 1985, or 26 per cent more than in 1980, and profits totalling 193 million levs, or a growth of 74.2 per cent; productivity of labour is to go up by at least 26 per cent.

An obligatory requirement and a guide for action for the Central Cooperative Union, the district cooperative unions, and the consumer cooperatives and cooperative enterprises is to ensure the implementation of the decisions of the Twelfth Congress of the Bulgarian Communist Party specified in THE PROGRAMME ON EXPANSION OF THE CENTRAL COOPERATIVE UNION'S ACTIVITIES, ON THE RAPID GROWTH OF CONSUMER GOODS PRODUCTION, AND THE FURTHER IMPROVEMENT OF TRADE AND SERVICES IN THE EIGHTH FIVE-YEAR PLAN (1981-1985).

All cooperative organizations, by means of their counter-plans, should secure an average annual growth in excess to the State plan as follows:

- a) a total income growth by 2-3 per cent;
- b) a labour productivity increase by 3-4 per cent;
- c) a reduction of expenditures by 2-3 per cent;
- d) 30 million levs in total profits (for the cooperative system in general).

I.

During the 8th Five-Year Plan, the main efforts for the further development of TRADE, PUBLIC CATERING AND THE TOURIST

INDUSTRY should be aimed at providing greater quantities of more varied goods, at introducing modern methods of studying and forecasting market demands, at a large-scale use of progressive forms of trade and raising the efficiency of services. The overall turnover volume in 1985 should go up by 16.7 per cent as compared to 1980.

1. On the basis of the intensive development of the production of consumer goods cooperative trade should guarantee a faster growth of supply over the population's purchasing capacity and a better utilization of the material and technical base. Retail turnover in 1985 should reach 3,406 million levs, i.e. a growth of 19.40 per cent.

To this end:

– the impact of cooperative trade must increase so as to orient production towards consumption demands. By setting up and expanding direct ties between cooperative organizations and production enterprises, 65 to 68 per cent of the total turnover should be effected in this way by the end of the Eighth Five-Year Plan, against 52 per cent for 1980;

– the organization of commodity circulation should be improved, and a smooth supply of goods to the cooperative shops be guaranteed;

– the concentration and specialization of the network of shops should continue so as to ensure the sale of goods of complex assortment (to answer both periodic and episodic demand) in the centres of settlement systems, the big towns and the cities; the process of reconstruction and modernization of shops should continue, too. By the end of the five-year plan, these complex measures should cover 3,000 shops;

– services for the working people should improve by making goods accessible to consumers and by cutting down shopping time. Shops and kiosks, should be set up for the sale of goods and items of prime necessity at enterprises, factories, construction sites and elsewhere. Wherever conditions per unit, shops supplying goods on order, should be opened, the working hours of shops should correspond to the population's free time;

– a steady development of trade should be ensured by expanding and diversifying such active forms of trade as: self-service, open display, sales in front of stores, and bazaars, and wherever there is a steady flow of people. The share of retail turnover to be realized in these ways should reach 70 per cent, self-service alone accounting for 50 per cent of it;

– constant information and control of the flow and sale of seasonal goods in the trade network and in the storehouses of the district cooperative unions and local cooperatives should be introduced; seasonal sales should be improved and a constant supply of such goods should be ensured.

– the supply of fresh vegetables and fruit by ensuring a round-the-year sale of these goods to the population and by shortening the time between production and consumption should be tangibly improved;

– the participation of cooperatives in cooperative bazaars should be promoted by raising their number to 130, and by increasing commission trade turnover over 2-fold;

– the assortment and sale of children's foods should be diversified; they should be offered them in more than 1,700 food shops in towns, settlement system centres and big villages by the end of the five-year plan. The sale of dietetic foods should be expanded in more than 350 shops, supermarkets and bigger general stores;

– a large network of shops and stands for the sale of goods for personal farming, such as seedlings, seeds, fertilizers, preparations, agricultural tools, etc., should be opened.

2. Public catering should be further promoted, with the 1985 turnover reaching 1,064 million leva, or an increase of 16.4 per cent, including a rise in ready meals turnover from 120 million leva in 1980 to 160 million leva in 1985.

To this end:

– by improving the efficiency of servicing, the volume of public catering should be raised so as to correspond to demand; national dietetic and vegetarian dishes should be diversified;

– canteens, and cooperative canteens in particular, should grow in number. By 1985, the task of having 65 per cent of the working people take their meals in canteens should be fulfilled;

– 180 pubs should be transformed into eateries, another 110 should be closed down;

– the concentration of public catering should continue through integration with the food industry, the opening of central kitchen, meat processing facilities, culinary shops;

– the production and sale of semi-cooked dishes in shops and public catering establishments should expand. The number of shops and stands selling such dishes should increase by 560 by the end of the five-year plan;

– the network of establishments and stands for the sale of hot pastries and rolls baked on the spot in the capital city, in the district centres and in the large towns and villages should expand;

– the forms of active supply should be popularized by giving additional outside area to restaurants, cafes, and other such establishments. The seating capacity of these places should rise by over 25,000 seats by the end of the five-year plan;

– mobile trade in the fields enterprises, farms, hiking places, resorts and elsewhere should also expand;

– background and leisure music at public catering establishments, particularly at places of recreation and entertainment should be improved. The number of discotheques should grow by 60;

– chain public catering establishments should be opened in the bigger towns and resorts, and along motorways; combined snack-bar-restaurant-pastry-shop establishments should be opened in the smaller towns and villages.

3. To expand and enrich the home and international tourist industry.

To this end:

– the network accommodation facilities in resorts and hiking areas should be further developed and improved. Another 350 beds should be provided and recreation conditions improved through the reconstruction and modernization of 10 accommodation facilities with a total of 600 beds. Some roadside establishments should be reconstructed according to requirements of the Central Cooperative Union, and the construction of 3 new roadside complexes should begin;

– domestic tourism (both recreational and educational) should be promoted; returns from these activities should increase by 50 per cent till the end of the five-year plan;

– bureaux for all kinds of tourist services at the main tourist sites should be set up and the use of private rented houses and flats should grow to help increase the number of beds.

II.

The foremost task of the cooperative organizations in THE INDUSTRIAL SPHERE is the most rational utilization of all existing conditions and the creation of additional possibilities for a rapid growth of CONSUMER GOODS PRODUCTION, to meet the population needs of services of high quality and profitability as quickly as possible.

The standing and trade-mark of the articles manufactured by cooperative organizations should be continuously enhanced and their share in the country's commodity stock should rise. Close integration ties with the local, light, food, chemical and other industries should be used to the maximum.

1. In 1985, the volume of consumer goods production (in retail prices) should reach 1, 200 million levs.

In this connection:

– in conformity with market trends and requirements, the largest possible production of consumer goods of high quality and aesthetic value should be organized. The short age of some commodities should be overcome and a steady supply guaranteed;

– all-embracing measures should be taken to improve radically the quality and assortment of bread, and to secure the regular supply of freshly baked bread to the population;

– the production of pastries should expand, and its volume should go up by 21.6 per cent over 1980, and the volume of confectionery by 27.6 per cent; their quality and diversity should be improved.

– new foodstuffs, semi-cooked foods and desserts should be put on the market, to facilitate housewives;

– the production of soft drinks should be increased and their flavour and assortment should be improved on the basis of local herbs, fruit and vegetables;

– the production of fashionable and luxury goods, delicacies, souvenirs and national handicraft articles should go up;

– the aesthetic value and quality of packing and wrapping materials should be improved; the packing of the different commodities should be diversified in accordance with modern design requirements;

– the available production facilities should be better utilized by introducing more shifts, cutting down idle time wasted and introducing a 6-7-day operation;

– the possibilities of home work and the labour of pensioners, housewives, students, and others, as well as that of workers and office employees off the job should be used better;

– at least 100 small- and medium-size enterprises of high technological level should be opened by the end of the five-year plan;

– the “Hristo Nikov” cooperative enterprise in Sofia should be enlarged, reconstructed and fitted out with modern production equipment so as to meet Sofia’s needs of top-quality products.

2. Cooperative organizations should provide communal services on a large-scale ; till 1985 they should grow five times as compared to 1980, and amount to a total worth of 35 – 40 million levs.

To this end:

– all possibilities should be used to offer services to the population in all settlement systems where there are cooperative organizations, by setting up such enterprises as “Cooperative Services”, workshops, shops and others, mainly for construction, repairs, cabinet-making, carpentry, metal-working, auto-repair, public catering and other types of services;

– the range of services should be expanded and their quality improved by introducing modern forms of services;

– particular attention should be paid to widening the network of “Do It Yourself” shops;

– pensioners, mothers, students, workers, office employees and licensed craftsmen should be more widely involved in the sphere of services.

3. Measures should be taken to improve the organization and effectiveness of cooperative automobile transport, particularly by special-purpose vehicles, to increase the number of trucks powered by diesel engines, to speed up the mechanization of loading and unloading operations, to enlarge and modernize the servicing base, and to improve maintenance and repair.

Concrete measures should be taken to ensure traffic safety.

III.

The participation of cooperative organizations in the application of the principle of SELF-SUFFICIENCY OF THE POPULATION

OF THE SETTLEMENT SYSTEMS IN BASIC FOODSTUFFS, should increase.

1. They cooperative organizations should contribute as best as they can to a most rational use of the land so as to increase the production of fruit, vegetables and animal products from public, auxiliary and personal farms.

In this connection:

– mutually advantageous integration with the agro-industrial complexes and with other agricultural organizations should be promoted with a view to bettering the use of land and ensuring more farm products for the settlement systems;

– the purchasing and full utilization of farm products from public, auxiliary and personal farms should be organized on the basis of contracts to make possible the fulfilment and overfulfilment of the tasks set. Direct contracts between cooperative organizations as well as those with personal farms should be widely used;

– the cooperative organizations should participate on a broader scale in the setting up of perennial plantations with funds of their own under contracts regulating the buying-off of their produce;

– they should cooperate in organizing the supply and free sale to the population of the required quantities of fodder mixtures, fertilizers and preparations in suitably small packing sizes, of small agricultural implements, etc.;

– the production of fruit and vegetables on the initiative of the cooperative in the village of Aksakovo, Varna district, should be encouraged on a large scale among the cooperative farmers working in agro-industrial complexes as well as among the population not engaged in farming;

– the cooperative organizations should more actively follow the initiative to plant fruit trees along streets and thus turn Bulgarian towns and villages into beautiful orchards;

– the cooperatives and enterprises should set up auxiliary farms for vegetable and animal products to meet the needs of workers and office employees and cut down canteen food prices;

– the establishment of small farms at the cooperative organizations for raising pigs, poultry and sheep, and producing wool, meat, eggs and other animal products should continue;

– the material and technical base for the purchasing, processing, packing and storage of farm products should be improved by providing freezers, fruit storage facilities and workshops for the production of sausages, delicacies and semi-cooked foods so as to ensure, the uninterrupted supply of the population with goods all the year round.

2. It is necessary to further promote some profit-bearing and effective branches such as apiculture, rabbit-breeding, goose-raising and the breeding of animals with valuable furs (nutrias and others).

To this end:

– work should decisively improve on the fulfilment of the 1977 Programme of the Council of Ministers for the promotion of bee-keeping and the production of apian products, and the number of privately owned bee families should reach 775,000 in 1985, while the number of those owned by the specialized Central Cooperative Union enterprises should increase to 157,000;

– the supply of bee-keepers with the necessary equipment, should be improved, and provisions made for protecting bees against diseases, for guaranteeing a better pollination of crops and trees by bees, and for organizing the production of foodstuffs based on bee products;

– systematic measures should be taken to provide more pollen to bees by using eroded, deserted and waste land for the purpose;

– in 1985, the breeding of 300,000 mother-rabbits should be ensured. The production of rabbit meat should go up from 3,700 tons in 1980 to 6,000 tons in 1985, by using the leading experience of the district cooperative unions and consumer cooperatives in Vratsa district, and by organizing the sale of special fodder mixtures at cooperative stores;

– on the basis of the best results obtained in the districts of Razgrad, Mihailovgrad, Yambol, Pleven, Veliko Turnovo and Vidin, goose-raising by the population should be improved and the output of goose products in 1985 should reach 700 tons of meat, 70 meat of goose liver, etc. The construction of the material bases for goose meat processing should be completed;

– 3-4 nutria parent stock farms should be set up so as to provide offspring for breeding.

3. The utilization of wild - growing medicinal plants and mushrooms should be improved and the production of cultivated medicinal

plants and mushrooms should be increased. Hothouses for growing field mushrooms by industrial methods should be built. In 1985 the total volume of medicinal herb purchases should reach 8,500 tons, of wild mushrooms – 3,000 tons and that of cultivated field mushrooms – 6,000 tons.

In close cooperation with the agro-industrial complexes and the pharmaceutical industry, effective measures should be taken to preserve and cultivate valuable medicinal plants, and to ensure their processing into high-quality bioproducts.

The primary and in-depth processing of raw materials should be improved and the effectiveness of this activity raised.

The modernization of the packing industry and the introduction of new brands of packed tea, medicinal plant and mushroom products should proceed at accelerated rates.

Together with the National Agro-Industrial Union and agro-industrial complexes, efficient measures should be taken to control the content of harmful chemical substance residues in fresh and processed foods.

IV.

It is imperative that THE INTERNATIONAL ACTIVITY of the Central Cooperative Union should be further broadened and extended.

In this connection:

– the ties and cooperation with the cooperative organizations of the Soviet Union and the other socialist countries should be strengthened and expanded, closer integration should be established, leading experience and scientific and technical innovations should be exchanged and the unity and friendship among cooperators in the struggle for the triumph of socialism and communism should grow stronger;

– the ties and cooperation with cooperative organizations in the developing countries should be promoted by offering them greater opportunities to draw on our experience for the purpose of their economic consolidation and progress;

– the ties with cooperative organizations in other countries should be expanded on an economic, mutually advantageous basis;

– the Central Cooperative Union should continue to participate in the activity of the International Cooperative Union in order to strengthen international cooperative solidarity in the struggle for peace, democracy, social progress and cooperation among nations;

– the volume of the trade in consumer goods with other countries, and with twinned cities and regions should grow considerably; more shops and restaurants should be opened on a reciprocal basis. In 1985 the exchange of imported goods should reach a total worth of no less than 500 million levs. It is necessary to improve constantly the effectiveness of commodity exports and to guarantee a further increase in currency receipts;

– on the basis of integration and cooperation with similar organizations in the socialist and developing countries, and with firms from the developed countries, joint enterprises on a high technological level for the production of foodstuffs, delicacies and other consumer goods in demand on the domestic market should be set up.

– additional forms of economic, technical and scientific cooperation should be employed by attracting foreign specialists, by purchasing licences and 'know-how', technologies, etc;

– the nomenclature of goods for export should be reconsidered and the manufacture of high quality export commodities be organized so as to make them competitive on the international market and ensure an increase in the currency receipts.

V.

In line with the intensification of production aimed at a speedy growth of labour productivity on the basis of an accelerated introduction of the latest achievements of science and technology, and of the experience of foremost workers, and at improving the working people's living standards, **THE INVESTMENT POLICY OF THE CENTRAL COOPERATIVE UNION SHOULD BE PERFECTED AND MADE MORE EFFECTIVE.**

In this connection:

– capital investments should be used more efficiently for the purpose of yielding the highest economic and social effect at the

lowest possible costs. The construction and expansion of new facilities should not be allowed if the existing ones do not work at full capacity;

– modernization and reconstruction should be the main trend in improving and expanding the material and technical base; at least 70 per cent of all capital investments should be used for this purpose;

– construction terms shall be cut down; unfinished construction projects should not exceed 75 per cent by the end of the five-year plan. Commissioning deadlines should be observed; the architectural-construction part of the projects should not exceed 30 per cent of the total cost, taking into account the specifics of cooperative activity;

– the competitive principle should be used in distributing the centralized “Expansion and Technical Improvements Funds.” and strict control be exercised over their effective use and recovery. Priority should be given to the financing of projects of top technological level, and particularly small- and medium-size enterprises for consumer goods and communal services which should prove of high economic and social effectiveness;

– the concentration of capital investments should increase by employing such forms of integration as joint construction of inter-cooperative facilities and enterprises: big, highly effective commercial compounds, shops and restaurants in the capital and other big cities.

VI.

The Central Cooperative Union’s chief task is to pursue a firm policy of INTENSIVE DEVELOPMENT, and to ensure the consistent and complete application of the ECONOMIC APPROACH.

1. It is necessary for cooperative organizations to speed up the introduction of modern scientific and technical achievements, and the intellectualization of labour, as the basis of their diverse activities.

To this end:

– the planning, organization and stimulation of the overall “design-to-operation” process should be improved. The plans for new types of construction, modernization and reconstruction should guarantee all the necessary conditions for a most rational utilization of scientific and technical achievements;

– still more favourable conditions should be provided for research pilot and engineering activities, and for the speedy introduction of modern achievements in the activity of cooperative organizations;

– emphasis should be laid on the continuous improvement of production equipment for the purpose of achieving higher productivity of labour and better quality;

– favourable conditions should be provided for the introduction of automated systems in both production control and management, and for the accelerated application of comprehensive mechanization of production processes aimed at reducing manual, hard and unattractive labour;

– a real shift should be made towards an economical use of raw and other materials, fuels and energy, on the basis of the best achievements in Bulgaria and abroad. Quick measures should be taken to cut down the cost of raw and other materials per unit of produce. Every possibility should be used to substitute scarce and imported materials with new ones of local make;

– the collection, purchasing and utilization of scraps for recycling should be organized as best as possible;

– the campaign for high quality and better services should become a task of paramount importance for every manager, specialist, technologist, team-leader and worker. The concern for quality should be the focus of attention of control bodies, which should uncompromisingly hold every cooperative and individual worker responsible.

2. The consistent and full application of the new economic approach should be continued with the purpose of achieving a high level of effectiveness in all cooperative activities.

In this connection:

– planning should be further improved. The planning bodies of cooperative organization should aim at a more detailed and comprehensive economic analysis, and at creating most favourable conditions for a dynamic development of the system;

– the role of long-term planning should grow, forecasting should be improved and plans should be bound together;

– the principle of democracy should be enhanced in working out the counter plans as one of the most important forms of cooperative self-management. The working out of these plans should become a task of prime importance for all cooperative organizations. All work-force teams and engineering and pilot groups should be most actively

involved in the elaboration of the counter plans, in order to tap and utilize all existing reserves, improve technology, and to achieve an all-round intensification and a rapid increase of effectiveness. These plans should be discussed and approved by the executive committees, the managing boards and the other collective management bodies;

– the socialist organization of labour shall continue to improve in order to ensure the operation of production facilities at full capacity, an economical use of raw materials and energy resources and a rational use of manpower;

– the workteam principle should be widely introduced and established to facilitate cost accounting;

– the principle of cost accounting should be consistently improved and applied in the activities of all cooperative organizations, the role of profits should grow in importance and complete self-support should be achieved by each economic unit;

– economic and organizational measures should be taken to ensure the effective development of cooperative activities in the border, mountainous and semi-mountainous regions;

– the normative basis for the expenditure of labour, raw materials and energy, and for the use of fixed production assets, should be improved by introducing it into the sphere of planning, designing, pilot and engineering activities;

– the contractual principle should be expanded; the structure of contractual relations should be improved; and contractual discipline strengthened;

– managerial and executive personnel should make greater effort to protect cooperative property, to eliminate all possibilities for misappropriation; preventive, routine, and consecutive control should be strengthened; the level of internal control; stock-taking and auditing should be raised.

VII.

– the professional and educational structure, working conditions and the ideological and aesthetic education of cadres should be improved with a view to the further SOCIAL DEVELOPMENT of work-force teams.

In this connection:

— a more effective use should be made of the educational facilities available at enterprises in order ensure a steady professional growth of cadres: managers, specialists and executive personnel. During the current five-year plan, period efforts should be made to raise the general and specialized educational level of cadres. The relative share of the medium-level managerial personnel with higher education should rise from 39 per cent in 1980 to 60 per cent in 1985, and the share of executive personnel special secondary education should rise from 34 per cent to 70 per cent respectively;

— the best working conditions possible should be consistently created in all spheres by promptly solving the problems of labour and technical safety;

— the all-round and effective social realization of young people should improve. Conditions should be created so as to engage more young people with the required vocational training and labour and moral qualities in the activities of cooperative organizations;

— the level of the ideological, educational, cultural and propaganda work should be raised. Greater efforts should be made to raise the level of amateur art activities, lectures, library activity and local radio propaganda work.

— the range of cooperative publications should be extended and their quality improved. The contacts and interaction with the mass media in solving the problems of cooperative organizations should be improved:

— physical culture, sports and tourism among cooperators and workforce teams should develop on a broader basis and their material and technical base should be enlarged;

— the constant expansion and diversification of socialist emulation within cooperative organizations, including labour and consumer cooperatives should be established as a permanent style of work. Socialist emulation expresses best the new spirit, and is an organizing factor for mastering the experience of front-rankers, and a major driving force of new initiatives, undertakings and ideas;

— the network of recreation facilities within the system of the Central Cooperative Union should be constantly expanded;

— cooperative housing construction and the construction of child-care establishments should be expanded, the necessary number of flats in the new housing estates of the people's councils should be ensured,

transport, trade and services for the workers and office employees of the cooperative organizations should be improved;

– the work of the Mutual Insurance Cooperative Council should improve in accordance with the higher requirements of social security, labour protection, and health care.

VIII

MANAGEMENT, THE ORGANIZATION OF MANAGEMENT AND THE STYLE AND METHOD OF WORK should improve continuously. Conditions should be created for a FULL-INCORPORATION OF CONSUMER COOPERATIVES in the country's socio-economic life, and for turning them into a major factor for attaining the main socio-economic goal set by the Party's Twelfth Congress. The diverse cooperative activities should acquire a new content, become more closely connected with the settlement systems both organizationally and economically, and develop in accordance with the different municipalities' specific features and territorial characteristics.

For the purpose:

– consumer cooperatives should continue to reaffirm themselves as production and commercial units, as important socio-economic organizations in the settlement systems, in the sphere of consumer goods production, trade and services, purchasing and processing; consumer cooperatives should make their own contribution towards bringing urban social and cultural life up to the level of urban life, and towards affirming the socialist way of life.

– the concentration of consumer cooperatives should continue in accordance with the objective social and economic conditions. Their social basis should be further consolidated and expanded, and their role in public activities should be enhanced;

– the public principle requiring a most active participation of all cooperative members in management should be furthered and enriched with the best traditions of cooperative democracy;

– the policy towards organizational consolidation and expansion of the social basis of consumer cooperatives should continue, their economic and management structures should be improved, the activity of low-level management and control bodies should be

bettered and diversified. Wherever necessary and in accordance with local conditions, cooperative branches with a certain degree of economic and juridical independence and elected management bodies of their own should be opened. Ties with mayor's offices and with the managing boards of public organizations should be strengthened to help solve the problems of individual populated places;

– the district cooperative unions should develop as strong socio-economic organizations. They should become genuine associations of the cooperatives and other economic organizations and enterprises which are their members. Their activities should be placed in service of the consumer cooperatives, with a view to their further social and economic development and consolidation;

– the Central Cooperative Union should increasingly become a national and open cooperative association, free of red-tape administration and bureaucracy, and should constantly increase its effectiveness as an organizer. The united cooperative enterprises and affiliated organizations should gradually be restructured according to the association principle with the participation of all or some district cooperative unions, consumer cooperatives, and other economic organizations and enterprises;

– intercooperative enterprises and organizations should be set up with the participation of cooperative and other economic organizations and enterprises all over the country, in spheres of activity requiring a high degree of concentration, mechanization and specialization;

– the management, organizational and economic structures of the cooperative organizations should be continuously strengthened and improved according to the specific nature of their functions;

– the role of the managing boards and executive committees should grow and their activity should acquire richer content in line with the major tasks, greater rights, and higher responsibilities of cooperative organizations, as well as with the requirements of Statutes;

– control should be further improved. Cooperative control should be promoted, made more specific and linked more closely with the needs and problems of workforce teams; cooperative control should contribute to a greater extent to the effective fulfilment of economic tasks, to the better servicing of cooperators and to the observance of socialist laws. The role of the control councils as elective bodies

should grow, as they are called upon to supervise the manifold activities of the cooperative organizations. It is also necessary to increase the preventive role of control;

– managing and control councils and executive committees should cooperate still more closely and effectively with the public and political organisations in order to fulfil the economic and social tasks facing the cooperative organizations;

– the district cooperative unions and consumer cooperatives should seek more actively the assistance of the people's councils and the mayor's offices in order to achieve a most rational utilization of the material, labour and natural resources of the settlement systems, ensure the better satisfaction of the population's needs, and improve the self-sufficiency system;

– co-operative members' creative initiatives should be promoted to enable the Central Cooperative Union make a still greater overall contribution to the coordination of the national balances: natural, financial and currency ones;

– the managing boards and the executive committees of the Central Cooperative Union and the district cooperative unions should take effective measures to strengthen further the development of producer and consumer cooperatives.

The Managing Board of the Central Cooperative Union should consider all proposals made by the delegates at the Union's Ninth Congress, take decisions accordingly and should refer to the competent central management bodies all matters of principle with a view to their solution.

* * *

Expressing the will of over two million three hundred thousand cooperators, the Ninth Congress of the Central Cooperative Union declares that it will implement the tasks set to the cooperative organizations by the Twelfth Party Congress.

We assure the Central Committee of the Bulgarian Communist Party, and Comrade Todor Zhivkov in person, that we shall dedicate all our efforts, creative energy and enthusiasm to the further development of the Bulgarian cooperative movement, to still higher achievements in the utilization of the material and social resources of this

country and to raising the well-being of the nation.

The Congress calls on all cooperators, workforce teams, and managerial and executive cadres to participate more actively in the attainment of the historic goal: the building of an advanced socialist society in the People's Republic of Bulgaria.

Let us work, for by deeds alone shall we fulfil the decisions of the Twelfth Congress of the Bulgarian Communist Party and the decisions of the Ninth Congress of the Central Cooperative Union!

ANNEXES

**STATUTE
OF THE
CENTRAL COOPERATIVE UNION**

(Revised and amended by
the Ninth Congress of the
Central Cooperative Union,
November 1981)

The cooperative movement in Bulgaria is a popular and democratic voluntary mass movement with long progressive traditions. Having sprung up at the end of the 19th century, it developed and grew as a movement in self-defence and against capitalist exploitation of the poor and middling strata in town and village, influenced and supported by the Bulgarian Communist Party and the progressive forces of the Bulgarian Agrarian Union.

A wide network of cooperative organizations, which developed a varied economic and social activity, was set up already under capitalism. Cooperative land cultivation was introduced in Bulgaria after the example of the kolkhoz system in the Soviet Union.

The victory of the socialist revolution in Bulgaria brought about radical changes in the cooperative movement, in its content, aims and tasks. The cooperative organizations turned into a component and integral part of the socialist economic system, and cooperative property – into a form of socialist property. Broad vistas opened up for the development of the cooperative organizations and for their active participation in the socialist restructuring of economy and in the construction of socialism.

Under the leadership of the Bulgarian Communist Party, cooperatives made a considerable contribution to the establishment, development and improvement of the material and technical basis of agricultural production, trade, public catering, purchase of farm produce, industry, services, etc. At the present stage of Bulgaria's socio-economic development they have become an indispensable part of the national economy which is fulfilling and will continue to fulfil successfully its social and economic tasks and will contribute to raising the socialist consciousness of cooperative members.

The decisions of the April 1956 Plenum of the Central Committee of the Bulgarian Communist Party, which are of historic significance for the country's entire socio-economic and political development, have exercised a favourable influence on the development of the cooperative movement, on the consolidation of the material base of the cooperative organizations and on the expansion of their activities. A series of measures have been carried out to enhance the organizational and economic status of cooperative organizations, and the merger of cooperatives has led to the formation of cooperative organizations with a big socio-economic potential.

The establishment of an integrated organizational and economic structure of the cooperative system raised the cooperative movement to a new higher stage. The Central Cooperative Union has become an association comprising as members the district (city) cooperative unions, consumer cooperatives, producer cooperatives, producer cooperatives for disabled persons, inter-cooperative organizations (enterprises), etc. On the basis of the guidelines set by the Party and the government concerning the socio-economic activity of the cooperative organizations, it is instrumental in tapping and better utilizing the reserves of the cooperative system with a view to achieving higher efficiency and a wider application of the principles of cooperative democracy in the activity of the cooperative organizations and enterprises.

In fulfilment of the Bulgarian Communist Party programme, the Central Cooperative Union is called upon to play an active role in the construction of the material and technical basis of socialism in the People's Republic of Bulgaria, in improving socialist social relations, in raising the well-being of cooperative members, and in building up the developed socialist society.

CHAPTER I CHARACTER, PURPOSES AND TASKS

Article 1

(1) The Central Cooperative Union is a socio-economic organization and forms an inseparable part of the socialist economic structure in the People's Republic of Bulgaria.

(2). On the basis of the principles of cooperative democracy and democratic centralism, independent initiative and a consistent application of the economic approach implements the organizational, economic and methodical guidance and control of the cooperative organizations and inter-cooperative enterprises which are its members, in accordance with the country's laws and statutes of these organizations and enterprises.

(3). Implements the guidance of producer cooperatives and of producer cooperatives for disabled persons on organizational and statutory matters, and on matters related to cooperative mutual aid,

mass cultural activities, social security, holidays, socialist emulation, labour safety, sports and tourism, the exchange of experience with co-operatives abroad, etc. In relation to these cooperatives the Central Cooperative Union collaborates with the Ministry of Home Trade and Services in the fulfilment of their economic tasks.

(4). Sets up its own cooperative enterprises and organizations, training centres, courses, and inter-cooperative organizations.

(5). In conformity with normative acts, it may be a member of other public organizations, associations and complexes and carry out international cooperation and maintain foreign economic contacts with cooperative organizations, persons and firms in other countries.

(6). The Central Cooperative Union is a member of the International Cooperative Alliance.

Article 2

The purposes of the Central Cooperative Union are to increase the volume and raise the quality and effectiveness of the many-sided socio-economic activity of the cooperative organizations and enterprises on the basis of a most rational use of the intensive factors, a large-scale introduction of the latest achievements of science and technology and leading experience and an improvement of the socialist organization of labour, management and cost accounting and thereby contribute to the accelerated development of the national economy, to the tapping of new reserves, the realization of the system of self-sufficiency of the population in the settlement systems, the improvement of communal services, ironing out the difference between rural and urban living conditions, strengthening the alliance between workers and peasants, reaffirming the socialist way of life and the edification of a developed socialist society.

Article 3

(1) The tasks of the Central Cooperative Union are:

1. To implement a unified organizational, economic and methodological guidance of the overall activity of the cooperative organizations and enterprises concerning the development of trade, public catering,

industrial activity, the manufacture of consumer, fashionable and luxury goods, the purchasing of farm produce, transport, large-scale construction, tourism, services to the population, foreign trade, etc.

2. To see to the fulfilment of the tasks assigned to it under the unified plan for the country's socio-economic development.

3. To implement measures for strengthening the cooperative organizations and enterprises organizationally, economically and financially.

4. To study the needs of the population and of the national economy, the present state and trends in the development of cooperative economic activity, to work out forecasts, concepts, programmes and long-range and annual plans for the overall performance of the cooperative system and to render assistance to the cooperative organizations and enterprises in the elaboration of their counter plans.

5. To organize and co-ordinate the development, extension, modernization and reconstruction of the material and technical facilities and the transport system of the cooperative organizations and enterprises.

6. To organize and co-ordinate scientific servicing, research and development and the speedier introduction of the latest achievements of science and technology and leading experience in the socio-economic activity of the cooperative organizations and enterprises.

7. To organize and implement undertakings for a most rational and effective utilization of the material and technical facilities, manpower, material and financial resources and for a broader use of the existing potentials and reserves in the socio-economic activity of the cooperative organizations and enterprises.

8. To improve the management, organization and planning of the socio-economic activity of the cooperative system, to promote and control the implementation of undertakings for the correct application of the economic approach, cost-accounting and self-support in the cooperative organizations and enterprises in keeping with their specific organizational structure and the principles of cooperative democracy.

9. To organize and implement undertakings for the improvement of the socialist organization of labour and wages, to ensure material and spiritual incentives and the introduction of team cost-accounting in the branches and activities of the cooperative organizations

and enterprises.

10. To organize and guide the organizational and publicity activities of the cooperative organizations and enterprises, to ensure conditions for the social development of the workforces for promoting the creativity and initiative of cooperators and workforces and for their active involvement in the management of cooperative organizations and enterprises.

11. To control the overall activities of cooperative organizations and enterprises in the observance of legality and financial, planning contractual and accounting discipline, the safeguarding of cooperative property and the protection of the rights of cooperative members; to exercise financial control over the activity of cooperative organizations and enterprises.

12. To organize and manage the legal aid and defence of property interests of cooperative organizations and enterprises.

13. To implement undertakings for raising the qualifications of the managements and personnel of cooperative organizations and enterprises.

14. To organize and carry out propaganda, mass cultural, sports and amateur art activities among cooperative members, to organize and maintain a cooperative library, a cooperative museum and archives, to organize and implement undertakings among women cooperative members, and popularize the cooperative principle so as to attract new members and increase their share in the cooperative organizations.

15. To organize, guide and account for socialist emulation, labour safety, the safety of traffic and the protection of the environment.

16. To organize and secure the leisure and recreation of cooperative members, industrial and office employees and their families; to build holiday houses, balneosanatoria, etc.

17. To organize and implement undertakings for improving the commodity traffic, for eliminating the unnecessary intermediary units, for intensifying the direct economic contacts between producers and consumers and for increasing the production of goods in high demand.

18. To sign coordination contracts and render assistance to cooperative organizations and enterprises in taking on and fulfilling their economic contracts.

19. To participate in the activities of the International Cooperative Alliance, organize international cooperation and economic contacts with the cooperative and other organizations in the Soviet Union, the socialist and other countries; to popularize abroad the experience and achievements of the Bulgarian cooperative movement and to study and introduce the positive experience of foreign cooperatives.

20. To implement measures for a most rational utilization of the funds set aside for raising the general living and cultural standards of the population.

21. To guide and control the activity of the Council for Mutual Insurance of Cooperators.

22. To guide and assist the Central Council of the Union of Rabbit Farmers and the Central Council of Apiculture.

23. To assist the cooperative organizations in carrying out their diverse activities in the settlement systems for tapping and utilizing manpower, material and natural resources, for the effective functioning of the system of self-sufficiency of the population, for building and developing the social infrastructure of the settlement systems and for implementing measures for the improvement of social relationships and the comprehensive solution of the settlement systems' socio-economic problems.

(2) The Central Cooperative Union represents the Bulgarian cooperative organizations in the International Cooperative Alliance and the cooperative unions of other countries.

CHAPTER II MEMBERSHIP, MEMBERS' RIGHTS AND DUTIES

Article 4

(1). Members of the Central Cooperative Union shall be the district cooperative unions. Upon decision of the Ruling Council, other organizations may also be members of the Central Cooperative Union or operate under its guidance.

(2) Membership is voluntary. The admission to membership is effected by the Ruling Council on the basis of a written application.

(3) The members of the Central Cooperative Union shall retain their economic and juridical independence.

Article 5

The members of the Central Cooperative Union have the right:

1. To take part in the work of the Union's Congress and to vote through their delegates.
2. To have their representatives elected to the ruling and auditing bodies of the Union.
3. To receive part of the Union's annual profit in accordance with the members' shares and their contribution to the profit.
4. To benefit from the economic, financial, organizational, social, communal and cultural undertakings of the Union.
5. To take part in the economic, social, communal and cultural undertakings organized by the Union.

Article 6

The members of the Central Cooperative Union have the following duties:

1. To abide by this Statute, the instructions and decisions of the Central Cooperative Union.
2. To submit to the Union reports on their activity in forms and at periods established by normative documents.
3. To discuss and adopt decisions on the recommendations made by the Central Cooperative Union.
4. To pay the Central Cooperative Union general average contributions and deductions for support costs and centralized cash funds according to norms fixed by the Ruling Council or the Executive Committee of the Central Cooperative Union.
5. To admit representatives of the Central Cooperative Union to their general meetings, the sittings of all their bodies and to the auditing and check-up of their activity.

Article 7

(1) Membership in the Central Cooperative Union is discontinued:

1. At the request of members, based on a decision of their general meeting.

2. Because of expulsion of members for violation of the Statute and decisions of the Central Cooperative Union.

(2) Membership is discontinued in the former case from the day on which the request is submitted to the Central Cooperative Union and in the latter case – from the date of the decision of the Union's Congress.

(3) District cooperative unions which have discontinued their membership are entitled to their share of the general average contributions and the corresponding part of the profit for the year in which they have left the Union, payable within six months during the following year.

CHAPTER III MANAGEMENT AND CONTROL

Article 8

There are established as the principal organs of the Central Cooperative Union:

1. A Congress.
2. A Ruling Council
3. An Executive Committee
4. An Auditing Council.

Section I

THE CONGRESS

Article 9

The Congress is the supreme organ of the Central Cooperative Union. It consists of delegates of the cooperative organizations and inter-cooperative enterprises which are members of the Union, elected at their general meeting by a show of hands, in accordance with norms of representation established by the Ruling Council of the Central Cooperative Union.

Article 10

(1) The Congress shall be called regularly once in five years by the Ruling Council of the Central Cooperative Union and extraordinarily

at the request of one third of the cooperative organizations and inter-cooperative enterprises — members of the Union, by the Ruling Council and the Auditing Council.

(2) The Ruling Council shall call the Congress within 60 days after the request is filed. Should the Ruling Council fail to call the Congress, it shall be called by the Auditing Council of the Central Cooperative Union.

Article 11

(1) The Ruling Council shall send invitations to the members of the Union at least two months before the date of the Congress session, indicating the time, date, place of meeting and agenda. The Congress session shall be valid if at least two thirds of the elected representatives are present, and shall take its decisions by simple majority.

(2) On matters pertaining to amendments to the Statute, expulsion of members, election of a Ruling Council and an Auditing Council, and to reconstruction (merger, fusion, division) or winding up of the Union, decisions shall be taken by an affirmative vote of at least two thirds of the delegates present at the opening of the Congress.

(3) The questions to be discussed by the Congress shall be brought before it by the Ruling Council of the Central Cooperative Union. Members of the Central Cooperative Union wishing to raise other issues for consideration by the Congress shall do so in writing not later than 30 days before the calling of the Congress.

(4) The Congress shall elect a presidium, determine the sessions' order and elect a credentials committee and other committees in connection with the Congress' work.

(5) The minutes of the Congress sessions shall be signed by their chairmen. Every delegate shall have the right to submit in writing his reservation on any question under discussion.

Article 12

The Congress of the Central Cooperative Union:

1. Adopts and amends the Statute and decides questions on restructuring and discontinuing the activity of the Union;

2. Determines the number of members of the Ruling Council and the Auditing Council and their substitutes and elects them by secret ballot;

3. Adopts guidelines and long-term plans for the activity of the Union and approves the reports of the Managing Board and the Auditing Council;

4. Takes decisions on the Union's membership in international, cooperative and other organizations and on collaborating with cooperative organizations in other countries;

5. Adopts model statutes of cooperative organizations and a Statute of the Council for Mutual Insurance of Cooperators.

Section II

THE RULING COUNCIL

Article 13

/1/ The Ruling Council shall run the whole socio-economic activity of the Union in accordance with the country's laws, this Statute and the Congress decisions.

/2/ The Ruling Council shall be elected for a five-year period.

/3/ Persons who are related to each other by marriage or directly cannot be members of the Ruling Council.

/4/ A substitute of a Ruling Council member shall join by right the Ruling Council in the order of the number of votes gained at the election, replacing a deceased member or such who has left because of removal or resignation, and exercises his mandate until its expiry.

Article 14

/1/ The Ruling Council shall determine the number of and elect from among its members by a show of hands a President, a Vice President and other members of the Executive Committee of the Central Cooperative Union, and a Chairman, Vice Chairman and other members of the management of the Council for Mutual Insurance of Cooperators.

/2/ Between Congresses the Ruling Council shall exercise the functions and rights of the Congress concerning all matters except those of discontinuing the activity of the Central Cooperative Union and of the Council for Mutual Insurance of Cooperators, as well as the election of an Auditing Council and amendments to the Statute of the Central Cooperative Union, the Statute of the Council for Mutual

Insurance of Cooperators and the model statutes of the cooperative organizations. It shall remove, before the expiry of their mandate, those Ruling Council members who have failed to justify the trust placed in them and shall report these decisions to the Congress.

Article 15

The Ruling Council:

1. Endorses the forecasts, programmes, five-year and annual (two-year) plans of the Union.
2. Adopts specific regulations for the Union's economic mechanism.
3. Endorses the administrative structure of the Union.
4. Endorses sets of regulations, instructions, etc.
5. Decides on the admittance of new Union members and on the expulsion of members and reports these decisions to the Congress.
6. Controls the activity of the Central Cooperative Union and of the Council for Mutual Insurance of Cooperators.
7. Calls the Congress of the Union and determines its agenda.
8. Periodically examines the reports on the activity of the cooperative organizations and enterprises which are members of the Union and takes decisions on them.
9. Passes judgement on the decisions of the Executive Committee and of the management of the Council for Mutual Insurance of Cooperators, rescinding or suspending those contrary to the laws or inexpedient.

Article 16

/1/ The Ruling Council shall meet at least twice a year. Sessions shall be held in the presence of a quorum (more than half of the members). Decisions shall be taken by simple majority.

/2/ The minutes of the sessions shall be signed by the Chairman and the secretary. Any member of the Ruling Council may submit in writing his reservations on the decision taken.

/3/ The members of the Auditing Council and specialists may attend the Ruling Council sessions with a deliberative vote.

Section III

EXECUTIVE COMMITTEE

Article 17

/1/ Within its competence the Executive Committee shall be in charge of the whole activity of the Union. Its members shall be jointly responsible for any damages inflicted on the Central Cooperative Union, if due to their decisions or actions which are contrary to the laws or to the Statute.

/2/ The Executive Committee shall represent the Union before all institutions, organizations and persons, shall grant powers and control the expenditure of its funds in accordance with the country's laws.

/3/ The Executive Committee shall report on its activity to the Ruling Council.

Article 18

/1/ The Executive Committee:

1. Works out and adopts forecasts, programmes, five-year and annual plans of the Union and submits them for approval by the Ruling Council, organizes and controls their implementation.

2. Works out specific regulations for the Union's economic mechanism and submits them for approval by the Ruling Council.

3. Adopts regulations, circular letters, orders and instructions for the work of the cooperative organizations and enterprises.

4. Authorizes the opening of cooperative enterprises, their reconstruction and the discontinuation of their activity.

5. Approves the decisions of the general meetings of the cooperative organizations and enterprises on organizational and economic changes and amendments to their statutes, as well as the decisions and statutes of newly-established cooperative organizations and enterprises.

6. Calls the sessions of the Ruling Council and drafts their agenda.

7. Organizes and guides the administrative and managerial activity of the Union.

8. Submits for approval by the Ruling Council the Union's management structure and adopts model management structures of the cooperative organizations and enterprises.

9. Issues permissions to the cooperative organizations for the opening of enterprises and other facilities in the established order.

10. Examines and approves the reports on the activity of the district cooperative unions and the Union's enterprises; rescinds decisions adopted by the cooperative organizations' bodies, if they are contrary to the laws, this Statute and the Congress decisions and do not serve their own interests.

11. Assists the cooperative organizations and enterprises in drawing up feasible plans and programmes in accordance with the Union's tasks and objectives.

12. Guides and assists the Union's members in their financial activity and book-keeping.

13. Assists the cooperative organizations and enterprises in introducing scientific and technical achievements and leading experience and takes decisions in this respect.

14. Approves the decisions of the general meetings of the cooperative organizations on the sale of real estate and on the remission, reduction and instalment of debts to the cooperative organizations.

15. Effects international cooperation and foreign economic links and maintains contacts with the International Cooperative Alliance and with the cooperative associations of other countries.

16. Appoints, dismisses, awards and takes to task the Union's industrial and blue-collar employees and defines their official rights and duties.

17. Examines the proposals of the Auditing Council within a month after their submission and takes decisions on them.

18. Endorses the plans for the expenditure of the Union's different funds.

19. Examines the questions related to the signing and fulfilment of contracts and determines the organization of economic interrelations within the system of the Central Cooperative Union.

20. Draws credits from the Bulgarian National Bank, opens and closes payment and other Union accounts at the bank and grants loans from the Union's centralized funds.

21. Ensures cooperation and joint activity with the Ministry of Home Trade and Services and with the district (Sofia) people's councils.

22. Secures trade union cooperation in the management and control of work connected with the conclusion of collective labour

contracts, emulation and other initiatives of the workers and employees in cooperative organizations and enterprises.

/2/ The Ruling Council may also delegate other rights to the Executive Committee.

/3/ The Executive Committee of the Central Cooperative Union shall function on the basis of regulations set by the Ruling Council.

/4/ The meetings of the Executive Committee of the Central Cooperative Union shall be legally competent if attended by not less than half of its members, the presence of the Executive Committee's chairman or one of the vice-chairmen being compulsory. The Executive Committee shall take its decisions by simple majority.

/5/ An Executive Committee member who disagrees with the majority decision may ask for his reservations to be recorded in the minutes.

Section IV

AUDITING COUNCIL

Article 19

The Auditing Council:

1. Controls the entire economic and financial activity of the Union and of the Council for Mutual Insurance of Cooperators;

2. Sees to the fulfilment of the decisions of the Congress, the Statute of the Union and of the Council for Mutual Insurance of Cooperators, the laws and government decrees.

3. Submits to the Congress a conclusion on the Ruling Council's report and reports on the activity of the Executive Committee at the sessions of the Ruling Council;

4. Checks whether financial receipts and property are properly posted, whether the established order for expenditure is observed, whether the Union's property is looked after properly, whether there is waste of property and financial means, how the Union pays off its debts and collects its dues, including those under the Extension and Technical Improvement Fund, etc.

5. Reports on its activity to the Union Congress;

6. May take part in the sessions of the Ruling Council and its chairman – in the sessions of the Executive Committee with a deliberative vote.

7. Tenders methodological assistance to the Auditing Councils of the district cooperative unions.

Article 20

/1/ The Auditing Council shall be elected for a five-year term. The number of its members and substitutes shall be determined by the Congress.

/2/ The Auditing Council shall elect a chairman and a secretary from among its members. The post of chairman of the Auditing Council shall figure with the respective salary on the pay-roll of the Central Cooperative Union.

/3/ In the period between Congresses the Auditing Council may relieve of duty those of its members who have failed to justify the trust placed in them and elect new ones, if the number of substitutes is insufficient.

/4/ The Auditing Council shall hold its sessions at least once in three months and shall take its decisions by a simple majority.

/5/ Persons who are related to each other by marriage or directly (father, son, grandson, etc.) or collaterally to the third degree inclusive (brothers, sisters, uncle, aunt and nephews) cannot be members of the Auditing Council.

/6/ Substitutes shall join the Auditing Council by right under the order and conditions referred to in Article 13, paragraph (3).

CHAPTER IV MEANS AND FUNDS

Article 21

/1/ The property of the Central Cooperative Union is cooperative property and consists of fixed and turnover capital. As one of the forms of public property, it enjoys special protection.

/2/ Cooperatively owned real estate and sums from the funds may be granted with or without repayment to other cooperative organizations and enterprises, ministries and other central departments, economic organizations, people's councils and others only by a decision of the Congress, the Ruling Council or the Executive

Committee of the Central Cooperative Union.

/3/ The alienation or restriction of the right to ownership over cooperative property is allowed only in the cases stipulated by the law with a strict observance of the established order of alienation and mode of compensation.

/4/ The Central Cooperative Union collects means to defray its activity from:

1. Deductions from the revenues of the cooperative organizations and enterprises.

2. Loans.

3. Membership shares paid by the Union members.

4. Other sources.

Article 22

/1/ A number of funds are set up at the Central Cooperative Union. By decision of the Ruling Council, some of the funds are centralized and the sums are used as temporary financial help for the extension and consolidation of the fixed and turnover capital of the cooperative organizations.

/2/ The accumulation and expenditure of sums from the funds are subject to Regulations approved by the Ruling Council of the Central Cooperative Union.

/3/ The formation and distribution of revenues are subject to specific regulations approved by the Managing Board.

CHAPTER V GENERAL STIPULATIONS

Article 23

The Central Cooperative Union is a body corporate, registered at the People's Court, with its own seal and emblem and functions on the principle of cost-accounting.

Article 24

/1/ The Central Cooperative Union is represented and bound by its President or his deputies plus another member of the Executive Committee.

/2/ Any documents which engender rights and obligations (contracts, powers-of-attorney, securities, etc.) have a binding force on the Union only if signed by its President and chief accountant or by their deputies determined by decision of the Executive Committee.

Article 25

The Central Cooperative Union may represent and defend the interests of cooperative organizations and enterprises before the state, cooperative and other public organizations and enterprises, courts, arbitration commissions, etc.

Article 26

The Central Cooperative Union publishes original and translated literature in connection with the activity of cooperative organizations and enterprises, as well as periodicals and other printed matter and propaganda material.

Article 27

/1/ The Union discontinues its activity by decision of its Congress and in the order established by the law.

/2/ When the Union discontinues its activity, the property left after the liquidation is over shall be used for purposes determined by the Congress of the Central Cooperative Union.

MODEL STATUTE
OF A CONSUMERS' COOPERATIVE

(Revised and amended by
the Ninth Congress of the
Central Cooperative Union,
November 1981)

CHAPTER I PURPOSES AND TASKS

Article 1

/1/ The working people of the village (town) of district of have voluntarily joined together in a consumers' cooperative under the name of with headquarters in the village (town) of district of

/2/ The consumers' cooperative is a socio-economic mass organization which, on a voluntary basis, groups together the working people for joint economic activities and forms an integral part of the socialist organization of the nation's economy. At the present stage of Bulgaria's socio-economic development, it is one of the forms of enlisting the population into active participation in the construction of a developed socialist society, a form of communist education and a school of self-government.

/3/ The consumers' cooperative is called upon to take an active part in raising the material and spiritual culture of the Bulgarian people, and in developing and promoting the settlement systems. By means of its diverse social and economic activities it helps raise the population's living standards, expand the economic links between town and village, bridge the gap between them and strengthen the alliance between workers and peasants.

/4/ The consumers' cooperative sets itself the purpose, with the efforts and resources of its members, on the basis of autonomy and self-government, to expand and improve cooperative trade, to meet the demand of its members and of the remaining population in the settlement systems for consumer, fashionable and luxury goods, to promote public catering, tourism, the local industry and communal services, to purchase agricultural produce and cooperate with other economic and non-economic organizations.

With the consent of the Central Cooperative Union, this Statute may also be applied by: the Bulgarian Esperanto Cooperative, the Popular Consumers' Cooperative of the Blind and the Georgi Kirkov Musical Cooperative, while for the *Shtastie* Popular Agricultural Cooperative the Central Cooperative Union approves a separate Statute.

Article 2

1/ The cooperative shall attain its purposes and tasks by developing the following activities:

1. Organizing trade, public catering, hotel-keeping and tourism and maintaining the necessary network of shops, public-catering establishments, hotels, camp sites, motels, warehouses, etc.

2. Organizing production in its own depots, farms, hatcheries, glass-houses and other facilities and purchasing farm produce of animal and vegetable origin, wild fruits, medicinal plants, mushrooms, etc.

3. Promoting industrial activities such as: production of bread and bakery goods, soft drinks, millet-ale, confectionery, fruit and vegetable processing, production of pulps and pickles, production of consumer, fashionable and luxury goods and delicacies, rendering services to the population in the settlement systems, etc.

4. Organizing its own transport.

5. Performing its economic activity in conjunction with the development of the whole settlement system; taking part in the establishment and development of the social infrastructure of the settlement system and implementing undertakings for improving the settlements' social programmes; taking part in the implementation of the programmes for promoting the living environment of the settlement system and creating a complex of working, living and recreation conditions for its members, their families and the work force.

6. Implementing a system of measures for the introduction of scientific and technical achievements, for the improvement of the socialist organization of labour and for the application of the economic approach in management.

7. Acquiring movable and immovable property and constructing buildings, premises, enterprises, etc., for its activities, making use of local resources as well as of the voluntary labour of the members of the cooperative.

8. Endeavouring to steadily augment the number of members and their shares;

9. Organizing conferences, study circles, public talks, libraries, amateur art and physical education activities, tourism and other activities so as to raise the cooperative members' culture.

10. Organizing and implementing undertakings for raising the qualification and for improving the style and methods of work of the cooperative personnel.

11. Working among the young, the students, the pensioners and the remaining population for their enlistment in the economic and cultural undertakings of the cooperative.

12. Rendering assistance to the Fatherland Front in its work among women cooperators for raising the cultural and living standards of the population, the upbringing of schoolchildren and the younger generation, etc.

/2/ The consumers' cooperative shall perform its activity on the basis of cost-accounting and self-support by ensuring a most rational utilization of material, labour and financial resources; carry out undertakings for reducing support and production costs, for raising labour productivity and for improving the quality and technical level of production and services; promote a more active participation of the work forces in management, in socialist emulation, in the innovators' movement, etc., in order to raise the effectiveness of economic activities, augment the accumulation funds in the cooperative and ensure the regular distribution of dividends on the members' shares.

/3/ The consumers' cooperative may participate in the setting up of inter-cooperative enterprises and associations and establish other integration links with other economic organizations for the purpose of promoting economic activity and ensuring a more rational utilization of the natural, material and labour resources in the settlement systems, while retaining its juridical and economic independence.

Article 3

/1/ The cooperative shall perform its activity on the basis of plans worked out in conformity with the indicative figures, state plan targets, norms, limits and the contracts concluded.

/2/ The cooperative shall perform its activity directly or through its branches, enterprises, departments, bases and other units which may have a different degree of economic and legal independence.

/3/ In the bigger settlements or groups of settlements, as well as where the specific conditions of activity necessitate this, the cooperative may open branches with an elected management.

/4/ The structure and activity of the branches shall be based on model regulations approved by the Central Cooperative Union.

Article 4

/1/ The cooperative is a body corporate from the date of its registration in the regional court.

/2/ The cooperative shall organize and implement its activities in accordance with the laws in effect in the country, the present Statute and the instructions of the superior cooperative organizations.

/3/ The decisions of the superior cooperative organizations shall be binding on the cooperative, with a view to strengthening socialist legality, securing the fulfilment of the state plan and the other tasks of the cooperative and safeguarding the interest of the population and the members of the cooperative.

/4/ The decisions and actions of the organs of the cooperatives which contravene the law or the Statute shall be subject to repeal by the executive organ of the superior organization.

/5/ The debts of the cooperative shall be guaranteed by its own assets, including the members' shares in its capital.

Article 5

/1/ The cooperative shall be represented and obligated by the chairman or his deputies and a member of the executive committee. All documents that give rise to rights and obligations (contracts, powers-of-attorney, financial documents) shall commit the cooperative only if signed by the cooperative's chairman and chief accountant or by their deputies, appointed by decision of the Ruling Council. The persons vested with this right, including those under Article 44 of the present Statute, shall be registered at the court.

/2/ The remaining correspondence shall be signed by officials designated by the Ruling Council in accordance with the way the work is distributed among the employees.

Article 6

The cooperative has a seal bearing its name and headquarters.

Article 7

The cooperative is a member of the District Cooperative Union in the town of

CHAPTER II MEMBERSHIP, RIGHTS AND DUTIES OF MEMBERS

Article 8

Any adult Bulgarian citizen residing and working in the region of the cooperative or residing elsewhere may apply for membership and be admitted by decision of the Ruling Council.

Article 9

One is admitted to membership on the basis of a written application to the Ruling Council, in which the candidate states that he is familiar with the Statute and the financial status of the cooperative.

Article 10

Members shall be admitted by the Ruling Council and approved by the General Meeting of the cooperative. If the Ruling Council fails to do this, the candidate may submit the matter to the General Meeting through the Auditing Council.

Article 11

/1/ A cooperative member shall pay at least 2 levs as his share in the capital of the cooperative when admitted to membership, and at least 1 lev every succeeding year in order to increase his share.

/2/ A member of the cooperative who begins work in any of the cooperative's production workshops or enterprises on the basis of a labour contract, may bring into the cooperative his own equipment, suitable and necessary for production, and his stock of prime and raw materials, which become cooperative property. The contribution of the property and its valuation are subject to approval by the District Cooperative Union. The valuation of the property and payment for it

are effected according to a procedure established by the Central Cooperative Union.

Article 12

When admitted to membership a cooperative member shall receive a membership card.

Article 13

A member of the cooperative shall have the following duties:

1. To contribute to the attainment of the aims of the cooperative and to its steady development by taking an active part in the work of the cooperative and the General Meeting, to abide by the Statute and fulfil the decisions of the governing bodies of the cooperative and contribute by his personal conduct to the tightening of cooperative discipline and socialist morality.

2. To pay his share in the cooperative's capital and his annual contributions, in accordance with Article 11 of the Statute.

3. To assume responsibility for the debts of the cooperative to the extent of the paid and due share in its capital.

Article 14

A member of the cooperative shall be entitled:

1. To take part in the general meetings of the cooperative with a deciding vote.

2. To elect and be elected to the governing and control bodies of the cooperative, and to be elected delegate to the General Meeting (Congress) of the superior cooperative unions and to the governing and control bodies of these unions.

3. To request the calling of an extraordinary general meeting in the manner indicated in Article 24 of the Statute.

4. To receive part of the annual profit (dividend), established in accordance with the share contributed by him and the decision of the General Meeting.

5. To benefit, with his family, from the cultural and communal undertakings of the cooperative.

Article 15

/1/ Measures of public influence (admonition, public censure) shall be used to discipline members violating the Statute and the decisions of the General Meeting. As an extreme measure, expulsion from membership may be applied to those who do not correct themselves and continue to violate the Statute and the decisions of the General Meeting.

/2/ Members shall be expelled by the General Meeting on the basis of a report of the Ruling Council.

/3/ A member may appeal the decision for his expulsion before the District Cooperative Union of which the cooperative is a member.

Article 16

/1/ Membership in the cooperative shall be terminated by:

1. A member's voluntary leaving or by his transfer to another cooperative, owing to a change of residence.
2. The death of a member.
3. The expulsion of a member.

/2/ In every case of termination of membership, with the exception of cases under sub-paragraph 3, the member of the cooperative or his legal heirs respectively shall have the right to receive dividends for the year in which the membership has been terminated.

/3/ A member of the cooperative shall forfeit his membership and all his other rights from the date of registration of the written request which he must submit when leaving the cooperative of his own accord or because of his transfer in accordance with Article 17, from the date of his death or from that of his expulsion.

Article 17

/1/ A member who is transferring to another cooperative shall file a request to the Ruling Council of the cooperative in his new domicile to which he shall attach his membership card.

/2/ The Ruling Council shall decide the question of the admission of the member without observing Article 10 of the Statute and send

the membership card to the cooperative of which the applicant was a member with the request that his share in the cooperative's capital be transferred to the new cooperative.

/3/ In transferring from one cooperative to another, if the cooperative member pays a contribution of at least 1 lev against his share in the cooperative's capital he shall acquire the rights and obligations of a member of the new cooperative, regardless of whether his share of cooperative capital has been transferred from the cooperative from which he comes.

Article 18

/1/ In all cases of termination of membership the member's cooperative capital share, together with the dividends accruing to it, shall be paid or transferred respectively within a month after the General Meeting for the year in which the member has left the cooperative; with the permission of the District Cooperative Union this may be done before the annual meeting.

/2/ The Ruling Council may not observe this term only when the cooperative member's capital share is transferred to another cooperative as a result of a change of membership if this does not involve any risk for the cooperative.

/3/ In the event of death of a cooperative member, his share of the cooperative's capital shall be paid or transferred to his heirs in the order established by the present Statute and by the Law on Inheritance.

Article 19

A member of the cooperative, with the consent of the Ruling Council, may transfer part of his share of cooperative capital to other persons, on condition that they are members of the cooperative.

CHAPTER III MANAGEMENT AND CONTROL

Article 20

There are established as the organs of the consumers' cooperative:

1. A General Meeting
2. A Settlement (Ward) Meeting
3. A Ruling Council
4. An Executive Committee
5. A Settlement (Ward) Cooperative Council
6. An Auditing Council
7. A Settlement (Ward) Auditing Commission.

Section I
GENERAL MEETING

Article 21

/1/ The supreme organ of the cooperative shall be the General Meeting. Participating in it, the members of the cooperative exercise their right of management and control of its activity.

/2/ Cooperatives with more than 300 members or in a region in which there are several inhabited localities shall hold a General Meeting of delegates. The number of delegates may not be less than 100. The quota for the election of delegates to the General Meeting shall be set by the Ruling Council of the cooperative.

/3/ Delegates to the General Meeting shall be elected by open ballot at the settlement (ward) meetings for a two-year period.

Article 22

/1/ A delegate shall be entitled to only one vote and shall exercise this right in person.

/2/ The members of the cooperative's Ruling Council (insofar as they are elected as delegates) shall take part in the General Meeting with the right to vote on all matters except those connected with the examination of the reports of the Ruling and Auditing Council, the evaluation of their work, their accountability and their removal from office before their term has expired.

Article 23

The General Meeting:

1. Adopts the Statute and amendments to it and decides upon the restructuring and discontinuance of the cooperative's activities. These

decisions come into force after being approved by the Central Cooperative Union.

2. Elects by secret ballot the members of the Ruling Council and the Auditing Council and their substitutes.

3. Elects by open ballot delegates to the General Meeting of the District Cooperative Union.

4. Decides upon the admission and expulsion of members.

5. Adopts plans for the cooperative's activity.

6. Decides upon the acquisition and expropriation of all kinds of immovable property.

7. Determines the kind and amount of credits to be used by the cooperative, a right which may be delegated to the Ruling Council.

8. Decides upon the opening and shutting down of enterprises, branches, bases, etc., with the permission of the District Cooperative Union and with the approval of the Central Cooperative Union.

9. Approves the reports of the Ruling Council and the Auditing Council.

10. Appraises the work of the Ruling Council and the Auditing Council.

11. Approves the balance sheet and the profit and loss account and determines the ways of covering losses.

12. Examines complaints about incorrect actions of the Ruling Council and the Auditing Council.

13. Replaces the Ruling Council and the Auditing Council as a whole or in part including their chairmen, before the expiry of their term of office.

14. Decides upon the remission, reduction or rescheduling of debts to the cooperative. These decisions come into force after their approval by the Executive Committee of the Central Cooperative Union.

Article 24

/1/ The General Meeting shall be convened by the Ruling Council as follows:

1. Regularly – once a year for the annual report on the activity of the cooperative;

2. Extraordinarily – whenever the Ruling Council deems it necessary or at the request of 1/10 of the members or of 1/10 of the delegates of the cooperative, the Auditing Council, the District

Cooperative Union to which the cooperative is affiliated and the Central Cooperative Union.

/2/ The Ruling Council is duty-bound to convene the General Meeting within 15 days after the deposition of the request. In case it fails to do so, the General Meeting shall be convened by the District Cooperative Union to which the cooperative is affiliated.

Article 25

/1/ The General Meeting shall be convened by written invitation delivered to the members (delegates) at least seven days before the date of the meeting.

/2/ As soon as it issues invitations to the annual meeting, the Ruling Council shall put the cooperative's balance sheet and profit and loss account for the year under review at the disposal of its members.

/3/ The invitation must indicate all items to be considered as well as the day, hour and venue of the meeting.

/4/ The inclusion of items in the agenda shall be compulsory if it has been requested by the District Cooperative Union, by the Central Cooperative Union or by 1/10 of the members, 1/10 of the delegates or by the Auditing Council, at least 15 days prior to the date of the meeting.

/5/ The agenda shall be announced to the General Meeting before it has started examining its items. Other questions shall be included in the agenda in accordance with Article 29 of the Statute.

Article 26

/1/ The General Meeting shall be opened by the chairman of the cooperative and, in his absence, by his deputy. When convened by a superior cooperative organization, it shall be opened by the latter's representative.

/2/ At the proposal of the person who opens the meeting, the latter shall elect by open ballot a bureau comprising a chairman, two members and a secretary, to conduct the meeting.

Article 27

The General Meeting shall be valid when attended by at least two-thirds of the members (delegates). Otherwise it shall be postponed and held anew with the same quorum within seven days and with the same agenda, the new date and hour, as well as its venue being announced.

Article 28

/1/ The decisions of the General Meeting shall be considered adopted if at least half plus one of the members (delegates) attending the opening of the meeting have voted for them.

/2/ On matters regarding amendments and supplements to the statute, expulsion of members, election of a Ruling Council and an Auditing Council, restructuring (merger, fusion, division, etc.) of the cooperative and approval of the balance sheet and profit and loss account, an affirmative vote of at least two-thirds of the number of members (delegates) attending the opening of the meeting shall be required.

Article 29

/1/ The General Meeting may not take valid decisions on issues not figuring on the agenda contained in the invitation, with the exception of decisions on convening another meeting, on the responsibility of the Ruling Council and the Auditing Council or of some of their members, their resignation, passing a vote of non-confidence in them, election of new Ruling and Auditing Councils and examination of complaints of persons not admitted to membership.

/2/ Without the report of the Auditing Council, the General Meeting may not take valid decisions on the report of the Ruling Council, the profit and loss account and the net profit's distribution.

/3/ When there is a vote of non-confidence in or resignation of the Ruling or Auditing Council or of their members, the General Meeting shall immediately elect their substitutes.

Article 30

/1/ Minutes shall be kept for the sessions of the General Meeting,

recording the issues examined successively, the discussions on them and the decisions taken, as well as the number of members (delegates) present and voting on the decisions.

/2/ The minutes shall be signed by the bureau of the meeting.

/3/ Within five days after the General Meeting, its documents (general report, report of the Auditing Council, copy of the minutes, invitation, etc.) shall be sent to the District Cooperative Union to which the cooperative is affiliated. When the meeting has taken a decision subject to registration in the people's court, the District Cooperative Union shall send the necessary papers to the court. Decisions on amendments of the Statute and restructuring of the cooperative shall be submitted by the District Cooperative Union to the Central Cooperative Union and, if approved, shall be registered at the court.

Section II

SETTLEMENT (WARD) MEETING

Article 31

The Settlement (Ward) Meeting shall consist of members of the cooperative living in a certain inhabited locality or ward.

Article 32

The Settlement (Ward) Meeting, through direct participation of the members in the activities of the cooperative:

1. Elects by open ballot delegates to the General Meeting of the cooperative.

2. Elects by open ballot a Settlement (Ward) Council and a Settlement (Ward) Auditing Commission.

3. Examines the plans and reports on the activity of the cooperative on the territory of the settlement (ward), adopts measures and makes proposals and recommendations for improving its activity.

4. Examines and assesses the performance of the cooperative workers and employees on the territory of the settlement (ward) and makes proposals for their distinction or punishment;

5. Examines and approves the report of the Settlement (Ward) Cooperative Council and the conclusion of the Settlement (Ward) Auditing Commission.

Article 33

The Settlement (Ward) Meeting shall be convened regularly by the Settlement (Ward) Cooperative Council at least once a year. Extraordinary meetings may be called at the request of the Settlement (Ward) Cooperative Council, the Settlement (Ward) Auditing Commission, the Ruling Council (Executive Committee) of the cooperative and the District Cooperative Union.

Article 34

The agenda shall be announced at least 7 days before the Meeting. The Meeting shall vote on the agenda and may also examine other questions proposed by the members of the cooperative, if they are included in the agenda by decision of the Meeting.

Article 35

The Settlement (Ward) Meeting shall be considered legal if its opening is attended by more than half of the members on the list for the settlement (ward). Otherwise it shall be postponed for an hour and shall then be held with as many members as are present. The Meeting shall take its decisions by open ballot and with a simple majority, i.e. if approved by half plus one of those present and voting.

Article 36

/1/ The Meeting shall be directed by a bureau consisting of a chairman, who is the chairman of the Settlement (Ward) Cooperative Council and two members of the cooperative one of whom shall keep the minutes if no official has been sent for the purpose by the cooperative.

/2/ The records shall be prepared in two copies, one of which shall be sent to the cooperative and the other shall be kept by the chairman of the Settlement (Ward) Cooperative Council.

Section III
RULING COUNCIL

Article 37

/1/ The Ruling Council shall manage and represent the cooperative in accordance with the law, the Statute, the decisions of the General Meeting, the relevant regulations and the instructions of the superior cooperative organizations.

/2/ The Ruling Council shall be jointly responsible for the entire activity and property of the cooperative.

/3/ The Ruling Council shall be responsible for its actions arising from illegal decisions of the General Meeting.

Article 38

/1/ The Ruling Council shall be elected by the General Meeting and shall consist of 11 to 31 members and 3 to 5 substitutes. The number of the members and substitutes shall be determined by the General Meeting in accordance with the number of settlements (wards).

/2/ The members of the Ruling Council shall be elected separately from the substitutes. When the votes are equally divided, lots shall be cast between the candidates on their order.

/3/ The term of office of the members and their substitutes shall be two years.

/4/ The Ruling Council or individual members of it may be replaced by decision of the General Meeting before the expiry of their term.

/5/ At least one-third of the composition of the Ruling Council shall be replaced at every regular election. Some individual members of the Ruling Council, whose performance is outstanding, may be re-elected.

/6/ Not more than half of the Ruling Council members may take operative posts in the cooperative.

/7/ The Ruling Council shall elect from among its members a chairman and deputy chairmen, the number of the latter being coordinated with the District Cooperative Union to which the cooperative is affiliated.

/8/ The substitutes of the Ruling Council shall replace the

member who has left it in the order of the number of votes cast for them at the election.

/9/ The substitute who has entered the Ruling Council shall exercise the remainder of the term of office of the member whom he has replaced.

Article 39

The Ruling Council or its individual members shall assume office from the date of election. The substitute shall become a full member of the Ruling Council on the day the place is vacated which he takes in accordance with Article 38 of the Statute. All changes in the Ruling Council shall be registered at the court within the term and in the order indicated in the relevant legal stipulations and the Statute.

Article 40

Persons related to one another by marriage or directly (father, son, grandson) and collaterally up to the third degree inclusive (brothers and sisters, uncle, aunt and nephew) may not be members of the Ruling Council.

Article 41

The Ruling Council shall have the following basic rights and duties:

1. To manage the whole social and economic activity of the cooperative in accordance with the laws, the Statute, the decisions of the General Meeting and of the superior unions.

2. To approve the cooperative's plans and secure their fulfilment.

3. To report on the activity of the cooperative to the General Meeting, the District Cooperative Union of which it is a member and the respective state and public bodies.

4. To convene the cooperative's General Meeting, to prepare and submit its agenda.

5. To adopt regulations for the work of the cooperative and its enterprises, branches, etc.

6. To decide upon the admission, punishment and expulsion of members of the cooperative in accordance with the Statute.

7. To manage and control the activity of the settlement (ward) cooperative councils.

8. To elect from among its members an Executive Committee for a two-year term.

9. In the period between General Meetings, the Ruling Council shall have the rights of a General Meeting, except those concerning merger, fusion, division and discontinuance of the activity of the cooperative, statutory amendments and the election of an Auditing Council.

10. To appoint, dismiss, reward and punish the workers and employees of the cooperative and to define their official rights and duties; these rights may also be delegated to the Executive Committee;

11. To rule on decisions taken by the Executive Committee and repeal illegal ones.

12. To examine the decisions of the Auditing Council within 15 days of their deposition. If within this period the Ruling Council fails to examine the decisions, they shall be considered as having been approved and shall become binding on it.

13. The Ruling Council shall exercise all functions, rights and duties defined in the Statute of the Executive Committee if the cooperative does not have an Executive Committee.

Article 42

/1/ The Ruling Council shall meet at least once per quarter. It shall be convened by the chairman who prepares the agenda and presides over the session. Items put forward by members of the Ruling Council may also be included in the agenda if it takes a decision to that effect.

/2/ The decisions of the Ruling Council shall be taken by a majority of half plus one of its members and when the votes are split even, the chairman or his deputy presiding over the session shall have casting vote.

/3/ The minutes of the session shall be kept by a secretary, appointed by the Ruling Council, and signed by all attending members of the Council.

/4/ Those who disagree with a decision must record their reservation and then sign the minutes.

Article 43

1/ Any member of the cooperative may attend the sessions of the Ruling Council.

/2/ The chairmen of the settlement (ward) cooperative councils who are not members of the Ruling Council shall also attend its sessions with a deliberative vote.

Section IV EXECUTIVE COMMITTEE

Article 44

The Ruling Council shall elect from among its members an Executive Committee for a term of two years.

Article 45

/1/ The Executive Committee shall consist of 3 to 15 members, including the chairman and vice-chairmen. It shall report on its activity to the Ruling Council. The chairman of the Ruling Council is also chairman of the Executive Committee.

/2/ The Executive Committee shall be convened to sessions by the chairman. These shall be held when attended by more than half of its members. The chairmen of the settlement (ward) cooperative councils who are not members of the Executive Committee may take part in the sessions with a deliberative vote. Decisions shall be taken by a simple majority.

/3/ The members of the Executive Committee shall be jointly responsible for damages caused to the cooperative.

Article 46

/1/ The Executive Committee:

1. Secures the operative management of the cooperative and of its branches and enterprises;

2. Discusses the cooperative's state and prospects of development, drafts one-year and five-year plans for the socio-economic development of the cooperative in general, as well as by individual settlements and projects, and submits them for approval to the Ruling Council, guides, monitors and reports on their fulfilment.

3. Draws up regulations, instructions, etc. for the work of the cooperative and submits them to the Ruling Council for approval.

4. Implements undertakings for improving management and the socialist organization of labour, for raising the qualifications of managerial and operating personnel, for social development, labour safety and hygiene in the cooperative, etc.

5. Organizes the development and improvement of the material and technical base of the cooperative, the introduction of scientific and technical achievements and the raising of the technical level and the quality of products and services.

6. Organizes, guides and reports on the results of socialist emulation on the cooperative's territory and the distinction of front-rankers in production; the study, implementation and popularization of the front-rankers' experience; fosters and supports innovation and invention.

7. Does its best to increase membership and members' share participation; ensures observance and implementation of the principles of cooperative democracy and democratic centralism.

8. Represents the cooperative before the courts, arbitration commissions, administrative bodies and public organizations.

9. Appoints, dismisses, rewards and punishes the workers and employees of the cooperative and defines their official rights and duties.

10. Examines the decisions of the Auditing Council within 15 days of the date of their deposition. Otherwise these are considered as approved and become binding on the Executive Committee.

/2/ Other functions and tasks may also be entrusted to the Executive Committee by the Ruling Council. In a cooperative where no Executive Committee exists, its tasks shall be carried out by the Ruling Council.

/3/ The Executive Committee shall work according to regulations approved by the Ruling Council.

Section V
SETTLEMENT (WARD) COOPERATIVE COUNCIL
Article 47

/1/ The Settlement (Ward) Cooperative Council shall be elected for a term of two years. The number of its members and substitutes shall be determined by the Ruling Council.

/2/ The Settlement (Ward) Cooperative Council shall elect a chairman and a vice-chairman from among its members. It shall meet once a month to discuss the fulfilment of the plan and tasks, as well as other questions. Minutes shall be kept of the sessions and one copy of the minutes shall be sent to the cooperative. Decisions shall be taken by a simple majority.

Article 48

/1/ The Settlement (Ward) Cooperative Council shall maintain the closest link between the management of the cooperative and its members, the mayor's office, the socio-political and other organizations in the fulfilment of the cooperative's socio-economic tasks on the territory of the settlement (ward).

/2/ It shall report on its activity to the Settlement (Ward) Meeting and to the Ruling Council (Executive Committee) of the cooperative.

/3/ In the period between Settlement Meetings it may introduce changes in its composition, including the election of new members, when the substitutes have already taken office.

Article 49

/1/ The Settlement (Ward) Cooperative Council shall work in accordance with regulations approved by the Ruling Council.

/2/ The Settlement (Ward) Cooperative Council:

1. Manages and controls the whole socio-economic activity of the cooperative on the territory of the settlement (ward) in accordance with the laws, the Statute and the decisions of the Ruling Council (Executive Committee) and the regulations for its work.

2. Organizes and implements undertakings concerning the fulfilment of the cooperative's plans and tasks in the settlement (ward),

and assists and controls the work of the cooperative workers and employees.

3. Prepares and submits current and periodical information on progress in the fulfilment of the tasks.

4. Studies the economic possibilities of the settlement (ward) and puts forward proposals to the Ruling Council (Executive Committee) for launching initiatives and working out the plan of the settlement (ward) accordingly.

5. Carries out explanatory work among the population so as to increase the cooperative's membership and raise more members' shares.

6. Spends the funds placed at its disposal for the designated purposes.

7. Makes proposals for the appointment, dismissal, distinction and punishment of workers in the settlement (ward), rewards workers and employees who have distinguished themselves and imposes disciplinary punishments under Article 130, including sub-paragraph 'd', of the Labour Code.

8. Other rights and duties may also be delegated to the Settlement (Ward) Cooperative Council by decision of the Ruling Council.

/3/ The Settlement (Ward) Cooperative Council may conclude contracts on behalf of the cooperative and undertake obligations involving its property only when authorized in writing by the Ruling Council (Executive Committee).

/4/ The members of the Settlement (Ward) Cooperative Council who are not on the pay-roll of the cooperative as workers or employees are entitled to conference, travel and subsistence allowances and other benefits determined by the Central Cooperative Union in accordance with the laws.

Section VI AUDITING COUNCIL *Article 50*

The Auditing Council shall check the entire activity of the cooperative, the work of the Ruling Council and the Executive Committee in accordance with the regulations approved by the Central Cooperative Union.

Article 51

/1/ The Auditing Council shall be elected by the General Meeting. The number of its members and substitutes shall be determined by the General Meeting in accordance with the number of settlements (wards), but cannot include less than five members and two substitutes. The Auditing Council shall elect from among its members a chairman, a secretary and officials in charge of the different settlements (wards).

/2/ The term of office of the Auditing Council members and substitutes shall be two years.

/3/ The election of the Auditing Council and the replacement of its members as well as the questions regarding the substitutes shall be regulated as in the case of the Ruling Council, in accordance with Article 38 of the Statute.

/4/ The Auditing Council shall report on its activity to the General Meeting.

Article 52

The Auditing Council is entitled to attend the sessions of the Ruling Council, and its chairman is entitled to participation in the sessions of the Executive Committee by right.

Article 53

/1/ The chairman of the Auditing Council shall convene sessions of the Council at least once a month.

/2/ The decisions of the Auditing Council shall be taken by a simple majority and shall be communicated in due time to the Ruling Council of the cooperative and to the District Cooperative Union of which the cooperative is a member.

/3/ A member of the Auditing Council who disagrees with any decision must record his reservation before signing the minutes.

Article 54

When the Auditing Council establishes malpractices in the work of the Ruling Council it shall request the convening of an extraordinary

General Meeting in the order established by Article 24 of the Statute and shall immediately inform about it the Executive Committee of the District Cooperative Union of which the cooperative is a member.

Article 55

Persons related by kinship (as determined in Article 40 of the Statute) to members of the Ruling Council or to one another, and those who during the preceding year held financially accountable posts in the cooperative, cannot be members of the Auditing Council.

Section VII SETTLEMENT (WARD) AUDITING COMMISSION

Article 56

/1/ The Settlement (Ward) Auditing Commission shall consist of 3 to 5 members and 1 or 2 substitutes and shall be elected for a two-year term.

/2/ The Settlement (Ward) Auditing Commission shall elect a chairman from among its members. It shall be convened to a session at least once a month. Minutes shall be kept of the sessions and one copy of the minutes shall be sent to the cooperative's Auditing Council. Decisions shall be taken by a simple majority.

Article 57

/1/ The Settlement (Ward) Auditing Commission shall exercise control over the socio-economic activity of the cooperative on the territory of the settlement (ward) and over the work of the Settlement (Ward) Cooperative Council in accordance with the regulations approved by the Central Cooperative Union.

/2/ The Settlement (Ward) Auditing Commission shall report on its activity to the Settlement (Ward) Meeting and to the cooperative's Auditing Council.

/3/ The Commission shall work according to a plan coordinated with the cooperative's Auditing Council.

/4/ The members of the Commission, and its chairman by right, may attend the sessions of the Settlement (Ward) Cooperative Council with a deliberative vote.

Article 58

In the election of members of the Settlement (Ward) Auditing Commission the stipulations of Article 55 of the Statute shall be observed.

CHAPTER IV RESOURCES AND FUNDS

Article 59

/1/ The property of a consumers' cooperative is cooperative property and consists of fixed and current assets. As one of the forms of public property, it enjoys special protection. The right to cooperative ownership shall be exercised by the General Meeting or by an organ authorized by it in the interest of society and the members of the cooperative.

/2/ Alienation or restriction of the right of ownership over cooperative property shall be allowed only in cases stipulated by the law with a strict observance of the order of alienation and the mode of compensation.

/3/ Immovable and movable property and sums from the cash funds may be granted (transferred) against reimbursement or gratuitously to other cooperative, state or public organizations only by decision of the cooperative's General Meeting which must be approved by the Executive Committee of the Central Cooperative Union.

/4/ The sources for raising the fixed and current assets are:

1. Members' shares.
2. Deductions from the revenue (profit)
3. Loans
4. Other sources

Article 60

The cooperative's own resources are divided into:

1. Fixed assets
2. Share capital
3. Cash funds

Article 61

The value of the gratuitously received fixed and current assets and of the fixed assets acquired from the cooperative's own sources are written down in the fixed assets.

Article 62

/1/ The share capital of the cooperative is formed by the sums paid as contributions by the members of the cooperative.

/2/ Unreceived dividends and shares of members who have left the cooperative or have discontinued their membership may be referred to the 'Extension and Technical Improvement' Fund by decision of the cooperative's Ruling Council after the expiry of the repayment term (3 years for dividends and 5 years for shares).

Article 63

The cash funds shall be formed for the purposes and in the order established by the Central Cooperative Union which issues instructions and regulations for the operation of these funds.

Article 64

The funds of the cooperative shall be indivisible and the members may not lay claim to them, except to their own shares.

Article 65

The cooperative shall receive credits from the Bulgarian National Bank according to the order established by the laws.

CHAPTER V PROFIT AND LOSS

Article 66

Every year, when approving the annual report and the balance

sheet of the cooperative, the General Meeting shall approve the distribution of the revenue (profit) of the cooperative.

Article 67

By decision of the General Meeting, the losses incurred during the year and indicated in the balance sheet shall be covered by the fixed capital, by the other funds until they are exhausted, and finally – by the share capital, or may be referred to the next year for payment. The General Meeting's decision shall come into force after being approved by the Executive Committee of the District Cooperative Union of which the cooperative is a member.

CHAPTER VI
DISCONTINUANCE OF THE COOPERATIVE'S
ACTIVITY

Article 68

The cooperative shall discontinue its activity by decision of the General Meeting or of the Central Cooperative Union in the order established by the laws.

Article 69

When the cooperative discontinues its activity and after its liquidation the property which is left, including the funds, shall be referred to the 'Extension and Technical Improvement' Fund at the Central Cooperative Union.

L A W
ON COOPERATIVES

* This law was in force from November 1948 till December 1983 when the Eighth National Assembly of the People's Republic of Bulgaria adopted a new Law on Cooperative Organizations.

I. GENERAL PROVISIONS

Art. 1. A cooperative is a socio-economic organization, of which an unlimited number of working people are of their own accord members with equal rights and obligations and with unlimited share capital, and which, through mutuality, self-assistance and joint labour, aims at helping the national economy and meeting the economic and cultural needs of its members.

The cooperative unions are also cooperatives.

The cooperatives coordinate their activity with public interests and take part in socialist construction by promoting collective forms of economic activity.

The activity of the cooperatives is included in the State Economic plan.

Art. 2. The cooperatives are: universal, producer, consumer, credit and housing.

The firm name of each cooperative must contain an indication that it is a cooperative, its type and object of activity; it may also contain some additional indications.

Art. 3. The cooperatives cannot enter into partnership or association with private physical or juridical persons for any purpose whatsoever. Exceptions are allowed only with advance permission from the Central Cooperative Union (CCU).

II. CONSTITUTION OF COOPERATIVES

Art. 4. In order that a cooperative may be constituted, it is necessary:

- 1) At least 15 Bulgarian citizens to agree to become members of the cooperative and to adopt its statute at a Constituent Meeting;

- 2) The Council of Cooperatives with the Council of Ministers should approve the constitution of the cooperative and its Statute after consulting the opinion of the respective department and the CCU.

- 3) the cooperative should be entered in the Register of Cooperatives of the Regional Court.

Art. 5. The Statute should contain provisions about:

- 1) the firm-name, seat and region of activity of the cooperative;
- 2) the kind of the cooperative and the object of its activity;
- 3) the departments of the cooperative, if any, and the organization of their activity;
- 4) the conditions and procedure of admission and leaving of the members, and the time of obligatory membership, if any;
- 5) the value of one share, the minimum number of shares which a member must possess and the maximum number of shares which he may possess, the mode of payment of their value and the consequences if they are not paid;
- 6) the rights and obligations of the members;
- 7) the principles of drawing the balance sheet and the profits and losses account;
- 8) the mode of distributing the profits and losses;
- 9) the way the different funds are formed and used;
- 10) the time and procedure of calling the General Meeting, the matters which it decides, and the conditions and procedure of taking decisions;
- 11) the structure, composition and way of electing the Managing Council, the duration of its mandate and its managing functions;
- 12) the structure, composition and way of electing the Auditing Council, the duration of its mandate and its functions;
- 13) the procedure of bringing the decisions to the knowledge of the cooperative.

Art. 6. The Constituent Meeting must elect a Managing and an Auditing Council.

The Auditing Council is duty-bound to demand of the respective Regional Court to register the cooperative.

The Court issues an injunction on the request for registration in an administrative sitting and allows the registration if convinced that the constitution has been done according to the law and that the Statute does not contain provisions, contrary to the laws and the social order.

Art. 7. The registration must contain:

- a) the firm-name, seat and the region of activity of the cooperative;
- b) the type of the cooperative and the object of its activity;

- c) the names, occupation and domicile of the members of the Managing Council;
- d) the value of its shares;
- e) the departments of the cooperative, if any.

Subject to registration are all subsequent changes in the above circumstances.

Art. 8. With its registration in the Court the cooperative becomes a body corporate.

The persons who have acted on behalf of the cooperative before its registration, are personally and jointly responsible for their actions even when they have acted as proxies of the Constituent Meeting. After the registration, the actions performed prior to it on behalf of the cooperative and referring to the object of its activity shall be considered as actions of the latter.

The cooperative is obliged to pay the expenses made for its constitution.

III. MEMBERS OF THE COOPERATIVE

Art. 9. If the Statute contains no other restrictions, members of the cooperative can be only Bulgarian citizens of both sexes who have completed 18 years of age.

Art. 10. No one can be member of more than one cooperative of one and the same kind.

Art. 11. The application for membership is deposited with the Managing Council of the cooperative, which must decide on it within two weeks after receiving it. If the Managing Council does not announce its decision within this term, the application is considered rejected.

If refused admission to membership, an applicant has the right, within a month after the expiry of the term for announcing the decision on the application, to deposit a complaint with the General Meeting of the cooperative through the Auditing Council.

Art. 12. Each member of the cooperative is duty-bound to work for the attainment of its goals and to abide by the stipulations of its Statute and the decisions of the management bodies of the cooperative.

Art. 13. The members are responsible for the obligations of the

cooperative to the amount of their registered shares.

They are also responsible for the obligations of the cooperative which have arisen prior to their admission to membership.

Art. 14. Each member is entitled to part of the annual profit (dividend) which is established by a balance-account and is approved by the General Meeting in accordance with his labour participation or consumption and his shares. This right is prescribed by a lapse of three years.

Art. 15. No payment of interest on the shares, or any privileges for individual members or groups of members are allowed either by a provision in the Statute or by decision of the General Meeting.

Art. 16. Membership can be terminated in case of:

a) leaving at one's own will. A deadline for advance notice before leaving and a term of mandatory membership, which cannot be longer than three years may be provided by the Statute.

b) expulsion by decision of the Managing Council, when a member fails to fulfil his obligations, acts against the aims of the cooperative, harms its prestige through his actions, or loses the quality which is necessary for membership in the cooperative.

c) death.

Art. 17. The decision of the Managing Council for expulsion is communicated in writing to the person concerned, who may appeal it before the General Meeting of the cooperative through the Auditing Council within a month from the date of notification.

Art. 18. When membership is terminated, payment of the shares may be requested in accordance with the balance-sheet for the year in which the membership was terminated, but not earlier than July 1 of the following year.

A member who has left the cooperative, has no right to a share of the funds or other property of the cooperative.

If between the termination of membership and July 1 of the following year the cooperative is proclaimed in liquidation, the terminated membership are liquidated in the order and within the framework of the general liquidation of the cooperative; the members who have left are held responsible for the obligations of the cooperative which have arisen prior to the said date.

Art. 19. Persons who have not completed 18 years of age, are admitted to probation membership in producer cooperatives in the established order of admission.

They are entitled to the same material benefits as full members, without bearing responsibility for the obligations of the cooperative.

Part of the remuneration for their work, determined by the Statute is deduced and transformed into share capital on their admission as full members of the cooperative.

If on completing 18 years of age the probation-cooperators do not wish to become full members of the cooperative, or are not admitted as such, they are removed from work and the deduced sum returned to them 3 months after the end of the year of their removal from work.

IV. BODIES OF THE COOPERATIVE

A. General Meeting

Art. 20. The General Meetings are regular annual, and extraordinary.

The regular annual General Meeting is called by the Managing Council not later than the first three months of the following year.

If the Managing Council fails to call the regular annual General Meeting within the deadline set by the preceding paragraph, it is called by the Auditing Council not later than ten days after the expiry of this deadline.

Art. 21. An extraordinary General Meeting is called by the Managing Council when a need for this arises, but at least once in three months for the producer cooperatives and at least once in six months for the universal cooperatives. It may also be called by the Auditing Council if the Managing Council fails to call it after having been invited by the Auditing Council to do so.

Art. 22. The General Meeting can also be called at the request of one-tenth of all members. The request, containing the purpose and the reasons for convocation, is addressed in writing to the Managing Council. If the latter refuses to comply, the General Meeting is called by the Regional Cooperative Union.

Art. 23. The General Meeting is called with an invitation which must be issued and announced at least one week before the session. On matters not indicated in the invitation the General Meeting cannot take a decision, unless it has to call a new General Meeting,

pass censure on or accept the resignation of the Managing Council and the Auditing Council or their members and elect such, and considers the complaints of not admitted or expelled members.

Art. 24. The General Meeting is considered legitimate if attended by at least half of all members. If at the first calling the necessary number of members do not make their appearance, the meeting is postponed for one hour later with the same agenda, and is considered legitimate no matter how many members will be present.

Art. 25. At the General Meeting each member has a right to one vote. Voting by proxy is not be allowed.

Art. 26. The decisions in the General Meeting are taken by simple majority, but for amendments to the Statute, for closing down the cooperative and for its merger with another cooperative, a majority of two-thirds is necessary.

Art. 27. When the decisions of the General Meeting are related to amendments to the Statute or to a merger of the cooperative with another one they must be approved by the Central Cooperative Union.

Art. 28. The right of vote cannot be exercised by the members of the Managing and the Auditing Council in taking a decision to relieve them of responsibility.

Art. 29. The General Meeting alone can take decisions on the following questions:

1) electing a Managing and an Auditing Council and relieving them from duty;

2) approving the annual balance sheet, of the profits and losses account, and of the distribution of the profits and losses.

3) releasing the Managing and Auditing Council of responsibility;

4) amendments to the Statute;

5) adopting the economic and financial plan of the cooperative;

6) merger of the cooperative with another one;

7) terminating the activity of the cooperative, appointment of liquidators and approval of the liquidation balance sheet.

Art. 30. A copy of the minutes of the General Meeting, certified by the Managing Council, is submitted to the Regional Cooperative Union immediately after the Meeting; if they contain decisions which are subject to registration, a copy is also sent to the Regional Court.

Art. 31. Each member may, within a month from the date of the General Meeting ask the Regional Court to repeal those decisions

which run counter to the law or to the Statute. The respective Regional Cooperative Union has the same right within a month from receiving the papers.

Each member has the right to join the deposited request and support it even if its depositor has withdrawn it.

B. Managing Council

Art. 32. The Managing Council manages the work of the cooperative in accordance with the law, the Statute and the decisions of the General Meeting. It consists of at least 5 members elected from among the cooperators.

The Managing Council is elected for a term of one to three years. The General Meeting can at any time release from duty the Managing Council or some of its members, without they being entitled to any compensation.

Art. 33. Persons who are deprived of rights under Art. 30 of the Penal Code, or are related with the members of the Auditing Council in an ascending or descending line, in a collateral line up to the fourth degree and by marriage to the second degree cannot be members of the Managing Council. In case of a simultaneous election or appointment of such persons to the Managing and to the Auditing Council, not valid is their election or appointment to the Auditing Council; when appointed by decision of other General Meetings, or by other court decisions, not valid is the later appointment.

The Statute may also provide for the election of substitutes as well as for the election from among the composition of the Managing Council of an Executive Council or of a delegate-member.

Art. 34. In the cases when the mandate of the Managing Council expires before a new one has been elected or the number of its members falls below the required minimum number, or the decision for their election is revoked or annulled, the Regional Court may at the request of the Auditing Council, the Regional Cooperative Union or an individual cooperator, appoint a Provisional Managing Council from among the members of the cooperative or replenish it with provisional members.

In this case the Court prescribes to the thus composed Managing Council to call within a deadline a General Meeting which is to elect a permanent composition or permanent members of the Managing Council.

The Managing Council performs its functions until a new Managing Council is elected or appointed.

Art. 35. The Managing Council represents the cooperative. The latter is obligated through the signatures of two members of Managing Council, determined by a decision of the same.

The restrictions imposed on the representative rights of the Managing Council by provisions of the Statute or by decision of the General Meeting, with respect to deals which are connected with the object of activity of the enterprise, have no effect on third parties.

The Managing Council may also authorize other persons to represent the cooperative, but is responsible to the latter for their actions.

Art. 36. The members of the Managing Council are jointly responsible for any damage which they have caused to the cooperative, to its members or to third parties by failing to fulfil their duties or by exceeding their rights.

The members of the Managing Council are responsible for their unlawful actions or for actions contrary to the Statute, even when they have acted by virtue of a General Meeting decision.

Art. 37. A member of the Managing Council who has expressed disagreement with a decision or action of the Council and has communicated this in writing to the Auditing Council, not later than a day after the sitting is not held responsible for any damages and losses that may ensue.

A member of the same council who has handed in writing his resignation to the Managing Council is not held responsible for the actions carried out by the Managing Council after that.

Art. 38. In law suits brought against the members of the Managing Council for damages and losses, the cooperative is represented by the Auditing Council.

The members of the Managing Council cannot perform for their account any economic activity similar to that of the cooperative.

Art. 39. The members of the Managing Council can be relieved of responsibility only by decision of the General Meeting.

This decision is valid only for actions which have been brought to the knowledge of the Meeting in the report of the Managing Council, in the report of the Auditing Council or during the debates

at the Meeting itself, and do not run counter to the Statute or to the law.

C. Auditing Council

Art. 40. The Auditing Council consists of at least three members of the cooperative, elected by the General Meeting.

Persons who do not correspond to the requirements of Art. 33, as well as those who have been members of the Managing Council during the previous year cannot be members of the Auditing Council.

Art. 41. The Auditing Council exercises overall control over all affairs of the cooperative in accordance with the law, the Statute and the decisions of the General Meeting.

It is duty-bound to check the annual balance sheet and profits and losses account and to make an inventory and check the treasury of the cooperative at least once in three months. A copy of the protocol for these checks is sent without delay to the Regional Cooperative Union.

The Auditing Council submits a general report on the findings of these checks to the next General Meeting. A copy of this report is sent without delay to the Regional Cooperative Union.

Art. 42. Without a report of the Auditing Council the General Meeting cannot take lawful decisions on the report of the Managing Council, on the balance sheet and the profit and loss account, on the distribution of the net profit, and on the release of the members of the Managing and Auditing Council from responsibility.

Art. 43. The Auditing Council is duty-bound to call the General Meeting at once if it finds out that something running counter to the law or to the Statute which endangers the interests of the cooperative has been done.

At the same time it also notifies the Regional Cooperative Union of this.

Art. 44. The Auditing Council may request of the Regional Court the removal of the Managing Council and of individual members of this Council, if they have harmed or endangered the interests of the cooperative, if they have allowed gross negligence in conducting its affairs or have failed to coordinate the activity of the cooperative with the fulfilment of the state economic plan.

Art. 45. Regarding the Auditing Council's mandate, its release from duty and the submission of its resignation, as well as regarding

its remuneration and its release from responsibility, the regulations about the Managing Council are applied.

V. DISTRIBUTION OF THE NET PROFITS

Art. 46. The net profits of the cooperative is distributed as follows:

1. For the Reserve Fund – 20 per cent, and for the producer cooperatives and departments – 10 per cent; for “Cultural” and “Improvement and Rationalization of Production” funds of producer cooperatives and departments – percentages determined by the Statute of the cooperative: for the funds of the Central Cooperative Union: “Assistance to Needy Cooperatives”, “Cooperative Employees” and “Cooperators” – percentages determined by the Statute of the cooperative.

The Statute may also envisage, the setting up of other funds. Besides the “Reserve Fund”, the credit cooperatives may set up other funds as well only if their Statute contains provisions to this effect.

In the producer cooperatives, the amount of the separate sums for all funds cannot exceed 50 per cent of the net profit.

2. For the payment of dividends on labour or consumption the net profit is distributed according to the participation of the members, while the allocations for the payment of dividends on the share capital should not exceed the legal interest rate.

The “Cooperators” and “Cooperative Employees” funds are managed according to special regulations approved by the Council for Cooperatives with the Council of Ministers. These two funds are separate bodies corporate and the sums for them are raised through payments by the cooperators, the cooperative employees and the cooperatives in amounts determined by the respective Statutes. These same funds, the payments collected from them, and the cash benefits paid from them are exempted from all taxes, fees and other fiscal duties, and the papers connected with their work, from stamp duty.

The remaining funds are managed according to special regulations, adopted by the General Meeting.

Art. 47. The losses sustained during the year are compensated by diminishing the Reserves Fund, the Improvement and Rationalization of Production Fund, the Cultural Fund and the other funds

of the cooperatives up to their exhaustion, after which the share capital is diminished, proportionally to the participation of the members.

The General Meeting may decide to refer this loss for redemption by the profits in the coming years.

VI. PRIVILEGES

Art. 48. The claims of the cooperatives against persons who are directly indebted to them, carry interest from the date the payment is due. Claims stemming from bills of exchange carry interest without their being protested; a protest, however, is necessary for the preservation of the reverse claims.

Art. 49. In connection with these claims the courts issue writs of execution on the basis of documents establishing the claim, issued by the persons obligated, although they may be illiterate, as well as on the basis of excerpts from the accounts.

The court ruling is not subject to appeal, but it constitutes no hindrance for the parties to bring their claim as a regular civil claim.

Art. 50. The cooperatives may also take out their writs of execution prior to the date of their claims, if some of the movable and immovable property of the debtor has been brought out for public sale.

They may deduct their claims even before their date of payment from the shares and other claims of cooperators who have left the cooperative.

Art. 51. The cooperatives are exempted from taxes, fees, state stamp duty and any tax and other encumbrances in connection with their formation, merger, approval of their Statute and its amendments and registration the Court.

Art. 52. When the members transfer movable and immovable property owned by them as share capital in the cooperative, the transfers and the documents connected with them are exempted from state taxes, fees, stamp duty, customs duty and all kinds of tax encumbrances.

The transfers of movable and immovable property which are made by the merging to the recipient cooperative are exempted from taxes, customs duty, stamp duty, fees (including telephone and firm-name fees, etc.).

Art. 53. Exempted from state stamp duty are the following papers issued by and meant for the cooperative: applications for membership and for its termination, certificates for membership, for its termination, and for non-membership in the cooperative; credentials for delegation and representation and their verifications by the cooperative, information on the members and the membership before different departments and institutions, and all papers officially deposited with state establishments and cooperative unions.

Art. 54. The cooperatives may leave the objects which are the object of pawns established in their favour, in the hands of the pawnors.

The latter are obliged to keep these objects with the care of a good steward.

The contract for a pawn is concluded in writing and is inscribed into the register for pawns of the respective municipal People's Council after which it can be opposed to third parties.

Art. 55. In case of non-fulfilment of a debtor's obligation, the cooperative can sell the pawned objects through the executory officer of the court.

Art. 56. The cooperative, as soon as it is satisfied, is obliged at once to notify the People's Council that it must put a note in the municipal register of pawns that the pawned object has been freed.

Art. 57. The Regional Cooperative Union can represent the cooperatives in its region before the courts and other state institutions, and the Central Cooperative Union — the cooperatives and the unions from all over the country.

VII. PRODUCER DEPARTMENTS

Art. 58. In the universal and in the producer cooperatives, by decision of the General Meeting producer departments may be opened, if there are at least seven members of the cooperative conforming to the special requirements for membership in the department, and at least one with recognized rights where such rights are required.

Art. 59. The department assumes the capacity of a body corporate with its inscription into the register of the Regional Court in the file of the cooperative with due observance of the provisions of Art. 4, item 2.

The accounts of the property, as well as of the receipts and expenditures of the department are kept separately from those of the cooperative; a separate balance sheet and a separate profit and loss account is kept for the department. In the distribution of the losses and profits of the department only its members take part. Persons who are members only of the department cannot take part in the General Meeting of the cooperative.

Art. 60. The departments are managed by a General Meeting, an Economic Council and a Supervisory Council. The Economic and the Supervisory councils consist each of at least three members.

With regard to the managing bodies of the departments, the provisions of this law for the managing bodies of the cooperative are applied.

The Auditing Council of the cooperative may make checks of the affairs of the department.

The decision of the General Meeting of the department on the budget, the economic plans, the amendments to the Statute and the termination of the department are subject to approval by the respective institutions at the proposal of the Managing Council of the cooperative.

Art. 61. The department may be transformed into an independent producer cooperative by decision of the General Meeting of the department, if this transformation is approved in the order established for the establishment of a new cooperative.

Art. 62. For the cooperative farms this law is applied, insofar as the Law on Cooperative Farms does not contain special provisions.

VIII. MERGER, TERMINATION AND LIQUIDATION

Art. 63. The merger of cooperatives can be effected by the fusion of one or several cooperatives into another or through merger into a new cooperative.

Art. 64. The agreement for merger between the Managing Councils and the decisions for merger of the General Meetings of the cooperatives are subject to approval by the Central Cooperative Union.

In case of merger, the General Meetings of the merging cooperatives must adopt a Statute and elect a Managing and an Auditing Councils.

With the registration of the merger, the Court deletes the cooperatives which terminate their existence.

From this moment on, the members of the merged cooperatives become by right members of that cooperative which continues to exist, or of the new cooperative respectively, and the property of the merged cooperatives pass over de jure together with all assets and liabilities to the same cooperatives.

Art. 65. The assets and liabilities of the merged cooperatives are accepted, after an evaluation of their reality, by the Central Cooperative Union immediately after the registration of the merger.

The property of the merging cooperatives is managed separately up to the expiry of six months after the registration of the merger for the purpose of satisfying or indemnifying the creditors of the merged cooperative. If this satisfaction or indemnification is effected earlier, the separate management may also be terminated before the expiry of this term.

Art. 66. Except by decision of the General Meeting, the cooperatives and departments are closed down by decision of the Regional Court, when it is established:

a) that the number of members has fallen below the minimum required by the law and has not been replenished through the admission of new members in the course of a year.

b) that they pursue aims forbidden by the law;

c) that through their activity they have betrayed their predestination;

d) that the members and the organization do not conform to the requirements of the Statute or the law, or

e) that the cooperative is no longer in a position to pay its debts.

The application for termination is deposited with the Court by the Managing Council or by the Central Cooperative Union.

Art. 67. After the termination, the cooperative is liquidated.

The liquidation is effected by the Central Cooperative Union.

Art. 68. The names of the liquidators are submitted to the Court for inscription into the register.

Art. 69. The liquidators pay the debts of the known creditors or deposit sums for their payment. The unknown creditors, who have not presented their claims within six months from the

publication of the announcement for the termination of the cooperative, have the right to be satisfied only from that part of the cooperative's property which was not distributed at the time of the presentation of the claim.

Art. 70. While the liquidation is in progress the provisions of this law regarding the General Meeting and the control remain in force, but instead by the Managing Council, the General Meeting is called by the liquidators.

Art. 71. The liquidators represent the cooperative being liquidated before the authorities and before third parties. The cooperative is obligated by the signatures of two of the liquidators.

Their managing and representation rights with respect to third parties and their responsibility are the same as those of the Managing Council.

Art. 72. The liquidators are duty-bound to finish the current affairs of the cooperative, to transform its property into money and to pay off its debts. They may conclude agreements on behalf of the cooperative and start new work for the purpose of finishing the current work.

The liquidators can sell the immovable property of the cooperative only at a public auction, except if the General Meeting and the Court decide otherwise.

Art. 73. After the actions under the preceding article are concluded, an excerpt must be made from the final accounts, which, together with the balance sheet must be checked by the Auditing Council and submitted to the General Meeting for approval.

By decision of the General Meeting the shares of the cooperators are paid off, and the remaining part of the property owned by the cooperative, if there is such, is transferred to the Assistance to Needy Cooperatives Fund of the Central Cooperative Union.

When a department is terminated, the remaining property is handed over to the cooperative.

Art. 74. After the fulfilment of the decision of the General Meeting under the preceding article, the liquidators notify the Regional, Court so that the cooperative may be deleted.

IX UNIONS

A. Regional Cooperative Unions

Art. 75. The Regional Cooperative Unions are associations of the

cooperatives in a region. The credit cooperatives are not members of the Regional Cooperative Unions.

The aim of these unions is to direct, assist, coordinate and control the activity of the individual cooperatives and to perform economic activity of common interest to the cooperatives which are their members.

They approve the economic plans and the budgets of the cooperatives.

Art. 76. The Regional Cooperative Unions may, with the consent of the Central Cooperative Union, open branches in their regions. The branches are managed in the manner established by Regulations which are approved by the Central Cooperative Union.

A percentage from the profits of the branches is set aside for the funds of the branch itself. If a branch becomes a Regional Cooperative Union, these funds pass over to the latter.

Art. 77. The General Meeting of the Regional Cooperative Union consists of delegates of cooperatives which are its members, elected from among the members of these cooperatives. It is called by the Managing Council through invitations sent at least 15 days before the meeting.

The Statute of the union determines the number of the delegates and the procedure of their election.

Art. 78. The lawful decisions of the General Meetings and the lawful instructions of the Managing Council of the Regional Cooperative Union have a binding force for the cooperatives which are its members.

B. Central Cooperative Union

Art. 79. The Central Cooperative Union is an association of the Regional Cooperative Unions. It plans the activity of the cooperatives within the framework of the state economic plan, organizes, manages, controls and audits the overall activities of the cooperatives.

Art. 80. The Congress (the General Meeting) of the Central Cooperative Union consists of delegates of the Regional Cooperative Unions.

Only a member of a cooperative which is member of a Regional

Cooperative Union can be a delegate of that union to the Congress of the Central Cooperative Union. The Statute of the CCU determines the number of delegates and the way they are elected. The Congress is called every two years through invitations which are sent at least one month before its opening session.

Art. 81. For its support the Central Cooperative Union can collect from the Regional Cooperative Unions, from the cooperatives and from the departments payments, the amount and manner of collection of which is determined by the Congress.

Art. 82. The Central Cooperative Union can issue tentative balance sheets, profit and loss accounts and other instructions on the organization, work and accountancy of the cooperatives which are obligatory for the cooperatives, departments and regional cooperative unions and must conform with the law. The tentative balance sheets and profit and loss accounts must be approved in advance by the Ministry of Finance.

Regarding the deposit, credit and other banking activities with which the Bulgarian National Bank entrusts some cooperatives, the provisions of the Law on Banks is applied.

Art. 83. The Central Cooperative Union audits the cooperatives, departments and the Regional Cooperative Unions through inspectors who are vested by the Minister of Finance or by the State Control Commission with the rights of inspectors under the Financial Inspection Law and act in accordance with the same law.

Art. 84. When unpaid debts are established, it is proceeded in accordance with the Financial Inspection law.

Art. 85. The responsibilities and deficiencies in accounts of the Managing Council and the Auditing Council, and of cooperative employees, established with the audit reports cannot be revoked, reduced or pardoned by decision of the General Meeting, except with the consent of the Central Cooperative Union.

Art. 86. The appointment and dismissal of persons holding managing and accountancy posts in the Regional Cooperative Unions can be done by decision of their Managing Councils which are approved by the Central Cooperative Union.

For the cooperatives this approval is given by the Regional Cooperative Unions.

Art. 87. The Central Cooperative Union may, in a motivated statement, require of the Regional Court the removal of the Managing

or Auditing Council or of individual members of these councils as well the institution of proceedings against them if their actions inflict damages on the cooperatives and on third parties.

Art. 88. With regard to the credit cooperatives, the Bulgarian National Bank performs the functions of a Regional Cooperative Union and of the Central Cooperative Union.

X. COUNCIL FOR COOPERATIVES

Art. 89. With the Council of Ministers a Council for Cooperatives is set up, the purpose of which is to coordinate the activity of the cooperatives with those of the state, state-autonomous and municipal institutions and establishments, to watch for the implementation of the cooperative policy of the Government and to exercise supreme control over the cooperatives.

The composition and the details of the tasks, rights and obligations of this Council are determined by Regulations which are approved by the Council of Ministers.

XI. PENAL PROVISIONS

Art. 90. The members of the Managing and Auditing councils, the liquidators and employees of the cooperatives are punished for crimes committed by them in connection with their service as employees.

Art. 91. Punished by imprisonment of up to one year and a fine of up to 50,000 levs is;

a) a member of the Managing or Auditing Council who, after his removal, has continued to exercise his rights is expelled from the cooperative;

b) members who receive money, valuables and other benefits, with the intent to vote in one or another sense in the General Meeting, or to abstain from voting, as well as those who for the same purpose promise money, valuables or other benefits.

Art. 92. Punished by a fine of up to 50,000 levs are members of the Managing or Control council, employees and liquidators who consciously delay or refuse to perform actions which they are obliged to perform by law.

Art. 93. The giver of a pawn who conceals, damages or sells, without the consent of the cooperative, a pawned object for the purpose of making impossible or of hindering the satisfaction of the claim by it, is punished for embezzlement.

In such a case the cooperative has the right to demand in an administrative order the finding and seizure of the object and its transfer into the cooperative's own possession.

Art. 94. *The offences which are punished by a fine in accordance with Art. 91 of this Law are established by statements of the case which are drawn up by the bodies of the Central Cooperative Union.*

The penal orders under Art. 91 shall be issued by the President of the Council for the Cooperatives with the Council of Ministers or a person authorized by him.

The penal orders by which a fine of up to 10,000 levs is imposed cannot be subject to appeal.

XII. PRECEDING PROVISIONS

Art. 95. Within 6 months after the entry into force of this Law, all cooperatives and cooperative unions are obliged to change their Statutes and to reconstruct themselves or to merge with another cooperative in accordance with the instructions of the Central Cooperative Union (for the credit cooperatives — the BNB), or else they are closed down in the order established by Art. 66.

Art. 96. The Assistance for Credit Cooperative Fund, set up by the former Bulgarian Agricultural and Cooperative Bank, is transferred to the Assistance to Needy Cooperatives Fund with the Central Cooperative Union.

Art. 97. The provisions of this Law, which entrust the regional judges with judicial or other acts, enter into force from the day set with an order of the Minister of Justice which is published in the State Gazette; until then these acts are performed by the district courts.

Art. 98. The present Law revokes the Law on Cooperative Associations of January, 17, 1907.

Art. 99. For the application of this Law, Regulations approved by the Council of Ministers shall be issued.

To the present decree the state seal shall be attached and it shall be put into effect.

INTRODUCTION

The cooperative movement in Bulgaria is a spontaneous and large-scale people's democratic movement with progressive traditions of long standing. Having emerged at the end of the last century as a movement of the poor and middle strata of the population from towns and villages for the purpose of self-protection and resistance to capitalist exploitation, it developed and grew under the influence of and with the direct assistance of the Bulgarian Communist Party, the Bulgarian Agrarian Party, and other progressive forces.

The Bulgarian cooperatives are a socialist form of labour organization and an inseparable part of the national economy.

The cooperatives promote the large-scale involvement of the working people in the building of a developed socialist society.

The cooperative form of ownership is developing and further improving through a process of mutual penetration and bringing together with the state form of ownership. The cooperatives contribute their own democratic features of organization and activity into the system of public ownership.

The Bulgarian cooperative movement is conducive to the strengthening and intensification of international cooperative solidarity, to the expansion of cooperation with the cooperative organizations of the Soviet Union and of the other fraternal socialist countries, and to developing the ties with the cooperative movements from the developing and other countries in the name of peace, democracy and social progress throughout the world.

Chapter One

GENERAL PROVISIONS

Article 1. The cooperative organizations are autonomous socialist socio-economic organizations set up on the principles of voluntariness, cooperative ownership, equal rights and obligations of their members, and cooperative democracy.

Article 2. (1) The fundamental task of the cooperative organizations is to satisfy the needs of the citizens of commodities and services.

(2) The producer cooperatives and the producer cooperatives of invalids perform social functions envisaged by the Law.

Article 3. (1) The cooperative organizations operate on the basis of complete self-accounting and self-support, according to a plan drafted on the basis of the unified plan for the country's social and economic development and ensuring the implementation of their objectives.

(2) The cooperative organizations carry out their activity in cooperation with the People's Councils and with other economic and public organizations. They coordinate their activity with the development of the settlement systems where they are based.

Article 4. (1) The State assists and encourages the cooperative organizations and coordinates their economic activity.

(2) With the consent of the cooperative organizations the latter may be authorized to perform certain state activities.

(3) The Central Cooperative Union and the District Cooperative Unions may be assigned the allocation of state plan-determined assignments for implementation by the respective cooperative organizations and enterprises.

Article 5. (1) The cooperative organizations are exempted from any taxes and fees in connection with their formation, reconstruction, termination and liquidation, as well as for the transfer in such cases of property from one cooperative organization to another.

(2) The members of cooperative organizations are exempted from any taxes and fees on their instalments and on the transfer of rights connected with them.

Chapter Two COOPERATIVES

Section I ESTABLISHMENT

Article 6. (1) A cooperative may be formed by the consent of not less than seven citizens who adopt its statute and elect a managing council and an auditing council. Persons deprived of the right to

hold offices involving management, accountancy, or material responsibility, under Article 37, item 6, of the Penal Code, as well as persons forbidden to hold such office by law or decree, cannot be founding members of a cooperative.

(2) For the constitution of a producer cooperative more than half of the founding members must possess professional qualifications corresponding to the object of activity of the cooperative. Persons related to one another by marriage, or who are in direct or collateral relationship to one another up to the third degree inclusive, cannot be co-founders of a cooperative.

(3) The Statute must specify such matters as the name, seat and object of activity of the cooperative, the conditions for admitting new members and their rights and obligations, the grounds and the procedure for discontinuation of membership, the property, management, and procedures for reconstruction and termination of the cooperative.

(4) The written statement on the setting up of a cooperative and its Statute are signed by the founders.

(5) the Managing Council and the Auditing Council are elected by simple majority and secret ballot.

Article 7. The cooperative is registered at the Regional Court corresponding to the location of its head office on the basis of an application submitted by the Executive Committee, or when there is no Executive Committee – by the Managing Council. The application must be accompanied by the following:

1. A copy of the minutes of the constituent assembly and of the Statute;

2. Samples of the signatures of the persons entitled to represent the cooperative;

3. Certificates showing no previous conviction of the founders;

4. Declarations by the members of the Managing Council and of the Auditing Council and, in the case of producer cooperatives, by the founders, that they are not related to one another by marriage and are not in direct or collateral relationship to one another up to the third degree inclusive.

Article 8. The entry made in the register of the Court includes the name, seat, type, object of activity and address of the cooperative, the names and addresses of the members of the Executive Committee, or, when there is no Executive Committee, the members of the Managing Council.

Article 9. A cooperative is considered to have been constituted and becomes a body corporate from the day on which the ruling of the Court on its entry in the register is published in the State Gazette.

Article 10. Acts performed on behalf of the cooperative prior to the day of publication of the Court ruling on its registration give rise to rights and obligations for it if the persons who performed them had been duly authorized by the founders. Failing such authorization, they are jointly responsible for the obligations assumed. If the cooperative is not subsequently registered at the Court, the other founders are also responsible to the same extent, except when they have not authorized them to perform the acts that have given rise to the respective obligations.

Article 11. If the cooperative fails to begin operating within six months of the publication of the Court's ruling on its registration, the Court cancels it at the request of the respective District Cooperative Union, filed after consulting the opinion of the General Meeting of the cooperative.

Article 12. (1) A cooperative has the right to set up branches and to reconstruct and terminate them. Decisions for such formation, reconstruction and termination are registered at the Court where the cooperative itself is registered.

(2) Each branch is managed by a Branch Meeting, a Branch Managing Council, and a Branch Auditing Commission.

(3) The structure and activity of the branch are determined by the Managing Council of the cooperative.

Section II

RECONSTRUCTION AND TERMINATION

Article 13. (1) The terms for merger or fusion of cooperatives is negotiated by their Managing Councils and are subject to approval by their General Assemblies.

(2) The division of a cooperative, as well as the separation from it, are decided by the General Meeting.

Article 14. The members of cooperatives which have undergone merger or fusion are automatically entitled to membership of the new cooperative, while the members of a cooperative which has

undergone division become members of the newly formed cooperatives.

Article 15. (1) In the case of division, the newly formed cooperatives are jointly liable for the obligations of the terminated cooperative.

(2) In the case of separation, the newly formed cooperative is jointly liable for the obligations of the cooperation from which it has separated.

Article 16. (1) The activity of a cooperative may be terminated and the latter may go into liquidation:

1. By decision of its General Meeting;

2. By decision of the District Court, at the request of the Central Cooperative Union in case when: it pursues aims forbidden by the Law; it has changed its original function or has lost its economic justification; it systematically winds up with losses or is not in a position to implement its obligations; has remained with membership below the established minimum and has failed to fill up its composition within a period of one month.

(2) Upon terminating the activity of a cooperative, the General Meeting elects a liquidating commission and determines the liquidation period. When the termination has been ruled by the Court, the latter appoints the liquidating commission and determines the liquidation period.

(3) The termination of the activity of a cooperative and its going into liquidation take effect from the day on which the Court ruling on the registration of the termination has been published in the State Gazette.

Article 17. The liquidating commission consists of at least two persons. It cannot include persons referred to in Article 48, paragraph 5.

Article 18. The liquidating commission has the rights and obligations of a Managing Council. The cooperative is represented by two of the liquidators named in the decision for its termination.

Article 19. (1) The liquidating commission completes the current operations of the cooperative, converts its property into cash, collects what is due to the cooperative, and implements its obligations.

(2) The liquidating commission has the right to terminate the contracts signed by the cooperative until the moment of its going into liquidation, compensating the other party for the damages sustained by it as a result of the termination.

Article 20. When a cooperative has been terminated by decision of the General Meeting, the latter may decide that the cooperative shall resume its economic activity until the completion of the liquidation. In such an instance the General Meeting elects a Managing Council and an Auditing Council. The decision of the General Meeting is subject to registration at the Court, and the latter's ruling is published in the State Gazette.

Article 21. (1) The creditors of a cooperative which has gone into liquidation state their claims before the liquidating commission, regardless of their origin, security, and executability, within one month from the day of the publication of the ruling under article 16, paragraph 3.

(2) In case of disputed claims, the liquidating commission notifies the creditors in writing, against proper advice of delivery. If the creditors lay claim within two weeks upon receipt of the notice, the commission designates such demands as disputed obligations in the liquidation balance sheet.

Article 22. The liquidating commission satisfies the privileged claims in accordance with their order, while the remainder is used to satisfy the remaining claims proportionally to their size.

Article 23. (1) Creditors who have not laid their claims within the term set are satisfied from the property which is left after the distribution.

(2) The share instalments are returned to the members of the cooperative after the discharge of the remaining obligations. When the remainder proves to be insufficient, it is distributed proportionally to the instalments.

Article 24. No individual executions against the property of a cooperative in liquidation are allowed.

Article 25. (1) After the final distribution of the property, the liquidating commission reports to the General Meeting which decides on the cancellation of the cooperative. When the Meeting cannot take place due to the lack of quorum, it shall be postponed for seven days and is then considered to be legitimate, regardless of the number of those present.

(2) If a cooperative is terminated by the Court, the liquidating commission submits its report to the Central Cooperative Union which decides on its deletion.

Article 26. (1) Within seven days from the adoption of the decision according to the preceding Article, the liquidating commission

is obliged to request the decisions registration by the Court. The ruling on deletion is published in the State Gazette.

(2) Within the term set under the preceding paragraph the liquidating commission turns over the archives of the deleted cooperative to the District Cooperative Union.

(3) A cooperative may be deleted also before all the sums due to it have been collected, provided its obligations have been paid and the share instalments have been returned. In this case the Central Cooperative Union continues collecting the sums due and adds them to its mutual aid funds.

Article 27. The funds necessary for the maintenance of the activity of the liquidating commission are approved by the organ under Article 25 and are at the expense of the cooperative; when the latter has no funds, they are at the expense of the mutual aid funds at the Central Cooperative Union.

Article 28. For any damages caused to the cooperative by illegal acts of the liquidating commission, liability rests jointly with the members who have caused them.

Section III

MEMBERSHIP, RIGHTS AND OBLIGATIONS OF THE MEMBERS

Article 29. (1) A cooperative is open to membership by every citizen who accepts its Statute. Member of a producer cooperative or of a producer cooperative of invalids may be any person above the age of sixteen years – or fifteen years in the case of student-cooperative members – upon due observance of the requirement that half of the newly admitted members of the producer cooperative possess the requisite qualifications in accordance with the object of its activity, or, in the case of producer cooperative of invalids, correspond to the requirements specified in its Statute.

(2) A new member of the cooperative is admitted on the basis of a written application, by decision of the Managing Council which is subject to approval by the General Meeting. The application is considered at the first sitting of the Managing Council held after it had been filed. By way of exception, it can also be considered at its second sitting, if the first one was held before the expiry of 14 days from the filing of the application.

(3) Revocation of the refusal by the Managing Council to admit a new member may be requested from the General Meeting within a term of fourteen days. In case of revocation of the refusal, the candidate is considered to have been admitted from the day of the decision of the General Meeting.

(4) Upon failure to observe the term set in the foregoing paragraph, or when the refusal is confirmed by the General Meeting, a new application for membership may be filed after the expiry of a six-month period.

Article 30. The members of a cooperative are entitled:

1. To participate in its activity;
2. To participate and vote in the General Meeting;
3. To be elected to its bodies;
4. To demand explanation from its bodies about any non-fulfilment of adopted decisions;
5. To demand the rescission of illegal decisions and acts of its bodies, and of decisions and acts contravening its Statute;
6. To receive dividends;
7. To avail themselves of the acquisitions resulting from its social and cultural undertakings;
8. To receive their shares upon termination of membership in the cooperative.

Article 31. (1) The members of a cooperative are obliged:

1. To cooperate in the attainment of its objectives;
2. To observe the Statute;
3. To make the instalments determined by the Statute;
4. To protect and augment the cooperative property.

(2) When the members of a cooperative participate in its activities by their labour, they are obliged to bring in their operative equipment necessary for the production process and their stocks of raw and prime materials, as determined by the decision for their admission.

Article 32. (1) The following sanctions may be imposed for failure by a cooperative member to abide by his obligations:

1. Reprimand;
2. Notice for possible expulsion;
3. Expulsion.

(2) The labour and insurance relations of the members of producer cooperatives and of producer cooperatives of invalids are

settled by the relevant labour and insurance legislation.

Article 33. (1) A cooperative member is liable for the obligations of the cooperative to the amount of his share instalment.

(2) That which is due to a cooperative member by way of share instalment cannot be transferred or distrained for debts of his.

Article 34. (1) Membership is terminated when a cooperative member :

1. Leaves the cooperative;
2. Joins another cooperative through the procedure established in the Statute;
3. Is expelled;
4. Dies.

(2) Membership is also terminated with the dissolution of the cooperative.

Article 35. The procedure for the institution and termination of membership, for the return of the share instalment, as well as the term for serving notice upon termination are specified in the Statute.

Article 36. (1) A member of a cooperative may be expelled when he or she:

1. Obstructs the attainment of the aims of the cooperative;
2. Fails to make the instalments provided for in the Statute;
3. Systematically violates the Statute and the decisions taken by the bodies of the cooperative;
4. Does not keep or damages the property of the cooperative.

(2) When the violation is not significant or when the damages to the cooperative ensuing from it are not big, the General Meeting may impose on the respective cooperative member the sanction of "notice for possible expulsion".

Section IV

PROPERTY

Article 37. (1) The property of a cooperative consists of right of ownership and other real rights on fixed and turnover assets, of assets due, of rights on trade marks and industrial prototypes, of licences, of share participation in partnerships, and of other rights and obligations originating from its activity.

(2) Alienation of cooperative property for state and public needs

may be done only after taking into account the opinion of the General Meeting of the cooperative.

Article 38. Sources of funds of the cooperative are:

1. Instalments by the members;
2. Income from economic activity;
3. Loans and other sources.

Article 39. The funds of the cooperative are distributed into:

1. Share funds;
2. Funds for production and social projects, including the Dividend Fund.

Article 40. (1) The distribution of the income of a cooperative, the kind of the cash funds, and the procedure of raising and outlaying them are determined by the General Meeting.

(2) A cooperative may take loans from the mutual aid funds at the Cooperative Unions, as well as to make available to other cooperatives, on a loan basis, the free sums from its cash funds against a minimum rate of interest.

Article 41. When the economic activity for a calendar year end with a loss, it is covered, by decision of the General Meeting, from the funds for production or social projects and, after their exhaustion, from the share fund, or remain to be paid off during the following year.

Article 42. A cooperative is entitled to compensation for what is due to it, by taking it from the share instalment of the member who has terminated his membership, even before the date of payment of that which is due to the cooperative has set in.

Article 43. Upon termination and liquidation of a cooperative the remainder of its assets is turned over to the mutual aid funds at the Central Cooperative Union.

Section V

MANAGEMENT

Article 44. (1) The General Meeting is composed of the members of the cooperative. When its composition is very numerous or when the activity of the cooperative includes several settlements, the General Meeting may consist of representatives elected in accordance with rules and procedure set by its Statute.

(2) The General Meeting:

1. Adopts and amends the Statute;
2. Elects a Managing and an Auditing Councils;
3. Adopts the plan of the cooperative;
4. Approves the report on the activity, on the balance account, and on the distribution of the income after hearing the conclusion of the Auditing Council;
5. Takes decision on membership in the District Cooperative Union;
6. Elects representatives to the General Meeting of the District Cooperative Union;
7. Remits cash obligations to the cooperative, and postpones or re-schedules their payment;
8. Takes decisions on disposal with the immovable property of the cooperative;
9. Reconstructs and terminates the activity of the cooperative and decides on its going into liquidation;
10. Endorses the decisions of the Managing Council on the admission of new members. When such a decision is not confirmed, membership is terminated from the day on which the General Meeting has been held;
11. Expels members;
12. Resolves all matters that are not within the competence of other bodies of the cooperative.

Article 45. (1) The General Meeting is convened by the Managing Council by an invitation communicated in a manner specified in the Statute. The invitation must contain the items to be discussed, as well as the day, hour and place where the Meeting is to be held. The General Meeting is not entitled to take decisions on items not included in the invitation, except a decision to call another General Meeting.

(2) The General Meeting is convened:

1. Regularly – once a year;
2. Extraordinarily – by decision of the Managing Council or at the request of the Auditing Council, of the District Cooperative Union, of the Central Cooperative Union, or of at least one-tenth of the members of the cooperative.

(3) The Managing Council is obliged to convene the General Meeting on matters of its exclusive competence within fourteen days

upon receipt of the relevant request. Should the Managing Council fail to do so, the General Meeting is convened by the Executive Committee of the District Cooperative Union.

Article 46. (1) The General Meeting is legitimate if attended by two-thirds of the members.

(2) Each member has the right to one vote.

Article 47. (1) The decisions of the General Assembly are taken by simple majority of the votes of the members present, unless otherwise provided by the Statute.

(2) The decisions under Article 44, paragraph 2, items 1, 9, 10 and 11 are taken by a two-thirds majority of the members present while decisions on items 7, 8 and 9 become effective after approval by the Executive Committee of the Central Cooperative Union.

(3) Voting in the General Meeting is open, with the exception of the cases under Article 44, paragraph 2, items 2 and 6. The Meeting is entitled to decide on holding secret ballot in other cases as well.

Article 48. (1) The Managing Council is elected from among the members of the cooperative for a term of three years. A newly elected Managing Council cannot include more than two-thirds of the members of the preceding Managing Council.

(2) The number of the members of the Managing Council is determined by the General Meeting.

(3) In a consumer cooperative not more than one-half of the members of the Managing Council may be in labour-type legal relations with it.

(4) In a producer cooperative and in a producer cooperative of invalids not less than one-half of the members of the Managing Council must be directly involved in production.

(5) Not eligible to a Managing Council are persons:

1. Deprived of the right to hold offices involving management, accountancy, or material responsibility, under Article 27, item 6, of the Penal Code;

2. Who by virtue of provisions of law or decree are forbidden to hold offices involving management, accountancy, or material responsibility;

3. Who are related to a member of the Managing or Auditing Council by marriage, or are in direct or collateral relationship up to the third degree inclusive.

Article 49. The Managing Council:

1. Organizes the implementation of the decisions of the General Meeting, manages the current activity of the cooperative and reports on it before the General Meeting;
2. Organizes the preparation of the draft-plan of the cooperative;
3. Takes decisions on the formation, reconstruction and termination of branches, and on participation in intercooperative enterprises and economic associations;
4. Awards members of the cooperative, sanctions them with "Reprimand" or with "Notice for possible expulsion", and makes motions to the General Meeting for their expulsion;
5. Appoints, awards, sanctions and dismisses workers and employees of the cooperative.
6. Examines the proposals made by the Auditing Council within a period of fourteen days after receiving them. Upon failure to examine them within this period, the proposals are considered to have been endorsed.

Article 50. (1) The Managing Council is convened to sessions by its Chairman at least once in three months. The Chairman is duty-bound to convene the Managing Council at the request of at least one-third of its members within fourteen days. Should he fail to do so, the Managing Council is convened by the Executive Committee of the District Cooperative Union.

(2) The sessions of the Managing Council are open to the members of the cooperative.

(3) The decisions of the Managing Council are taken by an open vote and simple majority.

Article 51. Members of the Managing Council who, in that capacity, have caused damages to the cooperative, are jointly responsible.

Article 52. In legal disputes between the cooperative and members of the Managing Council, as well as in cases of contradiction between their interests, the cooperative is represented before the Court by the District Cooperative Union.

Article 53. When so provided in the Statute of the cooperative, the Managing Council elects an Executive Committee from among its composition and determines the number of its members.

Article 54. (1) The rights and obligations of the Executive Committee are determined by the Statute. The Executive Committee cannot be assigned the rights under Article 29, paragraph 2, and Article 49, item 3.

(2) The Executive Committee reports on its activity before the Managing Council.

(3) The Executive Committee is convened by the Chairman. Its decisions are taken by an open vote and simple majority. The sessions are open to the members of the cooperative.

Article 55. Article 51 is applicable to the members of the Executive Committee.

Article 56. (1) The Chairman of a cooperative is elected by the Managing Council from among its members. He is also Chairman of the Managing Council and of the Executive Committee.

(2) The Chairman organizes the implementation of the decisions taken by the General Meeting, by the Managing Council, and by the Executive Committee, and is in charge of the current activity of the cooperative.

Article 57. The cooperative is represented by its Chairman and, in his absence, by his deputy together with one more member of the Executive Committee or, in the absence of such a Committee, with a member of the Managing Council.

Article 58. (1) The Auditing Council is elected from among the members of the cooperative for a term of three years. Not more than two-thirds of the members of the preceding Auditing Council can be re-elected to the new Auditing Council.

(2) The number of members of the Auditing Council is determined by the General Meeting.

(3) Persons referred to in Article 48, paragraph 5, or persons who hold or have held during the preceding year an office of material responsibility or accountancy in the cooperative or in any of its enterprises, cannot be members of the Control Council.

Article 59 (1). The Auditing Council controls the activity of the cooperative and its enterprises and reports on its work to the General Meeting.

(2) The members of the Auditing Council have the rights of financial-control organs if they comply with the requirements for holding such an office.

Article 60. When the Auditing Council establishes significant violations of the Law or of the Statute by the Managing Council, it convenes the General Meeting or notifies the District Cooperative Union in writing.

Article 61. The members of the Auditing Council participate in the sessions of the Managing Council and of the Executive Committee.

Section VI

JUDICIAL CONTROL

Article 62. The decisions and actions of the bodies of a cooperative which run counter to the Law or to the Statute are revoked by the respective Regional Court.

Article 63. (1) Revocation may be requested by each member of the cooperative, by the Auditing Council of the cooperative, or by the Executive Committee of the District Cooperative Union.

(2) A cooperative member may request the revocation within two weeks of the day on which the decision was taken, or, if he was not present at the taking of the decision affecting his property interests, from the day on which he was notified. When revocation of an action is demanded, the fourteen-day period begins from the day on which the action became known to the cooperative member.

(3) The Auditing Council and the Executive Committee of the District Cooperative Union may request the revocation, within a period of two weeks from the taking of the decision or the performance of the action.

Article 64. Other cooperative members, as well as the Auditing Council and the District Cooperative Union may also join the procedure of revocation, and maintain the claim even if it is withdrawn or the claimant decides to waive it,

Article 65. Until its adjudication on a particular claim, the District Court may suspend the implementation of the decision and of the action whose revocation is demanded.

Chapter Three

COOPERATIVE UNIONS

Article 66. The cooperatives may unite into District Cooperative Unions, while the District Cooperative Unions may set up a Central Cooperative Union.

Article 67. (1) The Cooperative Unions:

1. Coordinate and assist the activity of their members in accordance with their Statutes:

2. Engage in economic activity;

3. Grant cash loans and make available sums for specific purposes to their members from the mutual aid funds.

4. Undertake financial inspections of the activity of their members;

5. Uphold the interests of their members before state, public and other bodies and organizations.

(2) The cooperative unions perform their activity in close cooperation with other economic and public bodies and organizations.

Article 68. The Central Cooperative Union has the rights and obligations under the foregoing Article also in relation to the cooperatives which are members of the District Cooperative Unions.

Article 69. The Central Cooperative Union represents the cooperatives of the People's Republic of Bulgaria in the international cooperative organizations and movements.

Article 70. The organs of management of the cooperative unions are: the General Meeting of the District Cooperative Union and the Congress of the Central Cooperative Union, as well as the Managing Council, the Executive Committee, and the Auditing Council, which are elected for a term of five years each.

Article 71. (1) The General Meeting of the District Cooperative Union consists of representatives of the cooperative organizations which are its members. These representatives are elected at the General Meetings of the cooperatives, according to quotas of representation determined by the Managing Council of the respective District Cooperative Union.

(2) The General Meeting adopts directives, programmes and plans for the activity of the Union and decides on applying for membership in the Central Cooperative Union.

Article 72. (1) The Congress of the Central Cooperative Union consists of representatives of the District Cooperative Unions, elected at their General Meetings according to quotas of representation determined by the Managing Council of the Central Cooperative Union.

(2) The Congress adopts directives, long-term programmes and plans for the development of the Union, as well as Model Statutes of the cooperative organizations.

Article 73. The provisions contained in Chapter Two are applicable to matters related to the cooperative unions which are not settled in this Chapter.

Chapter Four

COOPERATIVE AND INTERCOOPERATIVE ENTERPRISES

Article 74. The cooperatives and the cooperative unions may set up cooperative enterprises for specific economic activities.

Article 75. (1) A cooperative enterprise is instituted, reconstructed and terminated by decision of the respective Managing Council, which also determines the name, seat, object of activity and the means made available to the enterprise.

(2) The decision under the foregoing paragraph is entered in the register of the District Court according to the head office of the enterprise. As a juridical person the enterprise exists from the day on which the Court ruling on its registration has been published in the State Gazette.

(3) The structure and activity of the enterprise are determined by the General Meeting of its workers and office employees and are subject to approval by the Managing Council of the organization which has created it.

(4) The enterprise is represented by its manager who is appointed and relieved of his duties by the Managing Council of the respective cooperative organization.

Article 76. (1) The fixed and turnover assets of the enterprise are property of the cooperative organization which has created it. The enterprise has the right of economic management over these assets.

(2) The enterprise makes instalments for the organization which has created it.

Article 77. (1) The cooperatives, the cooperative unions and the cooperative enterprises may be united for joint performance of economic activity in an intercooperative enterprise.

(2) The Statute or the Constituent Agreement on the formation of an intercooperative enterprise determines the name, seat, object of activity, fixed assets, the amount of the shares of the members,

the bodies of management, representation, the rights and obligations of the members, and the manner and procedure of income distribution.

(3) The provisions concerning economic associations are applicable to intercooperative enterprises.

SUPPLEMENTARY PROVISIONS

§ 1. According to the present Law, cooperative organizations are: the consumer cooperatives, the producer cooperatives, the producer cooperatives of invalids, the cooperative unions, and the intercooperative enterprises.

§ 2. (1) Chapter Two of this Law is applicable to the mutual-aid funds at the cooperative organizations.

(2) A cooperative mutual-aid fund under the foregoing paragraph is considered to have been instituted upon the opening of its bank account.

(3) The cooperative mutual-aid fund grants its members loans and aids. The interest rate on the loans cannot exceed the minimum rate of interest charged on the loans granted to citizens by the State Savings Bank.

TRANSITIONAL AND FINAL PROVISIONS

§ 3. This Law comes into force on January 1, 1984, and repeals the Law on Cooperatives (published in the "Izvestiya" of the National Assembly, No. 13 of 1953; amended in No. 29 of 1956 and in No. 90 of 1958 of the State Gazette, in No. 83 of 1968, and in No. 55 of 1978).

§ 4. All pending disputes on the day of coming into force of this Law shall be settled by the procedure established before it.

§ 5. Until the adoption of a New Code of Labour and of a Law on Social Insurance, the labour and insurance relations of the members of producer cooperatives and of the producer cooperatives of invalids shall be settled by the provisions of the Decree on Mutual Insurance of Members of Producer Cooperatives. Until that time the Congress of the Central Cooperative Union shall amend the Statute of the Council for Mutual Insurance of Cooperative Members.

§ 6. The implementation of this Law is assigned to the Council of Ministers and to the Central Cooperative Union.

This Law has been adopted by the Eighth National Assembly, at its Eleventh Session, second sitting, on December 21, 1983, and bears the State Seal.

LANDOWNERSHIP LAW

SECTION I GENERAL PART

Chapter One

AIM

Art. 1. The Landownership Law has as its aim:

a) to determine the amount of the land which every Bulgarian citizen may own for the purpose of securing himself a better living;

b) to set up a state-owned Land Fund from which, through a distribution of its lands, the needs of those who need it shall be satisfied;

c) to set up viable farms on the basis of the principle that "The land must belong to him who tills it": 1) private farms, in which the owner and the members of his family are to invest their labour and 2) cooperative farms, in which the cooperators are to invest their labour together with the members of their families;

d) to make the inhabitants of the torrential (protected and strictly protected) forest areas and of the unproductive and densely populated regions in the country to migrate to more suitable land-areas with a view to securing and improving their living.

Chapter Two EXECUTIVE BODIES

Art. 2. The application of this law is entrusted to the Land Office under the Ministry of Agriculture and Public Estates, and has the following executive bodies:

a) a Municipal Landownership Commission,

b) a Land Council under the Land Office

Art. 3. The Municipal Land Ownership Commission consists of: a chairman – regional agronomist or his deputy-an agronomist on state service, and as members: the mayor of the municipality, three farmers nominated by the Fatherland Front Committee in joint session with the Municipal Council and approved by a general village meeting, at which their deputies shall also be elected.

For solving any questions connected with the application of Art.

8 to 17 and 91 of this law, the Municipal Landownership Commission shall be supplemented by the regional judge or his deputy, as chairman of the commission.

The farmers shall be determined for every inhabited place, entering into the composition of the municipality and take part only in the examination of questions affecting the villages represented by them.

The secretary or the tax collector of the municipality is also secretary of the Municipal Landownership Commission.

When a member of the commission is absent from a sitting, his deputy shall participate.

Art. 4. The Municipal Landownership Commission has the following tasks:

a) delineates the municipal and the state lands, searching for and evaluating the appropriated parts of them;

b) determines, rounds off and re-rounds off the size of the common land which is left for use by the inhabited place;

c) confiscates, evaluates and adds to the Land Fund the municipal and private lands which are subject to being added to it;

d) gives land and homesteads to those entitled to them, exchanges the lands of settlers and of those who have joined the cooperative farms;

e) leases the free lands from the State Land Fund;

f) controls the regular payments for the distributed fund lands and for the appropriated municipal and state lands;

g) performs everything entrusted to it under the special laws as well as, in general, the implementation of the goals of the this law.

Art. 5. (As supplemented – State Gazette, No. 291 of 1947). The decisions of the Municipal Landownership Commission are subject to appeal before the Land Council under the Land Office within a period of 14 days from the serving of the communication against signature to the parties concerned and for the decisions on giving land and homesteads – from their announcement by posting them at a prominent place in the Municipality building.

Checks connected with the appeals shall be made by the corresponding composition of the Land Council. The latter, however, has the right to entrust a checking to the Land Office staff, which are duty-bound to check all facts and proofs pointed out in the appeals or in the objections brought against them, except when the Land Office

Staff members come forward with written considerations that the checking of the indicated facts and proofs will be without any significance for the solution of the raised controversial questions, and these considerations are approved by the Land Council.

Art. 6. The Land Council under the Land Office consists of a president – a judge from the Supreme Administrative Court, and as members: the Director of the Land Office, the chief of the Landownership and Land Distribution Section, the jurisconsult of the Ministry of Agriculture and Public Estates¹ or his assistant and one representative of the General Agrarian Trade Union.

Under the Land Office yet other sufficient in number Land Council sub-compositions shall be set up, which consist of a district judge, a district director or his deputy, a representative of the Land Office or a representative of the District Land Office and two representatives of the General Agrarian Trade Union, appointed by the Central Management of the Union.

(New – State Gazette No. 291 of 1947). When the council decides questions connected with migration, a representative of the institution, at the request of which the migration has been undertaken and in the cases of Art. 21, item 11, a representative of the corresponding service for regulating the waters shall also take part in it.

(Former paragraph 3 – State Gazette No. 291 of 1947). These compositions of the council have the rights envisaged by the law, hold sessions and decide questions in the country or district centres of the country.

(Former paragraph 4 – State Gazette No. 291 of 1947). The Land Council or its respective sub-composition decides finally the submitted appeals within a period of two months, starting from the receipt of the file in the Land Office.

Art. 7. (As amended – State Gazette No. 291 of 1947). The Land Council may also check the non-appealed decisions of the Municipal Landownership Commissions and in case of established misjudgements, it has the right to amend or revoke these decisions. It also makes a pronouncement on all matters concerning the application of this law.

The decisions of the Land Council shall be final and subject to no appeal.

¹ Ministry of Agriculture and the Food Industry (State Gazette No. 1, of 1969).

SECTION II

LANDOWNERSHIP, DISTRIBUTION OF LAND AND HOMESTEADS

Chapter First SIZE OF LANDED PROPERTY

Art. 8. (As amended – State Gazette No. 291 of 1947; revoked – State Gazette No. 26 of 1973).

Art. 9. State, municipal and cultural institutions, monasteries, churches, industrial and craftsmen's enterprises, cooperatives, societies and the selection institutes, recognized by the Ministry of Agriculture and Public Estates, which, because of the nature of their work, are in need of land, may acquire such or retain the lands owned by them to an amount determined by the Land Council under the Land Office, with the approval of the Council of Ministers, on condition that they themselves shall take care of their land.

The expropriated lands from the private, modernly equipped model seed producing farms, for the purpose of being preserved as such, shall be retained wholly or in part by the state or shall be given with priority to the persons who worked on these farms, if they are subject to being given land, receiving ideal parts from the fund land determined in them, without this land being parcelled out, and shall be transformed into cooperative farms. The question shall be solved by the Land Council with the approval of the Council of Ministers.

Art. 10. (Revoked – State Gazette No. 26 of 1973).

Art. 11. (As amended – State Gazette No. 93 of 1946). A peasant farmer who has interrupted his vocation due to sickness, advanced old age, or other reasons beyond his control, preserves his vocation until the reasons that imposed the interruption are removed.

The right of peasant farmers shall also be retained by:

a) minor (underage) orphans of a peasant farmer, until they enter a different occupation and in any case not later than their coming of age or the completion of their higher education, but not later than their completion of 26 years of age;

b) full-aged orphans of peasant farmers who have interrupted

or have not entered their father's occupation for the reasons mentioned in the preceding paragraph — up to the removal of the same reasons, if the income from the land is the main source for their support.

Art. 12. The owned arable lands which are included in the object of forestry, the lands up to 0.5 hectares within the limits of the inhabited places as well as the farm yards of up to 0.5 hectares outside the inhabited places are not taken into consideration in determining the amount of arable land.

Private persons cannot own forests and forest pastures of a general total of more than 5.0 hectares for the purely field regions and up to 10.0 hectares for the forest-and-field and purely forest regions, no matter whether these forests and forest pastures are included in forest-exploiting cooperatives or not.

The private forests and forest pastures of more than 5.0 hectares resp. 10.0 hectares, shall be subject to expropriation for state or public use. The evaluation, the entering into possession and the management of these forests and pastures shall be regulated by a special law.

(New — State Gazette No. 291 of 1947). The lands, left to wives as usufructuary property in inheritances opened under Romanian rule in the Dobroudja, which, together with the lands owned by them do not exceed the respective amounts under Art. 8 shall be exempted from expropriation under this law to the day of the death of the usufructuaries. Such land so far expropriated shall be returned to the usufructuaries, or if it has been disposed of as given land, the usufructuaries are given other fund land of equal value in their stead.

Art. 13. If the arable land is owned by several members of the family, in determining the amount of the arable land, the lands owned by all persons shall be summed up. Not summed up, however, shall be the lands owned by unmarried stepchildren who do not inherit the owner whose amount of arable land is being determined under this law.

(As amended — State Gazette No. 291 of 1947). In determining the size of arable land, the land which is the object of a court dispute, shall be considered as owned by the possessor. When land which is object of the dispute is expropriated from the latter, and the opposite side in the case does not own such to the amount to which it is entitled, a corresponding part of the land under dispute shall be

preserved in the Land Fund up to the settlement of the court dispute and shall be given over to the same side, in case the court adjudges the land to it.

If the owner dies before the amount of arable land to which he is entitled has been determined under this law, his survivors shall be considered as independent owners in determining the amount of the arable land, although the inheritance may not yet have been divided.

Art. 14. (As amended — State Gazette No. 93 of 1947). The lands owned in excess of the amounts determined by the law are expropriated and added to the State Land Fund by the Municipal Landownership Commission at a price based on the evaluation of the 1935 landed property tax multiplied six-fold, and for the Dobroudja — on the evaluation of the landed property tax after the liberation, also multiplied six-fold, its value per hectare being not less than 10,000 levs and not more than 100,000 levs.

If a family member the amount of whose arable land has been determined under this law, subsequently acquires arable land, with which he exceeds this amount, the land in excess shall also be expropriated under this law.

The differences in excess of the determined amounts of land shall not be expropriated if their area is below 0.5 hectares.

Art. 15. (As amended — State Gazette No. 291 of 1947). The provisions of the preceding articles of this chapter refer to the moment of the pronouncement of the Municipal Landownership Commission.

If persons who are not farmers have acquired land with which they surpass the amount of land they are entitled to, and wish to become farmers, they must do so within a period of six months from the acquisition of the land.

For those who were not farmers at the time of issuance of this law and to whom the six-month period under Art. 15 of the hitherto effective law has been given, the period runs as determined, while for those to whom no such term has been given, the latter starts running from the date on which this law has come into force.

In a period of one month after the expiry of the term under the preceding paragraph, the Municipal Landownership Commission is duty-bound to make a pronouncement whether the person concerned has become a farmer or not.

Owners who have availed themselves of paragraph 2 and 3 of this article, cannot sell their land in the course of 10 years.

Art. 16. An owner has the right to specify which land he wishes to preserve within the determined amount.

If the arable land is owned by several members of the family and there is no agreement among them as to which land should be retained within the determined quantity, all owners are left proportional parts of the land owned by them.

Corresponding parts of the real encumbrances on the arable land of an owner pass over to the expropriated land included in the State Land Fund.

Art. 17. (As amended – State Gazette No. 291 of 1947). After determining the size of an owner's arable land, the State Land Fund enters into possession of the expropriated land, and when the Land-ownership Commission's decision on determining the amount of land has been appealed, the Fund takes possession only of the land in excess of the amount which is claimed in the appeal, pending its final settlement.

After the final conclusion of the process of expropriation of land, the State Land Fund pays it to the owner with bonds, bearing a 3 per cent interest and payable over a period of 15 years through annual drawings of the bonds for payment, the following deductions being made from the price of private land in favour of the State Land Fund:

- a) from 5 to 10 ha – 10 per cent
- b) from 10 to 20 ha – 15 per cent
- c) from 20 to 30 ha – 20 per cent
- d) from 30 to 40 ha – 25 per cent
- e) from 40 to 50 ha – 30 per cent
- f) from 50 to 75 ha – 35 per cent
- g) from 75 to 100 ha – 40 per cent
- h) from 100 to 150 ha – 45 per cent
- i) from 150 ha and above – 50 per cent.

All creditors are obliged to accept the bonds at their nominal value for the payment of debts guaranteed by mortgage.

The part of the expropriated land to the amount of 1.0 ha shall be paid in cash.

The issuance of the bonds and the payment for the expropriated land to the amount of 1.0 hectare take place after presentation by him whose land was expropriated of the following documents:

1) a certificate by the respective municipality about the kind and amount of the expropriated land, testifying to the fact that they were inscribed into the registers of the municipality in the name of the person concerned; 2) a copy of the protocol of the Municipal Landownership Commission Form No. 7) on the expropriation and inclusion in the State Land Fund of the land, with due certification by the Commission that it has entered into force; if appealed – also a copy of the decision of the Land Council under the Land Office and 3) a certificate by the state and municipal tax collectors testifying that the person concerned does not owe state and other taxes, or specifying the amount of any such taxes he owes.

The bonds and their coupons are exempted from any present and future state and municipal taxes, fees and state stamp duty.

The provisions of the present chapter of this law embrace all the lands in the territory of the country, regardless of their owners, and the mode of their management, respectively.

Chapter Second PURCHASE OF ARABLE LAND

Art. 18. (As amended – State Gazette No. 93 of 1946). Coheir farmers, with a view to completing the land owned by them to the amount under Art. 8 of this law, may purchase from their remaining coheirs who are not farmers that part of the fallen to their share unbuilt over immovable pieces of property, falling under the effect of this law, which, together with the land owned by them, does not exceed the amount determined by Art. 8 of this law.

Note. Paragraphs 2 and 3 of Art. 240 of the Inheritance Law are revoked.

The purchasing takes place at the time of partition (Art. 982 of the Law on Civil Procedure), the purchased pieces of property being paid at their real value at the time of the purchase.

Art. 19. When several coheirs request to purchase the immovable not built over pieces of property which is the object of farming, priority is given to the less propertied and to those having many children.

In the case of equal rights, the purchased pieces of property are divided among the purchasers, and when the property is indivisible – by lots cast among them.

Art. 20. In the case of a sale of unbuilt-over pieces of immovable property, the relatives in a descending line, the wife, brothers and sisters of the seller can purchase the sold piece of property.

The same right have also the owners of pieces of immovable property which is adjacent to the sold piece of immovable property, irrespective of the area of the latter.

In exercising the right of purchase under this article, relatives shall be given preference to neighbours.

The provisions of Art. 305-307 of the Law on Obligations and Contracts and Art. 19 of this law shall be applied also in this case.

Chapter Third STATE LAND FUND

Art. 21. The State Land Fund shall be formed by:

1. All the private land, expropriated under this law;
2. (As amended – Izvestiya No. 90 of 1953) the state-owned land lying outside the limits of inhabited places.

When a complex giving of homesteads is necessary in order to shape up rounded off areas, neighbouring and included in the areas pieces of property of private landowners may be expropriated by decision of the local Municipal Landownership Commission at average market prices which shall be paid from the sums of the State Land Fund. In this case, the decision of the Municipal Landownership Commission shall be appealed in the order of Art. 5 of this law;

3. Parts of state and municipal forests excluded from the object of forestry;

4. Parts of municipal common land which have remained free after determining the size and the rounding off of the common land;

5. Land purchased from private or juridical persons with money of the Fund;

6. Wastelands, whose owners refuse or fail to make in time the improvements, envisaged in the Law on the Improvement and Increase of Arable Land;

7. Disputed municipal common land for which the contesting parties fail to reach agreement within the term given them by the Land Office.

8. Undersized common land and common land whose location makes it unfit for the purpose of grazing animals, even when the

latter common land shall remain below the determined size after being rounded off;

9. The appropriated by the population state and municipal land in excess of 5.0 hectares as well as appropriated state and municipal land in excess of 0.3 hectares which has not been paid for within the terms set by this law;

10. The land undistributed by the former General Office for Agricultural Settlement of Refugees, as well as the land abandoned by refugees who were given land;

11. (As supplemented — State Gazette No. 291 of 1947) what remains of the land freed by the correction of river beds and the reclamation of marshland after the affected private land has been compensated from it.

Note. If the public land freed as a result of river bed corrections is unfit for farming without considerable investments of money and labour, the affected private land shall be replaced by land from the State Land Fund against payment of its value by the Ministry of Electrification, Waters and Natural Resources, or from the municipal commonland, against transfer to the municipality of a land area of equal value, from the land added to the Fund;

12. (As amended — State Gazette No. 291 of 1947) the lands of the school, stockbreeding, etc. funds, the religious communities, the moslem communities, etc., as well as those of the library clubs, irrespective of the way in which they were acquired, with the exception of those planted with perennial plantations of up to 5.0 hectares, as well as their determined size under Art. 9 of the present law;

13. The monastery and church lands above the extent determined under Art. 9 of this law, and

14. (As corrected — State Gazette No. 93 of 1946; as amended — No. 291 of 1947) the sold after September 17, 1944 land of owners who owned land that would have been added to the State Land Fund in the order of this law, if the sales were not effected, except if the Land Council under the Land Office, at the request of the interested persons, deposited within a period of 3 months after the entry into force of this law, establishes that the effected sales took place for the purpose of improving the management of the land — for supplying cattle and implements.

Note. The term for depositing requests under this item, is prolonged for another three months, reckoned from the entry of this note into force, only for cases in which an object of the sale was

land of a size of up to 2.0 hectares inclusive with respect to the seller.

Art. 22. The enumerated in the preceding article kinds of land which have an evaluation for taxation, shall be expropriated and added to the State Land Fund according to an evaluation, determined in the order of Art. 15 of this law, and the land which does not have an evaluation for taxation — at half of its real evaluation at the moment of the expropriation determined by the Municipal Landownership Commission.

Land which has been purchased with sums of money of the State Land Fund from private owners shall be added to the fund at its purchase price.

Art. 23. The Land Council under the Land Office, with the approval of the Council of Ministers, can change the evaluations of the land included in the State Land Fund, in accordance with the changed market prices of the same land.

(As corrected — State Gazette No. 93 of 1946). The new evaluations shall be valid from the date on which they were established. The re-evaluations under Art. 8 of the Law on the Cooperative Farms and Land Regrouping shall also be valid from the date on which they were established. The unpaid installment payments up to the establishment of the new evaluations shall be paid according to the old evaluations.

The provisions of this article do not affect the land which has been paid for, and those who were given land have been issued title deeds.

Art. 24. (As corrected — State Gazette No. 93 of 1946). Land purchased with sums of money of the State Land Fund is included in the Fund directly by the Land Council under the Land Office. The state land shall be requested from the State Estates Office, which in a detailed list with evaluations transfers to the Land Fund those parts of it which are not necessary for the needs of the state institutions and farms.

(New — State Gazette No. 291 of 1947). All the other land under Art. 21 is added to the State Land Fund and is distributed by the Municipal Landownership Commission, in the territory of which it is located.

Art. 25. The land added to the State Land Fund from the municipal forests and commons and the land taken over from the school

and stock-breeding funds shall be paid to the municipalities for the account of the respective inhabited places and funds.

The value of the state land added to the Fund, remains entirely in favour of the Fund.

The value of the added to the fund land of monasteries, religious communities, churches, mosques, Moslem and other religious societies, private wastelands and private municipal land shall be paid to the owners at the price at which it was added to the Fund.

The payment of all the land added to the Fund is effected by the latter in accordance with the received installment payments by the persons to whom that land was given, with the exception of the land expropriated under Art. 8 to 17 incl. of this law, the payment of which takes place under Art. 17 of the same law.

(New – State Gazette No. 291 of 1947). 50 per cent of the value of the land added to the Land Fund of municipal origin, which was given to people prior to the entry into force of the Landownership Law, shall be paid to the municipalities over a period of 20 years, in accordance with the returns from the payments made by those who were given land, and the remaining 50 per cent shall remain as an income of the Fund.

Art. 26. The municipal land and commons of the following towns: Sofia, Plovdiv, Varna, Roussé, Bourgas, Pleven, Stara Zagora, Sliven, Turnovo, Gabrovo, Kazanluk, Kyustendil and Pernik are not affected by this law.

(New – State Gazette No. 291 of 1947). The school and stock-breeding funds of these towns, if they are located in their territories, are not affected, either.

Chapter Fourth

PURCHASE OF LANDS FOR THE STATE

LAND FUND

Art. 27. Offers for the sale of private lands to the State Land Fund shall be made in writing to the Land Office with an indication of the kind, location, bounds and price of the land being offered and their title deeds shall be presented.

Art. 28. The Land Office, after collecting the necessary information about the land being offered, if it is of interest to the State Land Fund, shall submit the question to the Land Council under

the Land Office for taking a decision in principle for the purchase.

Art. 29. The decisions of the Land Council shall be communicated to those interested, published in the State Gazette and posted at a prominent place in the municipality building. Third parties, claiming to have real rights over the land being offered shall be obliged, within one month after the publication in the State Gazette or from the announcement in the municipality building, to seek their rights before the corresponding court, of which, within 7 days from the deposition of the claim, they shall present a certificate to the Land Office. In such a case the proceedings for the purchase shall be suspended until the solution of the dispute by the court.

If the interested parties fail to submit the required certificate within the fixed term, they lose their rights with respect to the State Land Fund.

Art. 30. After the expiry of the one-month term, a commission composed of a representative of the Land Office and the corresponding to the location of the land Chief of State Taxes or his deputy, together with the corresponding mayor, shall examine the land, shall enter into negotiations with the sellers and for the agreement reached a protocol of the selling price agreed upon shall be drawn up.

Art. 31. The protocols of the selling prices agreed upon are subject to approval by the Land Council under the Land Office.

The decisions of the Land Council which approve the agreed upon selling prices protocols have the force of title deeds and the ownership and the possession of the purchased land pass over *de jure* to the State Land Fund. This transfer shall be registered by the corresponding notary public.

Art. 32. The payment for purchased land takes place after the seller presents the following necessary documents:

a) a certificate from the state and municipal tax collectors that the seller owes no state taxes, fees, etc. or as to the amount of the taxes owed by him;

b) a certificate from the Bulgarian Agricultural and Cooperative Bank for the seller's debts to it and to the establishments credited by it;

c) a certificate as to the amount of the mortgages and interdictions weighing over the purchased land.

Chapter Fifth GIVING OF LAND

Art. 33. By the giving of lands the petty farms are enlarged or new farms of a size determined by the law are set up, thereby farms in which those who are given land and the members of their families invest their labour are being set up.

Art. 34. Entitled to receiving land are all persons who make a living from agriculture and its branches and do not own land or own land which is less than the average type of farm in the inhabited place.

(As amended — State Gazette No. 291 of 1947 and Izvestiya No. 29 of 1952).

The state institutions and enterprises, the people's councils of the deputies of the working people and the public organizations are granted land free of charge. They are considered owners of the land until they terminate their economic activity, after which the land is returned to the State Land Fund, except in cases of fusion or merger.

To the cooperative farms land from the State Land Fund is granted for eternal and free use.

Sums that have been paid against the land given under the preceding two paragraphs shall not be returned.

Land for the setting up of farms is also given to cooperatives, which pay the land given them according to the evaluations at which it was added to the State Land Fund.

(Former paragraph 3 — State Gazette No. 291 of 1947 and Izvestiya No. 29 of 1952). Free of charge and namelessly, land shall also be given to the agronomist who is manager of the cooperative farm to the extent of the determined average type of farm for the inhabited place, with which land he participates in the cooperative farm while he is at work on that farm.

(Former paragraph 4 — State Gazette No. 291 of 1947 and Izvestiya No. 29 of 1952). To the State Farms Enterprise under the Ministry of Agriculture and Public Estates shall be given all the land from the State Land Fund in which the enterprise is interested. This land shall be determined and transferred to the enterprise by order of the Minister of Agriculture and Public Estates.

Art. 35. The size of the average type of cooperative farm shall be determined by the Municipal Landownership Commission,

depending upon the economic region, the quality of the land of the Land Fund and the size of the average private farm in the inhabited place.

Art. 36. The average type of private farm has been determined to be of the size of up to 5.0 hectares, and for the counties of the towns of Dobrich, Balchik, Doulovo, General Toshevo and Tervel – up to 8.0 hectares.

(Former paragraph 3 – State Gazette No. 291 of 1947). Persons who are given land cannot receive more land than that of the average type of farm for the inhabited place, including their own land, as well as that which they have received or are expecting to receive from inheritance, dowry, etc.

(Former paragraph 2, as amended – State Gazette No. 291 of 1947). In giving land from the State Land Fund in the inhabited places in which there is a cooperative farm or there are people wishing to set up such a farm, within a period of one month, set by the Landownership Commission – if the members in the cooperative farm comprise more than 50 per cent of the farmers in the inhabited place, the land from the State Land Fund shall be distributed among the members in the cooperative farm entitled to be given land, and only after they are satisfied with land up to the size of the average type of cooperative farm envisaged in paragraph 1, if there is still free land left, shall it be given to the other farmers entitled to be given land. In all other inhabited places the giving of land shall be effected in the general manner, the cooperative farm members entitled to be given land being given each 0.5 hectares more than the determined average type of cooperative farm in an inhabited place, but not more than 5.0 hectares.

(New – State Gazette No. 291 of 1947). The supplied with state land members of a cooperative farm on leaving the cooperative farm, if they were members for at least 5 years, receive besides their own land also that which was given them from the Land Fund, the land which is given them being set aside in the order established in the Law on Cooperative Farms.

(Former paragraph 4 – State Gazette No. 291 of 1947). The farmers with many children entitled to being given land receive for every unmarried third and following child 0.5 hectares above the determined average type of farm for the inhabited place.

Art. 37. The giving of land and the taking back of given land is done by the Municipal Landownership Commission.

(New — State Gazette No. 291 of 1947). When the land included in the State Land Fund belongs to another municipality, it shall be given to those farmers entitled to being given land who were determined at a joint session of the two Municipal Landownership Commissions. In case of contention, the giving of the land shall be effected by the Land Office authorities and shall be approved by the Land Council under the same Office.

Art. 38. The farmers entitled to receiving land must satisfy the following conditions:

1. They must be Bulgarian nationals;
2. They must be capable for work;
3. They must be legally married. By exception, land is allowed to be given also to families consisting of unmarried brothers and sisters of whom at least one is capable for work. Households consisting of a single member shall not be given land;
4. They must be residents of the inhabited place where they are given land. On the instructions of the Land Office, people entitled to be given land may receive this land also in other inhabited places, provided the land lying far off shall not be an inconvenience for its cultivation;

5. They must not have lost all their land or part of it through light-mindedness, drunkenness or other vices;

6. They must not be deprived of civil and political rights. As an exception, at the discretion of the Municipal Landownership Commission families of persons deprived of such rights can be given land if they fulfil the conditions for being given such land.

Art. 39. In giving land, priority shall be given;

1) (New — State Gazette No. 291 of 1947) to the members of cooperative farms;

2) to those who have suffered from the wars, from the fascist terror and to those participants who have suffered in the national liberation army: invalids, orphans and widows;

3) peasant farmers with small or no land of their own;

4) to families with many children;

5) to veterans from the national-liberation army and to farmers victimized under fascist rule;

6) to graduates from all kinds of agricultural schools.

Art. 40. Those who are given land and are members of a cooperative for cooperative management of the land, receive ideal parts

of the fund land determined for them without it being parcelled up.

Art. 41. Those who have been given land are obliged:

1) to manage directly the land given them, cultivating it with their personal labour and that of their family members;

2) to have their domicile in the inhabited place where they were given land or elsewhere, provided the distance to the land shall not be an inconvenience for its cultivation.

3) to pay in good time the sums owed to the State Land Fund for the land received;

4) to use the land given them exclusively for agricultural purposes;

5) to pay the land tax as well as all other taxes, fees, etc. on the land given them.

Invalids of the wars and those of the national liberation army, with an over 50 per cent lost capacity for work, shall be exempted from direct management of the land given them and from the obligation of living in the inhabited place where they were given that land. The members of their families, however, and their heirs shall not be exempted from these obligations.

Art. 42. Those who were given land shall in the course of 20 years after the date of the protocol of the Municipal Landownership Commission have the right to possess and use that land. Although they may have paid it before the term, they cannot sell the land given to them or their own land, or encumber it with financial burdens, except before the Bulgarian Agricultural and Cooperative Bank.

Art. 43. Those who were given land shall pay for it according to the evaluations at which it was included in the fund, paying 5 per cent at the moment they enter into possession of the land and the remainder over a period of 20 years in equal annual installments bearing no interest.

All those who have suffered in the wars or in the struggle against fascism: invalids, widows and orphans, and have been given land so far as well as those who will get land, shall pay for it with a reduction of 50 per cent on the evaluation at which they were included in the Land Fund.

Those who were given land and are members of cooperative farms shall pay for it with a reduction of 40 per cent until they are members of the cooperative. This discount shall not apply to those who were given land under the preceding paragraph.

Art. 44. (Revoked – Ivestiya No. 29 of 1952).

Art. 45. In a situation of extreme distress the Land Council of the Land Office shall postpone at most for a year the payment of the annual installments for certain planted areas.

Determent of overdue annual installments shall not be allowed.

Art. 46. Those who were given land and homesteads shall be supplied with landownership title deeds after they have paid in full for the land given them.

The landownership title deeds of those landowners whose land is subject to regrouping shall be issued in the order of the Cadastre and Land Regrouping Law.

Art. 47. The land of deceased persons, who were given land shall be inherited by their survivors who assume all obligations of the deceased.

As survivors in this case shall be understood only spouses and children who were not given land. In case of a lack of such, the land shall be returned to the State Land Fund and the accounts shall be settled under the provisions of this law.

The same land shall be given by priority to relatives of the deceased who was given the land, if they fulfil the conditions for being given land. The survivors of deceased persons who were given land, cannot divide the latter prior to the issuance in their name of a landownership title deed.

Should any of the survivors of the deceased who was given land fail to pay his share of the installment or does not directly take part in the cultivation of the land, that part of the whole lot to which he is entitled shall be transferred to the survivors who are regular in their payments and cultivation of the land, if they are entitled to being given land.

If survivors with thus given land have made some payments and have not used the land, these payments shall be returned to them by those survivors to whom the land shall be transferred.

Chapter Sixth GIVING OF HOMESTEADS

Art. 48. (As amended – Izvestiya No. 90 of 1953). Land from the State Land Fund can be given as homesteads to cooperative farms, state farms and machine and tractor stations.

The giving of homesteads is done by the Landownership Commission on the basis of the protocol-decision of a special commission, which has determined the place which is best suited for a homestead.

The lands of the State Land Fund, necessary for a homestead are given to the cooperative farms for eternal use, and to the state farms and the machine and tractor stations they are placed at their disposal for management, free of charge and unlimited in time use.

Art. 49. (Amended — State Gazette No. 291 of 1947 ; revoked — Izvestiya No. 90 of 1953).

Art. 50. (Amended — State Gazette No. 291 of 1947 ; revoked — Izvestiya No. 90 of 1953).

Chapter Seventh

UTILIZATION OF THE FREE LAND OF THE STATE LAND FUND AND THE PUBLIC PASTURES

Art. 51. All land, included in the State Land Fund, which has not yet been distributed, shall be leased.

Art. 52. This land shall be leased for one economic year under tariffs, elaborated by the Land Office and approved by the Ministry of Agriculture and Public Estates.

Art. 53. Lessees of fund land can be only farmers who are entitled to being given land. The maximum extent of leased land cannot exceed the determined average type of farm for the inhabited place, including the land owned by the lessees.

If in the inhabited place there are no persons entitled to being given land, to whom land from the State Land Fund can be leased out, the latter may be leased out to cooperatives for cooperative management or to citizens not entitled to being given land for longer than one year by decision of the Land Council under the Land Office.

(New — Izvetiya No. 29 of 1952). The state institutions and enterprises, the people's councils of the deputies of the working people, the cooperative farms and public organizations, with the exception of the cooperative stockbreeding farms shall not pay any lease for the lands leased by them from the State Land Fund.

Art. 54. The leasing of land is effected by the Municipal

Landownership Commission by September 1 at the latest.

Art. 55. Lessees are obliged:

1) to pay the rent of the land at the conclusion of the protocol-contract for its leasing;

2) to use the land directly, with their personal labour and that of the members of their family.

Art. 56. Virgin land, rootage-infested, thorn-infested and the other such land may be given rent-free for one economic year to people entitled to receiving land, wishing to clear and cultivate it. This land shall be leased to the same farmers also for the following economic years until they are given them officially in ownership.

Art. 57. The members of the Municipal Landownership Commission are financially responsible for the unleased Fund Lands.

Art. 58. The municipal tax-collectors collect in advance the rent for the free fund land leased every year and account for it within one month from the date on which it was collected at the latest.

The sums from leases of Fund land and from payments for appropriated land shall be collected by the municipal tax-collectors against a special pattern of receipt pads, certified by the Land Office.

Art. 59. The control over the regular and timely collection of and accountancy for the returns of the State Land Fund is exercised by the Land Office authorities which, at the request of the service, are vested with the rights of commissioners of audits.

Art. 60. Uncollected sums and the deficiencies in accounts are established with statements of the auditors, drawn up in the order and manner specified in the Finance Inspection Law.

Art. 61. Audits shall be carried out by the authorities of the Land Office only when there is a written order issued by the Minister of Agriculture and Public Estates or a person authorized by him therefor.

Art. 62. Municipalities and monasteries which own forest and high-mountain pastures to an extent greater than is necessary for the needs of their livestock, cannot lease the pasture, except to other municipalities and cooperatives in need of pastures.

The Municipal Landownership Commission together with the district forester and the district governor determine which municipalities and cooperatives are to receive the pasture and to what extent, in accordance with their needs.

Municipalities and cooperatives which use such pastures, pay a

lease to the municipalities which own the pastures, in accordance with the tariffs of the Land Office determined under Art. 52 of the present law.

Chapter Eighth
ACCOUNT OF THE STATE LAND FUND
(Revoked – State Gazette, No. 42 of 1950)

SECTION III
COMMONS AND THEIR DELINEATION AND
ROUNDING OFF

Art. 66. Subject to delineation shall be all municipal commons and state and municipal lands for the establishment of their boundaries in the year 1903.

During this delineation all municipal and state lands appropriated in the time from December 31, 1903 to July 1, 1933 shall be traced down and established, measured and evaluated.

The establishment of the area of the pieces of private property shall take place on the basis of the books of measurements from the General Measurement Campaign of these pieces of property in 1903; where there are no such books – on the basis of the property tax registers of the same year or the first registers kept after that year.

If there are no property tax registers, the boundary lines of the private pieces of land shall be established by the depositions of old, respectable people who know the boundary lines of the pieces of land.

The appropriators of State Land Fund land, as well as of municipal commons and state land, appropriated after July 1, 1933, shall be removed from it administratively.

The measurement of the appropriated municipal land takes place for the account of the respective municipalities, and of the state land – for the account of the State Land Fund.

The delineation of municipal commons, municipal and state land and the discovery of the appropriated parts of it shall be effected by the Municipal Landownership Commission within a term of 3 years from the date of entry into force of this law. After this term, discovery of appropriated lands shall not be allowed.

(As amended – State Gazette No. 131 of 1948). The sums obtained from paid for and discovered on the initiative of the municipality, appropriated parts of municipal commons and land within the term of up to December 31, 1948, remain entirely in favour of the municipality.

(As amended – State Gazette No. 131 of 1948). If the discovery of the acquired municipal land has not been effected within this period of time, the discovery of appropriated land shall be carried out during the remaining period on the initiative of the Land Office, and the sums obtained from the payment of municipal land shall remain wholly in favour of the State Land Fund.

Discovery of appropriated state lands shall be effected in a three year term on the initiative of the Land Office.

From the sums received from the payment of appropriated municipal and state land, a percentage remuneration shall be given to the members of the Municipal Landownership Commission, which carried out the discovery of the appropriation and the authorities that helped in this. This percentual remuneration shall be established in the Rules and Regulations.

Art. 67. Appropriated up to 5 hectares municipal and state land shall be paid for by the appropriators according to evaluations, corresponding to the average market prices at the time of their evaluation.

The value of the appropriated undersized land of up to 0,3 hectares shall be collected by the municipal tax-collectors in the order of the collection of the direct state taxes.

Art. 68. The value of the appropriated municipal and state land shall be paid by the appropriators within a term of three years from the invitation, in equal annual interest-free installments. This refers also to appropriators who have failed to pay for the land within the terms set under the laws effective so far, provided this land was not taken back from the appropriators because of irregularity in their payments.

Appropriators of land of more than 0.3 hectares who, after the invitation, do not pay their due annual installment against the value of the appropriated land, shall pay lease according to the tariffs of the State Land Fund from the moment of the official establishment of the appropriation, and their land shall be taken away by the administration and shall be included in the State Land Fund.

Art. 69. The Land Council under the Land Office may change the evaluation of the appropriated municipal and state land if it does not correspond to the real market prices and its value has not been fully paid by the appropriators.

The re-evaluation is valid from the date of its establishment.

Art. 70. The sums from appropriated land shall be collected by the municipal tax-collectors and shall be distributed as follows:

1) from municipal commons and land they shall all (100 per cent) be paid to the municipal treasury, if they were discovered by the Municipal Landownership Commission at the initiative of the Municipality; and if they were discovered after a period of 2 years at the initiative of the Land Office — all (100 per cent) in favour of the State Land Fund.

The sums thus returned to the municipal treasury shall be used for the setting up of an "agricultural fund".

This fund shall be expended by decision of the Municipal Landownership Commission for undertakings aimed at boosting agriculture and its branches and at improving the living standards of peasant farmers in the respective inhabited place. The decision of the Municipal Landownership Commission is taken in accordance with a plan, approved by the Regional Agricultural Service;

2) from state land, they shall be paid to the Bulgarian Agricultural and Cooperative Bank as returns to the State Land Fund.

(New — State Gazette No. 291 of 1947). Fifty per cent of the sums for payment of appropriated parts of municipal land, discovered prior to the entry into force of the Landownership Law, shall be referred by the tax-collectors as returns to the fund and the remaining 50 per cent to the corresponding municipality.

Art. 71. Appropriators who have paid for the land appropriated by them shall be supplied with title deeds for ownership by the corresponding notaries public on the basis of certificates according to a special pattern, issued by the Land Office or the municipality, depending upon the origin of the land.

Art. 72. In every inhabited place the size of the common set aside as pasture land shall be determined by calculating for big animals (horses, cattle and buffaloes) from 0.1 to 0.2 hectares per head, and for small animals (sheep and goats) 0.05 hectares per head.

The commons and pastures formed by the percentual decrease of the land with which the farmers participate in the re-grouping

of the land, shall not be taken into consideration in determining the dimensions of the common. Thus formed commons and pastures cannot be expropriated for any reasons.

(New — State Gazette No. 291 of 1947). The State shall yield free of charge to the municipalities in Southern Dobroudja the possession and use of these areas of land which they need as commons.

Art. 73. The determined size of a common shall be rounded off into as regular a shape as possible for the purpose of more convenient utilization, the establishment of lasting boundaries and protection against appropriation.

Art. 74. Subject to rounding off and re-rounding off are:

1) all commons in the sense of the Law on the Preservation, Use and Improvement of Village and Town Commons;

2) private municipal lands and pastures whose size is taken into consideration in determining the common;

3) commons for general use and disputed commons after their division;

4) parts left to the different funds.

The boundary lines of a rounded off common shall be marked on the terrain with the placing of lasting boundary signs by the corresponding municipality, for its account.

Art. 75. A common for joint use by several inhabited places is that which, by virtue of a court or other decision issued by a competent authority, or by mutual consent of the inhabited places, is jointly used by them.

Art. 76. Disputed commons are those for which lawcourt cases have been started for ownership, possession, right of use, or when for a long time the different inhabited places contending for these commons have been in irreconcilable hostility against each other.

Art. 77. Commons for joint use and disputed commons shall be divided between the respective inhabited places. The obtained shares shall be delineated and rounded off for each inhabited place.

The right to division of these commons belongs to the corresponding municipal councils. When the inhabited places belong to one and the same municipality, the right to agreement belongs to an equal number of municipal councillors from the interested inhabited places.

The Land Office comes forward to the interested inhabited places with a proposal to divide voluntarily their joint or disputed

common, within a term of one to three months from the date of the proposal. The negotiations for the division shall be conducted under the chairmanship of a representative of the Land Office.

(As supplemented – State Gazette No. 291 of 1947). If no agreement is reached for the division of the common for joint use, it shall be divided officially by the authorities of the Land Office in accordance with the number of livestock owned by the inhabited place, two parts being provided per head of large animals (horses, cattle and buffaloes) and one part per head of small animals (sheep and goats). The protocol for the official division of the common which is jointly used is subject to approval by the Land Council under the Land Office.

If no agreement for division of the disputed common is reached, the latter shall be expropriated and added to the State Land Fund, and the corresponding part of the value of the common shall be paid to the inhabited place which shall establish in the court its right of ownership, possession or right of use.

SECTION IV INTERNAL MIGRATION

Chapter First MIGRATION AND SETTLEMENT

Art. 78. Migration can be voluntary and compulsory.

Voluntary migration takes place at the request of the migrants, and compulsory migration is undertaken at the request of:

- 1) The Land Office – for the inhabitants of the unproductive and densely inhabited regions of the country.
- 2) The Directorate of Forests – for the migration of the inhabitants of torrential regions (protected and strictly protected parameters).
- 3) Other authorities – when in the implementation of their measures, the migration of inhabitants becomes necessary.

Art. 79. The inhabitants of an inhabited place, wishing to migrate, voluntarily, shall submit applications to the mayor of the municipality, who forwards them to the Land Office with a well-motivated opinion enclosed.

The Land Office studies the necessity of the migration requested and in accordance with the possibilities, settles the migrants on land of the State Land Fund in exchange for their own land.

Art. 80. (As supplemented – State Gazette No. 291 of 1947). The requests for compulsory migration shall be addressed to the Land Office which, within a term of three months after the filing of the request at the latest, shall investigate the possibilities for the requested migration, and the place where the migrants shall be settled.

In accordance with the result of the investigations, the Land Council under the Land Office shall take a decision in principle on the effectuation of the migration, indicating in the decision the number of the migrants and the inhabited place of their settlement.

The decisions of the Council are presented to the Minister of Agriculture and Public Estates to be submitted to the Council of Ministers for approval, after which the compulsory migration shall be put into effect.

Art. 81. To avoid the complete depopulation of the torrential (protected and strictly protected) regions, some inhabitants may be allowed to remain at their old domicile, on condition that they shall adapt their farms and their farming activities according to the plan elaborated by the local agronomist and forestry authorities and duly approved by the Minister of Agriculture and Public Estates, with a view to removing the possibility for the soil to be washed off or for the afforestation and stabilizing works to be destroyed.

Art. 82. The farmers who remain at the inhabited place in accordance with the preceding article, are obliged within a term set by the forestry authorities, to deposit written declarations for the fulfilment of the obligations connected with their remaining there.

Those farmers who fail to deposit such declarations or to fulfil their obligations, besides the punishments for the committed violations under the special laws, shall become subject to compulsory migration.

Art. 83. The pieces of property of the farmers compelled to migrate which have been left in a protected or strictly protected forest perimeter and are fit to be used for farming purposes, can be exchanged with the pieces of property of persons who remain in the inhabited place. The exchange is effected by the Municipal Landownership Commission with the participation of the local state forester,

for the purpose of grouping the land of the farmer and that he should be given land fit for cultivation.

Art. 84. In the order of this law shall be settled and given land also refugees, if there is a decree of the Council of Ministers to this effect.

Chapter Second LIQUIDATION OF THE PROPERTY OF MIGRANTS

Art. 85. Persons who are subject to voluntary or compulsory migration, are obliged, within a term set by the migration service, to present to the municipality a detailed list and description of their own built over and open pieces of immovable property.

If a voluntary migrant does not present the required list and description within the established term, it shall be considered that he renounces his migration.

If one of those, subject to compulsory migration, does not present a list and description of his pieces of immovable property within the established term, the municipality shall draw it up officially.

Art. 86. The Municipal Landownership Commission shall check the lists and descriptions submitted to it and shall exclude from them:

a) all the municipal and state land, seized without authorization which has not been paid in accordance with the order of this law;

b) all pieces of property which are not entered in the landownership registers of the municipality under the name of the migrant, the latter being unable to attest that he owns them or that he has legally been in their possession for more than 20 years together with their former owners who have transferred their rights to him.

Pieces of property not entered in the landownership registers of the municipality, and those with unproved ownership shall be considered as being without an owner and shall be declared state property.

The Municipal Landownership Commission shall note in the lists and descriptions of the pieces of property also those which were given to the migrant from the State Land Fund.

In case of disagreement on the area of the land, listed and described, its measurement shall be allowed for the account of the party, which contests the area.

Art. 87. The corrections made in the lists and descriptions shall be announced to the migrants against signature. The lists shall be left at the municipality for examination by all interested farmers. An announcement shall be made in the inhabited place as well as in all neighbouring inhabited places about the possibility of examining the lists.

Those who are dissatisfied with the decision of the Municipal Landownership Commission with regard to the corrections made in the lists and descriptions, as well as third parties who claim rights over the listed pieces of property which are subject to being liquidated may, within a term of one month from the announcement of the possibility of examining the list and descriptions, present their claims to the Land Council through the Municipal Landownership Commission by also enclosing their proofs.

Persons who have not submitted their claims within the set term, shall be able to seek their rights only from the migrant in whose name the piece of property was liquidated.

Art. 88. The lists and descriptions and the appeals that have been filed against them within the set term shall be sent to the Land Office. After a check on the spot of the facts pointed out in the appeals, if such a check is necessary, by the Land Office authorities, the lists and descriptions, the objections and the protocols on the findings shall be examined by the Land Council, which gives the final approval of the list and descriptions of the migrants' pieces of property.

Art. 89. All pieces of immovable property of the migrants are subject to replacement. The undivided (inherited and co-owned) immovable pieces of property are replaced as a whole in the new place of domicile.

Art. 90. At the wish of the migrants and with the consent of the Landownership Council, some pieces of property of the migrants may be left to be liquidated by it.

The built over pieces of immovable property of the voluntary migrants shall be left to be liquidated personally by them.

Art. 91. The unbuilt over pieces of immovable property of the migrants shall be categorized and reduced to unit of area of the first category of land.

The homesteads of those who migrate compulsorily shall be exchanged hectare for hectare of homestead in the new settlement, to the extent determined in this law.

(As supplemented — State Gazette No. 291 of 1947). When a migrant owns a homestead larger in extent than the one determined in the present law, and has married children living in the same inhabited place, but who do not own homesteads of their own, in the new domicile of the migrant shall be preserved homesteads also for his married sons to the extent of the homestead left behind in his old domicile.

(New — State Gazette No. 291 of 1947). When the size of the homestead left behind is larger than half of the determined homestead in the new settlement, the married children shall be given a homestead of a full size. When this size is smaller than one half of the determined homestead, such a homestead shall not be given.

The difference between the homestead left behind and the one given shall be reduced to a unit of area of land of the first category and shall be equalized with arable land.

The categorization of the pieces of immovable property and homesteads is effected by the Municipal Landownership Commission and the expert agronomist.

Art. 92. (As amended — State Gazette No. 176 of 1950, and as corrected No. 191 of 1950). The dwellings and farm buildings of the migrants are exchanged for buildings in the inhabited place where they have settled, and if this cannot be done, the latter shall be evaluated in accordance with Decree No. 37 of the Council of Ministers of August 8, 1949, issued on the basis of Art. 31, paragraph 3 of the Law on State Property (State Gazette No. 191 of August 19, 1949).

The evaluation shall be made by the Municipal Landownership Commission with the participation of a representative of the local technical authorities.

Art. 93. The perennial plantations or improvements on the pieces of property of the migrants shall be evaluated by the Municipal Landownership Commission and the expert agronomist and shall be paid to the migrant.

Art. 94. The decisions of the Municipal Landownership Commission on the categorization of the land, the evaluation of the dwellings and farm buildings and the evaluation of the perennial plantations and improvements shall be announced against signature to the interested parties who may appeal them before the Land Council under the Land Office within a term of 14 days from their announcement.

Chapter Third SETTLEMENT OF MIGRANTS

Art. 95. In exchange for their own unbuilt over pieces of immovable property migrants shall receive land of equal value from the State Land Fund in the new settlement.

Art. 96. The land intended to be exchanged for the migrants', pieces of property shall be categorized before their distribution.

The categorization shall be effected by the Municipal Landownership Commission in the new settlement and, if possible, by the expert agronomist who took part in the categorization of the land in the old settlement. At the same time the Commission shall also determine how much of every category of land in the new settlement shall be given per 0.1 hectare of first category land in the old settlement.

The decisions of the Commission on the categorization and on determining the correlation of the exchanged land shall be announced against signature to the migrants, who may appeal it before the Land Council under the Land Office within 14 days from its announcement.

Art. 97. In accordance with the categorization of the land in the old and the new settlement, the Municipal Land Ownership Commission shall determine the quantity, location and boundaries of the land which every individual migrant shall obtain in exchange for his own pieces of property in the old settlement.

For the distribution of the land, the Municipal Landownership Commission shall draw up a protocol, while for the measured land which is subject to distribution a plan shall be drawn up in accordance with which the parcelling shall be effected according to the distribution made by the Commission.

The protocol, together with the plan shall be announced to the migrants against signature and they can appeal it before the Land Council under the Land Office within a term of 14 days from the announcement.

Art. 98. On the basis of the approved protocol by the Council for the distribution of the pieces of property of the migrants, they shall be introduced into possession of their pieces of property.

Art. 99. The immovable pieces of property left behind by the migrants, which lie outside the boundaries of the protected and

strictly protected perimeters, shall be used to be exchanged with the pieces of property in the protected and strictly protected perimeters of persons who do not migrate, or shall be included in the State Land Fund.

The liquidated in this way pieces of property of migrants, lying in the protected and strictly protected perimeters, shall remain property of the State and shall be transferred to the Directorate of Forests according to lists and descriptions under which they were liquidated, or shall be exchanged with the land, lying in the same perimeters and owned by persons who do not migrate. The pieces of property obtained in this exchange shall also be transferred to the Directorate of Forests as state-owned pieces of property.

Art. 100. Migrants or local farmers who have exchanged their land in accordance with this law, or who have obtained buildings, shall be supplied with ownership title deeds by the corresponding notary public, on the basis of a certificate issued by the Land Office.

Art. 101. All encumbrements upon the pieces of immovable property of the migrants pass over *de jure* upon the pieces of property given them at the moment of the issuance of the title deed for them. For this purpose, the migration service notifies the notary public of the existing encumbrements upon the migrants' pieces of property in the old settlements.

All servitude rights on the land of the migrants, lying in protected and strictly protected perimeters, shall be annihilated.

Art. 102. Migrants who, in exchange for their own land, are given in the new settlement land below the average type of peasant farm, if they are entitled to being given land, shall be given additional land in the order of this law. Migrants who did not have any land of their own in the old settlement shall also be given land, if they are entitled to receive it. Migrants shall be given and shall additionally be given land although they may not have yet been registered as residents of the inhabited place.

Art. 103. The Directorate of Forests shall be obliged to exclude from the forest economy parts of the state and municipal forests for exploitation, which are suitable to be exchanged for the pieces of property of the migrants from the torrential perimeters and to be given to them.

The municipal forests excluded from the forest economy, as well as the municipal commons added to the State Land Fund, shall be

paid to the municipalities in accordance with the provisions of this law, although they may have been given in exchange for pieces of property of the migrants.

Art. 104. (As supplemented – State Gazette No. 291 of 1947). When the Land Fund does not have at its disposal land to be exchanged for the pieces of property of the migrants and for giving them land, the Land Office may purchase land from private or juridical persons, as well as expropriate suitable municipal land or courtyards in the non-agricultural towns.

Art. 105. The land given to the migrants in the old settlement, shall be exchanged with land in the new settlement, the obligation assumed towards the State Land Fund remaining valid against the land obtained in the new settlement.

(New – State Gazette No. 291 of 1947). When the Municipal Landownership Commission does not fulfil in good time the work with which it was entrusted in connection with the compulsory migrants or with the giving of land, that work may be performed by an official from the Land Office instead of by the Commission, within a term of 3 months at the latest from the date on which he was appointed to do the work.

Chapter Fourth

FINANCIAL MEANS FOR SETTLING AND FACILITATING MIGRANTS

Art. 106. The necessary financial means for the migrations shall be provided every year in the budget of the Land Office.

These means shall be used:

a) for payment of the expropriated built over pieces of immovable property of the persons who shall have to migrate compulsorily;

b) for payment of the expenses for the transportation of the migrants who are compulsorily re-settled as well as of the voluntarily migrating poor farmers and their household furniture, livestock and farm tools and implements, materials, etc;

c) for giving gratuitous aid in cash to poor migrant families, for the furnishing of their homes in the new settlements and

d) for the purchase of private pieces of property, necessary for the exchange with the pieces of property of the migrants and for giving them land.

Art. 107. The amount of the aid which shall be given to the poor migrant families is determined by a protocol of the Municipal

Landownership Commission in the old settlement, approved by the Land Council under the Land Office.

The aid given to the migrants shall not be subject to any injunctions and sequestrations.

Art. 108. Migrants who migrate compulsorily, as well as voluntarily migrating poor farmers, their families, their furniture, their farm animals, tools and farm implements, building materials, etc. shall be transported from the old to the new settlement with the financial means provided under the budget of the Land Office for migration.

Art. 109. The Ministry of Agriculture and Public Estates shall supply the migrants free of charge with the necessary timber from the state forests for the construction of dwellings and farm buildings.

Timber shall be supplied from the municipal forests against payment, at tariff prices from the financial means provided in the budget of the Land Office for migration.

The production expenses for timber supplied from the state and municipal forests as well as its transportation to the new settlement shall also be paid from the financial means provided for migration in the budget of the Land Office, when the construction of the buildings for the migrants is effected by the state for the purpose of exchanging them for the buildings in their old settlement.

Art. 110. Migrants shall be exempted from land tax and tax on buildings in the course of 5 years from their moving to the new settlement for all pieces of property they have received.

Art. 111. (As amended — State Gazette No. 291 of 1947). The initial payment of 5 per cent, which migrants who were given land must pay, shall be paid at the latest 2 years after the entry into possession of the land by those who were given land.

Art. 112. The work on migration which was started prior to the entry into force of this law shall be completed in accordance with the latter.

Chapter Fifth SETTLEMENT OF OWNERSHIP IN URGENT CASES OF MIGRATION

(New — State Gazette No. 176 of 1950; revoked — Izvestiya No. 20 of 1954).

PENAL PROVISIONS

Art. 113. (As supplemented – State Gazette No. 291 of 1947). The officials and the members of Municipal Landownership Commissions, entrusted with the application of this law, for negligence and inaction in the fulfilment of their obligations shall be punished by the Minister of Agriculture and Public Estates with a fine of up to 20 levs¹.

Art. 114. (As amended – State Gazette No. 291 of 1947). He who in the term provided by the law does not fulfil the legal decisions, instructions and orders of the Municipal Landownership Commissions and of the Land Office without any justifiable reasons, shall be punished by the director of the Land Office with a fine of up to 40 levs. Violators shall be given a new term for fulfilment.

Art. 115. (As amended – State Gazette No. 291 of 1947). For a second non-fulfilment of the decisions, instructions and orders mentioned in the preceding article, those guilty shall be punished with up to 1 year imprisonment and with a fine of up to 80 levs.

Art. 116. He who with violence or threat stops or hinders the fulfilment of lawful decisions, instructions and orders of the Municipal Landownership Commission and of the authorities of the Land Office, shall be punished with of not less than 6 months imprisonment.

Art. 117. Persons who unlawfully seize and hold land of the State Land Fund, shall be removed from it at once administratively by the municipal or militia authorities at the request of the Chairman of the Municipal Landownership Commission.

Persons who have to return the land they were given and the lessees of Fund land, the term of whose lease has elapsed, are obliged to free the land immediately after they have been notified that they have no longer any rights over the land, or after the expiry of the term of their lease.

If at the removal of him who has lost the right to hold the land, the latter was sowed, he shall collect the crop after paying the lease due according to the tariffs of the Fund, and shall then free the land.

¹ The fines in this law have not been re-evaluated.

If he who has lost his right to be given land after being informed of it, a lessee after the expiry of the time of the lease, and he who has unlawfully appropriated Fund land, sows plants or makes other improvements on the Fund land, the sowed crops, plantations or improvement shall remain by right in favour of the State Land Fund, without payment of any indemnifications and the person shall be removed from the land by administrative measures.

The sowed, planted or improved lands shall be leased to another lessee who pays a rent to the amount determined by the Municipal Landownership Commission, and on the violators a fine shall be imposed by the director of the Land Office to the amount of 40 levs.

Art. 118. For every violation of the law a statement of the case shall be drawn up by the authorities of the Ministry of Agriculture and Public Estates or of the Municipality.

The statement of the case has to be signed by him who has drawn it up, and then by two witnesses; the violator shall also be invited to sign the statement and to give his explanations.

The orders for imposing a fine shall be issued, respectively, by the Minister of Agriculture and Public Estates, or a person empowered by him, by the director of the Landownership Direction, and by the director of the Land Office and shall be subject to appeal in accordance with the Law on Administrative Violations and Punishments. The sentence of the Court shall be subject to no appeal.

Art. 119. When those who were given land do not fulfil their obligations under this law, the land given them is taken back and returned to the Fund. In this case, from the installments paid for the given land, the lease due according to the tariffs of the fund for the utilization of the land in the passed years shall be retained, and the remainder shall be returned to those who were given land. If the installments paid are insufficient to cover the sought lease, the deficient balance shall be collected by the municipal tax-collectors from those who were given land in the order in which the state taxes are collected.

Art. 120. If on the land which is returned under the preceding article, he who was given land has introduced lasting improvements, farm buildings, market gardens, vineyards, etc., these improvements shall be paid, the amount of the indemnification being determined by the Municipal Landownership Commission presided over by the county agronomist, and only after it has heard he explanations of him from whom the land was taken away.

The decisions of the Commission shall be approved by the Land Council under the Land Office.

The determined indemnification shall be paid by the State Land Fund and shall be collected from those to whom the same land shall be given within a term set by the Land Office.

SECTION VI GENERAL AND TRANSITIONAL PROVISIONS

Chapter First PRESERVATION AND TAKING AWAY OF THE LAND

Art. 121. Compulsory public sale for debts of land up to the average type of private farm is forbidden (Art. 36 of this law), except when it is a question of satisfying a mortgage debt and debts to the Bulgarian Agricultural and Cooperative Bank and to the cooperatives credited by it.

Art. 122. When land has been given for special purposes, the land shall be taken away by the Municipal Landownership Commission after approval of the decision to this effect by the Land Council under the Land Office, if the implementation of the purpose has not been started within the given term.

Art. 123. In the order indicated in the preceding article the given land shall also be taken from those persons who do not fulfil the instructions of the legally established authorities and services for complex plantations, for protective afforestation belts and the like.

Note: After the entry into force of this law in the counties of Dobrich, Balchik, General Toshevo, Tervel, Silistra, Toutrakan, and Doulovo, in accordance with a plan, in conjunction with the Land Office, the Direction of Agriculture and Forests, the plantation of protective afforestation belts shall be implemented.

Chapter Second GENERAL AND TRANSITIONAL PROVISIONS

Art. 124. All papers, acts, protocols, sketches etc. for the expropriation, purchase and distribution of landed property, the giving of land, the giving of homesteads by the state, migration and the rounding off the commons, as well as the papers for sums paid to

the Bulgarian Agricultural and Cooperative Bank are exempted from taxes, fees, duties and State tax stamps.

Art. 125. The finally completed actions of the authorities entrusted with the application of the laws on landownership, on peasant farms and on land grouping shall be subject to revision, if those concerned request such within a 6 months term from the entry into force of this law.

This does not refer to commons which, by virtue of this law, shall be subject to being re-rounded off.

(New – State Gazette No. 291 of 1947). Those who were given land, with respect to whom this fact was not approved prior to the entry into force of the Landownership Law, even though it was subsequently legalized by the Municipal Landownership Commissions, shall pay for the land given them directly to the State Land Fund.

Art. 126. Specialists and teachers who were given land so far, shall preserve it if they have organized model farms, or have made perennial plantations on them or if they have joined a cooperative farm.

Art. 127. Those who were given lands under the Landownership Law and the Law on Landownership and the Grouping of Lands and still possess the land given them, but have not been regular in the payment of their installments, can preserve their land if every year they pay at least two delayed installments until all their delayed payments are fully paid, which must happen in the provided period of 20 years; otherwise the land given them shall be taken back from them.

Art. 128. The collected so far sums for lessees or interest rates from the farmers who were given land shall be recognized as paid against the value of the land they were given, if those who got it are still in possession of the land and have not been given the land prior to the entry into force of this law. This is valid also for those who were given land, but this fact was not approved so far.

Art. 129. (As amended – State Gazette No. 291 of 1947). Those who under the preceding laws were given monastery or municipal land, even though this was not approved, shall preserve the land given them, if at the entry into force of this law they are in possession of the same. The land shall be paid for in the order established by this law.

The land, homesteads and buildings of private owners which were incorrectly added to the State Land Fund, shall be returned to their owners, if the latter prove in court or with indisputable documents their right of ownership over these pieces of property, provided they were not given to other people as farmland or as homesteads.

In case the land, homesteads or buildings of private owners were distributed by being given as land or as homesteads by decision of the local Landownership Commission, they can be returned to their owners, replaced with other land or buildings of equal value of the State Land Fund, or paid for at their market price at the moment they were taken away.

The provisions of the second and third paragraph of this article shall be applied to all past and future expropriations of land, homesteads or buildings.

Art. 130. The added to the State Land Fund pieces of land of up to 0.3 hectares, if there are no neighbours entitled to be given land, may, by decision of the Municipal Landownership Commission, also be given to neighbours who possess less land, although they may not be entitled to being given land. In the latter case, the land shall be evaluated at its real value and shall be paid for by him to whom it was given, within a period of 3 months from the date of the communication that the land is given him.

Those pieces of land of the State Land Fund, regardless of their size, which are not suitable for the purposes of the fund, may be given by the Landownership Council under the Land Office, to municipalities, schools and cooperatives at prices and on terms of payment determined by the council.

Art. 131. (As supplemented – State Gazette No. 291 of 1947). The State Land Fund may exchange part of its land for municipal land or land of private farmers, no matter if they are entitled to being given land or not, when with this exchange an improvement shall be attained in agricultural production, or in related branches or measures.

The exchange shall be effected by the Municipal Landownership Commission and shall be approved by the Land Council under the Land Office.

From the land of the State Land Fund in the inhabited places in South Dobroudja the necessary areas shall be set aside for returning the land taken away by the Romanian government to the right-

ful owners in accordance with Art. 9, 18 and 23 of the Law on Regulating the Ownership of Pieces of Immovable Property in South Dobroudja.

To the owners in whose favour, by virtue of Art. 9 and 18 of the Law on Regulating the Ownership of Pieces of Immovable Property in South Dobroudja it has been ruled in a court decision that has entered into force, that the land expropriated from them by the Romanian authorities shall be returned them, the State Land Fund shall give arable land up to 10 hectares – to farmer-owners, and up to 5.0 hectares – to owners who are not farmers, including the land owned by them.

To owners in whose favour, by virtue of Art. 23 of the Law on Regulating the Ownership of Pieces of Immovable Property in South Dobroudja it has been ruled in a court decision that has entered into force, that the expropriated one-third of their land by the Romanian authorities shall be returned to them or that they should be indemnified therefor, the State Land Fund shall give only to farmer-owners up to 0.5 hectares of land, including the land owned by them.

For the adjudged in excess land which shall not be given in kind in accordance with the preceding paragraphs, the owners shall be indemnified with 50,000 levs per hectare. This indemnification shall be paid by the State Land Fund in accordance with Art. 17 of the Landownership Law without making the reductions provided in it.

Art. 132. The cooperatives which are in factual possession of the reserved land for them under the Landownership Law and the Landownership and Land Regrouping Law, shall be considered as having been given this land from the year in which they were reserved for them.

Art. 133. The remissions which are made to the municipalities under the Law on Financial Alleviations to Municipalities, do not refer to the landownership claims of the Land Fund.

(New – State Gazette No. 291 of 1947). The three-year prescription for the payment of the part due to the municipalities of the paid installments by those given land becomes effective after the expiry of the 20-year period for the payment of the land.

Art. 134. The contracts concluded for the leasing of private and public land expropriated under this law, shall be considered *de jure* as null and void from the moment the law enters into force.

Art. 135. The crop from land sowed prior to their inclusion in the State Land Fund, shall be collected by the owners or lessees of that land.

Art. 136. Persons who own arable land in excess to 3.0 hectares are obliged to declare the same within a set term before the Municipal Landownership Commission at the inhabited places where the land is situated.

Art. 137. With the entry into force of this law, those owners who have more than 3.0 hectares of arable land shall not be able to sell it as long as the amount of arable land to which they are entitled under this law has not been determined.

The ban on sales does not refer to state and autonomous state institutions, the Bulgarski Credit Bank and the cooperative associations which have conditionally purchased the land of debtors that have been in delay towards them and which is subject to being returned after the payment of their debts by the latter.

Art. 138. Rules and Regulations shall be worked out for the application of this law, which shall be approved by the Minister of Agriculture and Public Estates.

Art. 139. The present law revokes the Law on Farmsteads of June 14, 1941, and its amendments and supplements of July 8, 1942, the Law on Internal Migration and Settlement of June 20, 1941 and Art. 19 of the Law on the Restoration of the Town of Vidin, etc. as well as all other laws containing contrary provisions.

The present decree shall be sealed with the State Seal, published in the State Gazette and put into effect.

The application of the present decree is entrusted to the Minister of Agriculture and Public Estates.

DECREE ON COOPERATIVE FARMS

Chapter I. Aims and Foundation

Art. 1. The purpose of the present Decree is to facilitate farmers willing to organize themselves into cooperative farms for joint cultivation and management of the land, whereby to achieve an increase of the quantity, and an improvement of the quality, of the agricultural output, to ensure greater profitability of the latter, to better the material conditions of the agricultural labourers, and to create more favourable conditions for material, social and cultural welfare

a) by bringing the land together and, by joint labour, in rationally organized agricultural farms;

b) by joint and proper utilization of the land and of the means of production;

c) by proper application of the agricultural science and technology, by economizing labour and expenditures, and by enhancing soil productivity.

Art. 2. The cooperative management of the land shall be realized through the free organizing of the propertied and the poor farmers into cooperative farms.

The largest and the smallest size of cooperative farms depends on the nature of the region, on the production orientation of the farms, on the existing labour and other resources of the farmers, the farming equipment, the opportunities for proper administration, etc. The size shall be determined by the Ministry of Agriculture and Public Estates.

Within a populated place, and for the purpose of greater convenience and proper organization, the setting up is allowed of more than one cooperative farm, as a branch of an existing agricultural cooperative or as an independent cooperative society, following the approval and by permission of the Ministry of Agriculture and Public Estates.

Art. 3. The State shall render all-round assistance to the cooperative farms, whose structure complies with the basic principles, as stipulated in the present Decree.

Independently of this type of cooperative farms, the State shall also support all other forms of joint management and cultivation of the land, which comply with the Law on Cooperative Societies, aiming at increasing and improving production and at properly utilizing the means of production, if the latter are not directed against the interests of small and medium-size agricultural farms, or against the economic policy of the State. In this sense cooperatives can be formed by authorization of the Ministry of Agriculture and Public Estates, and shall enjoy all privileges according to the Law on Cooperative Societies.

Art. 4. The setting-up of cooperative farms shall take place if at least 15 land-owning farmers unite:

a) in a labour agricultural producers' branch at the local agricultural cooperative, or

b) in a labour agricultural producers' cooperative.

The setting up and functioning of these branches and cooperatives shall be done on the basis of the present Law and of the Law on Cooperative Societies.

The setting up of these branches and cooperatives shall be subject to approval by the Ministry of Agricultural and Public Estates.

The producers' agricultural branches at the agricultural cooperatives shall function by self-management. In case of the branch declaring bankruptcy, the cooperative shall not be held materially responsible, and vice versa.

Art. 5. The activity of cooperative farms shall be settled in detail by a Statute and Regulations, adopted by the General Meeting of the labour agricultural producers' branch, of the labour agricultural producers' cooperative respectively, and shall be approved by the corresponding branch of the Bulgarian Agricultural Cooperative Bank.

Chapter II. Financial Means

Art. 6. For the purpose of their activity, the cooperative farms shall collect capital as follows:

- 1) share capital;
- 2) funds;
- 3) taxes, fees, grants, etc.;

4) other capital;

5) savings deposits of members of the farm.

The nominal value of the shares, as well as the compulsory share of each member shall be determined by the Statute of the cooperative farm.

Aid received from the State and public institutions shall be referred to the reserve fund of the cooperative farm.

Chapter III.

Membership

Art. 7. Membership in a cooperative farm is voluntary:

Any Bulgarian citizen who has not been deprived of his civil or political rights and owns land in the region of a cooperative farm or who, though owning no such land, is a farmer by occupation and takes part in land cultivation with his own labour and with the labour of the able-bodied members of his family or with the latter's labour only, can be a member of such a farm.

Those who are incapable are represented by their legitimate representatives.

Art. 8. The admission and the expulsion of members shall be done by the General Meeting. For expulsion, a majority of two-thirds of the votes of all members of the branch or the cooperative farm is required.

Art. 9. The right to participate and to vote at the General Meeting, at conferences, discussions, congresses etc., shall be exercised personally, i.e. every member or delegate shall have the right to one vote only. It is not allowed for one member to represent another one by letter of attorney.

Art. 10. Membership in a cooperative farm is compulsory for a period of at least three economic years, and for 1 year for those who have no land.

Art. 11. Members' responsibility is limited, and is determined by the Statute.

The responsibility of members who have left for any reasons whatever, shall last for 3 years following their withdrawal from membership.

Discontinuance of membership, whatever the reasons, shall not alter a member's obligations to the cooperative, under the contract concluded between them.

Chapter IV.
Land, Equipment and Farmyard

Art. 12. Every member is obliged to bring into the cooperative his land as determined by the General Meeting with a two-thirds majority.

A member who brings undivided patrimonies or co-owned pieces of property and land, shall present a written consent by the other co-heirs, co-owners or partners, whose signatures should be authenticated by the municipality's mayor.

In case of division of such pieces of property, Art. 19 shall be applicable.

Note: By decision of the General Meeting, a member can retain for his personal use a minimum plot of land. This minimum plot of land can also be granted to all needy members in a pre-determined sector of the cooperative tract.

Art. 13. The pooling of the land plots in cooperative farms shall be effected according to their size and quality, as follows:

1) in populated areas with re-allotted lands – in accordance with the re-allocation plan and the property registers, by carrying out a re-allotment of the land in case 60 per cent of the land included in the re-allocation site is cooperatively owned. When smaller plots of land are concerned, a partial re-parcelling of the quarters is allowed, for the purpose of bringing the farmers' re-allotted parcels closer to each other.

2) in populated areas with lands registered in the cadastres – in accordance with the cadastral surveys and property registers, with the land of cooperative farm members being re-allotted in common tracts and those of non-members – in separate tracts.

3) in populated areas, where the land is not registered in the cadastres, granted or re-allotted:

a) the Ministry of Agriculture and Public Estates shall carry out, within the shortest possible term, an accelerated (rapid) re-allocation, if at least 60 per cent of the land-owning farmers agree to such an allocation by secret ballot. This allocation shall take place without cadastral measuring of the separate plots, but by an approximate categorizing of the land; the municipal property tax registers and the available documents of ownership shall be used to establish the rise and ownership of the plots.

If, by the general survey of the whole land of the settlement, more land is ascertained than the one put down in the municipal registers, the difference shall be divided among the farmers in proportion to their land, as recorded in the municipal registers, and members shall be given the right to establish the actual size of the land owned by them.

Note: Ownership disputes shall not suspend the carrying out of the re-allotment.

b) in case the Ministry of Agriculture and Public Estates cannot carry out a re-allotment of the land for technical reasons, cooperative farm members can pool their plots of land for cooperative management as the latter existed at the time of the farmers' admission to membership. If cooperative farmers wish to group their plots of land together, the Municipal Commission under the Law on Cooperative Farms, reinforced by one member of the cooperative farm and one representative of the non-cooperative farmers, shall fix the cooperative tracts in those localities where most of the members' plots of land are situated, and shall substitute the land of non-cooperative members which has been included in the cooperative tracts for those members' land which has remained outside the cooperative tracts.

The substitution shall take place by localities and for land of equal value. For the purpose of equalizing, up to 10 per cent of the land's value can be paid in cash.

The Commission's decision is subject to appeal, in the appellate order, within 14 days from the date of its announcement before the district judge, whose ruling is final and subject to no appeal.

On the grounds of this Commission's decisions which have come into legal effect, the owners of substituted land shall be supplied with notarial deeds, provided they possess regular documents of ownership, or on other legal grounds giving them a right to ownership.

In this case of re-allotment and substitution, the land of cooperative farm members shall be offered, in one or several tracts, in the form of ideal shares, without marking the real boundaries of the plots of the individual members. The land brought in by the individual farmers shall be recorded in the registers of the cooperative farm, according to size, quality and value.

Art. 14. When the land of a newly admitted cooperative farm member does not border on a cooperative tract, he or the farm's Board of Management may demand the substitution of his land by

land of equal size and quality bordering on a cooperative tract. The substitution of the land shall be done by the Commission, as stipulated in Art. 13 of the present Law. The Commission's decision shall be subject to appeal, in the appellate order, within a 14-day term from the date of its announcement before the district judge, whose ruling is final and subject to no appeal.

Art. 15. Cooperative farm members shall preserve their right to ownership of the land which was brought in for cooperative management according to Art. 13 of the present Law, and shall be issued notarial deeds of ownership.

Cooperative farm members shall have the right to sell their ideal share either wholly or in parts, as well as to mortgage it.

Art. 16. The crop from the land brought in a cooperative farm shall belong to the latter.

Art. 17. When land included in a cooperative farm is put up for sale, the farm shall have the right to buy it at equal prices and by preference, unless it is sold to members of the same farm.

Art. 18. Upon leaving the cooperative farm, members shall be entitled, by decision of the Commission as stipulated by Art. 13, to land of an equal value. This shall be done in such a way so as not to partition the tracts only after these members have paid for the improvements made on it, as evaluated by the same Commission, the evaluation being confirmed by experts upon request by the persons concerned or by the Commission itself.

The Commission's decisions can be appealed against within 14 days from the date of their announcement before the district judge. The ruling of the district judge is final and subject to no appeal.

On the basis of the decision of the Commission and the district judge, the notary public shall issue a notarial deed of ownership to the persons concerned, if they should ask for it.

The expenses for the separation and the evaluation of the land are on the owner's account.

Art. 19. In the case of inheritance, partitions or other changes in the ownership of the land included in a cooperative farm, the new owners shall receive the ideal shares of land falling to them. They may become members, if they wish so and if they possess the qualities required for membership.

If the new owners of such land want to manage it personally or if they are not admitted to cooperative farm membership, the land shall be given them in the manner indicated in Art. 18 of this Law.

Art. 20. Any incumbrances on the land of cooperative farm members (easements, mortgages, claims, securities, prohibitions) before the Bulgarian Agricultural and Cooperative Bank, the Liquidation Fund, or to other persons, shall remain on the owners' account.

When such land is alienated for debts, cooperative farms shall be entitled to buy it off in accordance with Art. 17 of this Law. Cooperative farms shall facilitate their members in preventing such alienations, and in paying off their debts.

Art. 21. The supply of cooperative farms with the necessary livestock and equipment shall be done through a compulsory bringing in of their members' fit draught animals and farm equipment (if the cooperative farm needs it), or by buying it on the market.

The bargaining and purchase of the necessary draught animals, livestock and equipment shall be carried out by a commission, elected by the General Meeting.

The value of the farm equipment bought from the cooperative farm members shall be paid in cash, or shall be treated as a bank deposit to be paid off within a fixed term.

Note: Cooperative farm members shall have the right to use the cooperative farm's equipment and draught animals for their personal needs against fees to be determined by the General Meeting.

Art. 22. The Ministry of Agriculture and Public Estates can buy big farm equipment from farmers who have no land of their own or whose land's size is less than required for rational and profitable use of the above equipment. The purchased equipment shall be handed over to the cooperative farms against payment over a 5-year period. In case a machine-and-tractor station is set up in its region, a cooperative farm can hand over the above equipment to the station, according to an evaluation made by a Commission consisting of the manager of the machine-and-tractor station, a machine engineer, the district agronomist and the director of the corresponding branch of the Bulgarian Agricultural and Cooperative Bank. The decisions of this Commission shall be submitted for approval by the Ministry of Agriculture and Public Estates, if the station is a state enterprise, or by the Board of Management of the corresponding cooperative farm, if the station is a cooperative enterprise.

Art. 23. Cooperative farms shall receive the land they need for a farmyard from the municipal plots within the boundaries of the

settlement or from the municipal common land in the vicinity of the settlement. When there are no municipal areas convenient for the purpose, the farmyard shall be formed of private land, whose owners shall receive plots of equal value from the municipal common land or from the cooperative tracts of land.

The size of the farmyard shall be determined by the Ministry of Agriculture and Public Estates.

The giving of a farmyard, and the exchange made for the purpose of setting up of a farmyard, shall be done by the Municipal Commission appointed under the Law on Cooperative Farms, which shall also include three representatives of the cooperative farm.

The decision of the Commission can be appealed against within a 14-day term from the date of its announcement before the district judge and in the appellate order. The ruling of the district judge is final and subject to no appeal.

Chapter V.

Labour and Income Distribution

Art. 24. All kinds of work on a cooperative farm shall be performed by its members or by the able-bodied members of their families, according to a working plan and tariffs for the average quotas of the different kinds of work, to be worked out in advance.

The organizing, use and registration of labour in cooperative farms shall take place mainly on a piece-work basis, expressed in workdays. The details shall be agreed upon in the Statute and the special labour organization Regulations, adopted by the General Meeting.

The hiring of outside labour for farmwork shall be allowed for persons with special qualifications only. The hiring of temporary workers shall be allowed in exceptional cases only, when urgent work cannot be done by the farm's available labour.

Art. 25. Payment for the labour which has been performed in the course of the year shall be done from the net income at the end of the year, distributed according to Art. 28 of the present Law. During the economic year, advance payment to the members shall be allowed against labour done and registered, in an amount which has been fixed by the Statute of the cooperative farm and by decision of the annual General Meeting.

In the course of the year, the distribution of advance payment in kind shall be allowed only for the purpose of meeting the cooperative farmers' household needs.

Art. 26. For the purpose of the cooperative farm's planned activity, every year organizational and sowing plans shall be worked out and submitted for approval by the General Meeting; these plans shall be binding for all members.

Art. 27. For the land they have brought into the cooperative farm, the members shall be entitled to a rent as determined by the General Meeting.

For private or public land rented by the cooperative farm, the owners of this land shall receive an annual rent by agreement.

By decision of the General Meeting, the members of the cooperative farms shall be entitled, for the land they have brought in, and instead of a rent, to:

a) a fixed percentage of the income, on the condition that labour is not deducted as expenditure, or

b) the value of a fixed number of workdays.

Art. 28. The net income of cooperative farms shall be determined after the following deductions from the total gross income have been made:

a) budget and other expenditures;

b) material and exploitation expenditures;

c) debt interests;

d) depreciation of movable and immovable property;

e) the respective expenditures on permanent and temporary land meliorations;

f) the land rent.

The income so calculated shall be distributed as follows:

1. When the members receive land rent — up to 90 per cent for labour remuneration, according to the labour actually done and registered, by quantity and quality, noted and written down in workdays, and up to 20 per cent for funds of the cooperative farm, and

2. When the land remuneration is paid as a percentage from the net income— up to 10 per cent for the funds, up to 40 per cent for land remuneration, and up to 70 per cent for labour remuneration, according to the decision of the General Meeting, depending on the

region's intensity characteristics, on the branches, and on crops to be grown by the cooperative farm.

Chapter VI. Management

Art. 29. A cooperative farm shall be managed by:

a) the members' General Meeting;

b) the Managing Board, under the supervision of the Auditing Committee, both of them elected by the members' General Meeting.

Cooperative farms which are set up as branches of existing agricultural cooperatives, shall be managed by the branch General Meeting and by the Economic Council, elected by the same General Meeting and comprising a delegate of the Managing Board of the cooperative and the manager of the farm.

The functions of the General Meeting, the Managing Board, the Auditing Committee and the Economic Council, as well as the organizational life, and the economic and social activity of cooperative farms, shall be settled in detail by the Cooperative Farms Statute and Regulations, in accordance with the present Law and the Law on Cooperative Societies.

Art. 30. All matters and undertakings of particular importance shall be decided by the General Meeting.

Chapter VII. Machine-and-Tractor Stations

Art. 31. The Ministry of Agriculture and Public Estates, in conjunction with the Bulgarian Agricultural and Cooperative Bank, the economic chambers and the interested cooperative farms, shall organize regional machine-and-tractor stations for the purpose to supply and service the cooperative farms with big machinery, as well as to set up repair shops for a timely, quick, high quality and cheap repair of the agricultural machines owned by the stations, the cooperative farms or the State, and, if possible, of the machines owned by private farmers as well.

The machine-and-tractor stations shall be equipped as State or cooperative enterprises.

Depending on the needs, they shall supply, hire or buy equipment to serve the cooperative farms in all kinds of seasonal work against a fixed rent.

All the tractors in good working condition which are available in the country, shall be obligatorily hired by the machine-and-tractor stations against a rent fixed by the State, after their owners have completed work on their personal farms.

Cooperative farms shall pay these stations the cost price of the farmwork done by the stations' machines, according to the accounting books.

Art. 32. The machine-and-tractor stations shall have priority in supply by the State with machines, equipment, spare parts, materials for repair, fuel and lubricants. The import of such machines and materials shall be duty-free.

Art. 33. The machine-and-tractor stations shall set up their own farmyards, sheds, stores, workshops etc. on municipal, State or cooperative land; when no such land is available, private plots shall be alienated.

State and municipal land shall be ceded for free-of-charge eternal use.

The land ceded to machine-and-tractor stations which are cooperative enterprises shall be alienated to the benefit of the respective cooperative organization, according to an evaluation made by the Commission under Art. 13 of the present Law. Upon the acquisition of such land, the cooperatives shall be exempted of all court and notarial duties, fees, taxes and others.

Chapter VIII.

Privileges and Incentives

Art. 34. Beside the privileges they enjoy under the Law on Cooperative Societies, cooperative farms shall also enjoy the following privileges:

a) they shall be exempted from all kinds of direct taxes for a term of three years. This privilege does not refer to their members;

b) the State or municipal land necessary for the setting up of farmyards or for meliorations, shall be ceded free of charge;

c) they shall have the right to undertake all kinds of land meliorations. If these meliorations affect private land, the cooperative farms shall pay for the damages caused.

In case the land improvements also benefit landowners who are not cooperative farm members, these owners shall pay their share of the respective expenditures for the improvements, as well as the established fees for using them. These sums shall be collected in favour of the respective cooperative farm, in the order of collecting direct taxes. In case of contention, the question of payments shall be solved by a commission consisting of the district judge, the district agronomist and the local mayor. The decisions of this commission are final and subject to no appeal;

d) all cooperative farm expenditures on lasting meliorations with respect to land irrigation and draining, shall be paid by the newly-formed waterworks authorities, within whose region the respective cooperative farms are situated.

Where no waterworks authorities are set up, and the cooperative farms are to carry out draining or irrigation work, the State, the Ministry of Agriculture and Public Estates respectively, shall assist these undertakings by offering financial assistance in the order envisaged by the Law on Waterworks Authorities. In the carrying out of these undertakings, the Ministry of Agriculture and Public Estates shall draw up the plans, and shall guide the construction works free of charge;

e) the Ministry of Agriculture and Public Estates, the economic chambers and the municipalities shall fulfil all their undertakings in the field of agriculture and of its branches mainly through the cooperative farms;

f) the transfer of the farm members' livestock and equipment to the cooperative farm, land substitution as well as the supply with land ownership notarial deeds, shall be exempt from any State or municipal taxes, court and notarial duties and other taxes;

g) the cooperative farms shall use: free veterinary aid for the treatment of their livestock; engineering, technical and agronomical aid by the State and municipal services free of charge; construction materials from the State and municipal quarries at lower tariff rates; timber from the State and municipal forests at lower tariff rates;

high-quality seeds, breed animals, fruit and forest planting material from the State farms, at lower prices.

Art. 35. The Bulgarian Agricultural and Cooperative Bank shall grant all kinds of credits to the cooperative farms according to most favourable tariff rates.

Art. 36. Cooperative farms shall be entitled to open, in their settlements, in weekly market places and at the railway stations, shops for a retail sale of their products, without being bound by the obligation to fulfil the formalities under the Law on Crafts and the Law on Home Trade.

The State and municipal institutions shall place at the disposal of the cooperative farms, premises in the towns and marketplaces, rooms, stores and shops, for the sale of agricultural products, with priority and at a reduced rent.

Art. 37. A cooperative farm may, by decision of the Managing Board, request that the district court in whose region it is situated issues writs of execution for money due by its members to the amount of up to 30,000 levs. For the issuance of these writs of execution, as well as for the consequences thereof, the stipulations of Art. 156 m – 156 p of the Civil Law shall apply respectively.

Should a cooperative farm member, a member of his family, or a worker, take from the farm a piece of movable property or part of the harvest without the consent of the farm manager, the Chairman of the Managing Board or one of his deputies shall issue an order for the immediate recovery of that piece of property or the harvest. This order shall be immediately put into effect by the local administrative authority – the mayor of the municipality or the chief of the militia station. If the piece of property is not found, a writ of execution shall be issued on the value of the property, according to the preceding paragraph.

Chapter IX. Penalties

Art. 38. The Managing Board of the cooperative farm or a plenipotentiary of the Board shall have the right to impose a fine to the equivalent of up to 5 workdays for non-fulfilment of the decisions of the General Meeting or of the farm's management.

Art. 39. A person who intentionally damages or destroys buildings, installations, equipment or other property of the cooperative farm shall be fined from 10,000 to 50,000 levs, if not subject to a heavier penalty.

Art. 40. A person who uses the installations, machines, irrigation water or other equipment of a cooperative farm without having the right to do so, shall be punished by a fine of 1,000 to 10,000 levs. Also, the usage shall be discontinued compulsorily by an order issued by the Chairman of the farm's Managing Board and put immediately into effect in accordance with Art. 37.

Art. 41. All State and municipal officials, cooperative employees and private persons who do not abide by the provisions of this Law, or violate its stipulations shall be punished by a fine of 1,000 to 10,000 levs, if not subject to heavier penalties.

Art. 42. The violations of this Law, or of the rules and regulations issued in connection with its application, shall be ascertained by statements drawn up by officials of the Ministry of Agriculture and Public Estates, or by the administrative authorities, in the presence of two witnesses.

These statements shall constitute full evidence that a violation has been perpetrated till proof of the opposite. The writ for imposing a penalty shall be issued in accordance with the Law on the Improvement of Agricultural Production and the Protection of Landed Property.

The writs for fines of up to 2,000 levs cannot be appealed against. The fines imposed in accordance to the above Law shall be entered in the respective cooperative's fund.

Art. 43. The collecting of all fines under the present Law shall be done in the order of collecting direct and delayed taxes, at the request of the cooperative farms concerned.

Chapter X. General Provisions

Art. 44. The liquidation of cooperative farms shall, in all cases, take place in accordance to the Law on Cooperative Societies.

Art. 45. The existing cooperative farms which were constituted before the coming into effect of the present Law, are entitled to all the privileges provided by this Law.

Art. 46. For the purpose of protecting against damages or any unauthorized use of cooperative buildings, installations, equipment and against damage to agricultural crops and domestic animals, the Ministry of Agriculture and Public Estates shall issue the necessary regulations on the basis of this Law.

Art. 47. The Ministry of Agriculture and Public Estates shall be entrusted with the application of the present Law.

Art. 48. For the application of this Law, Rules and Regulations shall be worked out, which shall be approved by the Minister of Agriculture and Public Estates, and shall come into effect as from the date of its publication in the State Gazette.

Art. 49. The present Law invalidates all the laws and regulations which are at variance with it or are contrary to it.

The present Decree shall be sealed with the State Seal, published in the State Gazette and put into effect.

The implementation of the present Decree shall be entrusted to the Ministry of Agriculture and Public Estates.

Sofia, April 18, 1945.

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