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NEW COMMERCIAL REGULATIONS IN YUGOSLAVIA

Ljubo Mijatovic

The federal government of Yugoslavia recently issued a series of provisions which regulate rationing, commerce at tied prices, and trade in industrial goods on the free market.

The assortment of industrial articles which come under the federal guaranteed supply system is broadened. As a result, rationed supplies are likewise increased in volume. This increase amounts to about 20 percent for industrial products, and represents over 15 percent more in 1950 than in 1949 for all products included.

The regulations bringing more goods under rationing are especially significant because a uniform system of free pricing in retail selling would mean that workers eligible for rationed goods would frequently have to pay high prices for even the most trifling household articles on the free market.

In the future, purchasers eligible for rationed goods will be able to purchase with points and cash coupons not only textiles and footwear, but other industrial goods such as dishes, window glass, and various metal, chemical, wooden, and other industrial products.

A new system of cash coupons for these items, in addition to the old system of points for the purchase of textile products, has been introduced.

The old system which restricts agricultural producers in the sale of their produce at tied prices has been eliminated. The system of commerce at tied prices, as regulated by the rules mentioned above, does not call for the crop purchase of all agricultural products, but only those which are purchased under compulsory delivery quotas or under contract, and which are most important for the food supply of the urban and industrial population and for industry, such as grain, livestock, fat, milk, dairy products,

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beans, potatoes, wool, leather, and industrial crops. Authority is given to the President of the Council for Commerce in the federal government to designate other agricultural products which would be purchased at tied prices. Under this provision, he has already designated fish. The regulations provide further for the crop purchase of wine and apples and some other agricultural products at tied prices in specified areas.

The plan for trade in industrial and other goods to supply rural areas at tied prices showed an increase of 35 percent over the 1949 plan, or 31.4 percent of the actual trade in 1949. Thus the government is allocating more goods for commerce at tied prices than in past years.

The rise in prices for industrial goods intended for tied commerce, averaging 10 to 15 percent, is linked to the price at which they were bought from the producers, as well as with the problem of maintaining a balance in the exchange of goods with the rural areas under the tied-price system.

The new regulations eliminate diversity in the system of pricing articles on the free market and give complete independence to production managers of enterprises to set the prices of articles on the free market according to demand, quality, and assortment. The new regulations eliminate the current system of higher commercial prices and lower individual prices for industrial goods in the free market, and establish a uniform system of prices for industrial goods in the free market. The most important articles for the living standard of the population such as tobacco, salt, matches, kerosene, school equipment, etc., are excluded from the system of free pricing of industrial goods in the free market. The old system of uniform prices for retail goods on the free market will apply to these.

By giving the authority to directors of enterprises and to commercial undertakings to set prices freely, the long wait for the fixing of uniform prices by state agencies is eliminated. Directors of enterprises have the authority to lower prices of articles which are slow to sell, thus reducing stockpiling of goods not in current demand.

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