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BULGARIA'S TRADE WITH THE WEST

Usually well informed observers of the Bulgarian economic situation predict a slight revival of foreign trade with the Western countries. They base their predictions on the fact that certain of Bulgaria's obligations toward other Satellites will expire during the ensuing months.

According to Ivan Daskalov, in charge of trade agreements at the Bulgarian Ministry of Foreign Trade, Bulgaria is planning to import annually merchandise in the amount of 200 million rubles from Western Europe during the years 1953 - 1955 and in turn to export domestic merchandise in approximately the same amount to Western Europe. In recent months, extensive conferences were held with British, West German, Dutch, and other West European firms during which arrangements were made for the import of machinery, spare parts, vehicles, medical supplies, metals, rubber, textile raw materials, chemicals, etc.

The Bulgarian economist Vladigerov, who represented his country at the Moscow Economic Conference, submits the following additional information: Bulgaria intends to import annually approximately 70 million rubles worth of machinery and spare parts, vehicles, and medical supplies, and approximately 100 million rubles worth of iron, nonferrous metals, cellulose, various textile raw materials, and synthetic and natural rubber. In turn, Bulgaria will ship to the West annually about 150,000 tons of grain, 70,000 to 80,000 tons of fruit and vegetables, 15,000 tons of tobacco, about 70 million eggs, and other products.

Bulgaria's fruit and vegetable exports in 1938 amounted to 137,751 tons, including 57,205 tons of grapes. In 1938, egg exports amounted to 15,180 tons, about three times the quantity presently earmarked for export to Western Europe. In 1938, Bulgaria's grain exports amounted to 190,951 tons. These figures indicate that the amounts planned for export to Western Europe in the coming years are basically feasible. This, however, is subject to the condition that Bulgaria will be given permission to ship a substantial part of her exports to the Western countries, as was the case before the war.

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In recent years, Bulgaria's exports have been increasingly limited to the USSR and its Satellites. As early as 1951, 93.11 percent of Bulgaria's total exports were destined for Eastern Bloc countries and a mere 7 percent for the West. So-called investment agreements between Bulgaria and the other Satellites greatly curbed Bulgaria's export possibilities. Due to a merchandise credit grant to Bulgaria, obligations for the shipment of merchandise resulted, which gradually have been fulfilled. In 1947, the USSR granted Bulgaria an investment credit amounting to several billion leva for the construction of the "Stalin" Chemical Combine in Dimitrovgrad, the "Maritsa III" Thermal Power Plant, and other new plants. In 1948, a second investment grant was signed in Moscow, on the basis of which the following plants were built: the big ["Karl Marks"] Soda Plant, the "Lenin" State Metallurgical Plant, and two automobile repair shops.

On 22 April 1947, a 4-year trade agreement was signed in Sofia which provided 3,437,000,000 Czeck crowns for the delivery of Czech capital goods. These shipments were divided as follows: 376 million crowns worth in 1947, 728 million in 1948, 1,361,000,000 in 1949, and 972 million in 1950. Under this agreement, Bulgaria received equipment for power plants, transformer stations, industrial machinery, railroad cars, etc. Bulgaria in turn delivered 2,000 tons of tobacco, leather and hides, seeds for oil production, maize, 10,000 tons of grain, 100 tons of rice, ore, lead concentrates, etc. The second investment agreement with Czechoslovakia was signed on 14 July 1951. It dealt with shipments of electrical equipment and industrial goods against payment in agricultural products.

On 11 June 1951 an agreement was signed with Poland for the delivery of capital goods. It expires this year. This agreement provided for delivery of locomotives, railroad cars, rolled products, machinery, coke, etc., by Poland, against payment in ore, nonferrous metals, tobacco, rice, grapes, wine, etc., by Bulgaria.

According to well-informed sources, the partial expiration of the trade agreements will once again free a portion of production, especially agricultural, for export to the West. It remains to be seen whether the USSR, which undoubtedly will have to be consulted before Bulgaria can increase its trade with the West, will cease competing with Bulgarian merchandise on the Western market. The recent practice of buying up Bulgarian merchandise at low prices and then offering it at very low prices on the free market kept Bulgaria's most important export items out of the competitive field. As previously reported, the USSR dumped Bulgarian rose oil on the market, offering it at 1,100 dollars per kilogram in the US, while the Bulgarians had to charge 1,400 dollars. While the Bulgarians offered tobacco in New York at 2.10 dollars per kilogram, the USSR charged 1.60 dollars for the same Bulgarian tobacco. This Soviet practice would have to be abandoned if the speeches of Bulgarian economists expressing a desire for intensified trade with the West are to have any meaning.

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