

STAT

Directive on Cooperative Trade

Bulgarian Newspaper  
Sofia  
20 November 1951.

STAT

**RESTRICTED****DIRECTIVE FOR THE CENTRAL COOPERATIVE UNION AND THE MINISTRY OF  
INTERNAL TRADE -- Sofia, Izvestiya, 20 Nov 51**

The following is a directive of 12 November 1951 from the Council of Ministers to the Central Cooperative Union and the Ministry of Internal Trade on cooperative trade.

The Council of Ministers takes note of the fact that in carrying out Decree No 1511 of the Council of Ministers and the Central Committee of the Bulgarian Communist Party (CC of the BCP) concerning the improvement of trade and the work of the Central Cooperative Union, the rayon cooperative unions and the cooperatives, these bodies have made a certain amount of progress in the planning of the goods turnover, the enlargement of the trade network, the intensification of the struggle to improve the quality and increase the diversity of goods, the application of the contract system, the strengthening of the directive role of the Central Cooperative Union and the cooperative trade in villages, and the purchasing of agricultural surpluses.

At the same time, the Council of Ministers notes that the cooperative organizations have not succeeded in making most of all the conditions favorable to the development of cooperative trade in the villages. They are also lagging considerably behind the city trade and the general development of agriculture, which has undergone and is now undergoing fundamental changes.

-1-

**RESTRICTED**

**RESTRICTED**

More than half of the working peasants belong to farm workers' cooperatives. A number of agrotechnical measures are being introduced and applied extensively in the farm workers' cooperatives. The income of the members of the farm workers' cooperatives is increasing every year. Their purchasing power is also increasing. There is a rise in their cultural level. They are becoming more particular in their choice of goods, that is, they are demanding high quality and a varied selection of goods. These growing needs of the working peasants are not being met adequately by the Central Cooperative Union and its organizations.

The Central Cooperative Union, the rayon cooperative unions, and the general cooperatives have not made a radical change in their work but continue to employ old bureaucratic methods, something which became very obvious after the adoption of the Decree No 272 of the Council of Ministers of this year on shifting to free trade.

A number of weaknesses are being tolerated in the fields of retail trade, wholesale trade, the purchase of agricultural products, and the financial and organizational strengthening of the cooperative organizations. Examples are given below:

#### I. RETAIL TRADE

The Council of Ministers has ascertained the following: The Central Cooperative Union, the rayon cooperative unions, and the general cooperatives have not carried out to the end all the

**RESTRICTED**

RESTRICTED

measures recommended in Decree No 1511 of the Council of Ministers and the Central Committee of the Bulgarian Communist Party, and have not assured the progressive extension, strengthening, and improvement of cooperative trade in the villages in such a way as best to satisfy the needs of the peasants for industrial goods for their personal use and for the requirements of their work.

The retail commercial organizations have not as yet adequately improved the external and internal appearance of their stores. They do not have well rearranged and well cleaned shelves and do not have well arranged goods of a wide variety on them. They are still lagging behind in the organization of free trade. They do not see to it that a number of kinds of industrial goods are shipped to localities where they are needed although there are sufficient quantities of such goods now available in the country.

Many commodities which are turned out by the Bulgarian's industry and which are in demand by the rural population are still not being delivered to a majority of the stores of the general cooperatives. The goods that are being delivered to these stores are not of a wide assortment in patterns, colors, sizes, etc.

The managers and the store operators of the general cooperatives do not check regularly on the rural population's needs and desires for industrial goods and do not order goods which are in demand. As a result, the peasants are forced to go looking for these goods in the cities, and this results in a loss of time and in unnecessary expense for them.

RESTRICTED

**RESTRICTED**

There are also some cooperatives whose stores carry only very inadequate quantities of goods which cannot satisfy the most elementary needs of the rural population. During the harvest, when this year's rich crop was being taken in, many of the cooperatives' stores had not supplied themselves with a number of necessary commodities, such as vinegar, salt, bicarbonate of soda, lamp chimneys, kerosene for lamps, babushkas, straw hats, bolts, tar, sewing needles, horseshoes, horseshoe nails, etc. There are also cooperative stores in which the assortment of goods is extremely limited. In the stores of the cooperative at Dzherman, Stanke Dimitrov Okoliya, there are only 30 meters of "tenzukh", one lone bolt of woolen material, a dozen packages of cigarettes, and some unimportant trifles.

The buyers of the general cooperatives continue to purchase goods of only one pattern, kind, color, size, and design. For example, the buyer of the cooperative store at Ovcharovo, Tolbukhin Okoliya, has been purchasing cotton prints of only one kind, and the buyer at the cooperative store at Karapelit in the same okoliya has been getting dress material of only one kind.

The Central Cooperative Union, the rayon cooperative unions, and the general cooperatives are not taking the proper measures for thorough remodeling and transformation of the stores that are in existence. Many of them have unpainted walls, are in a tumble-down condition, with sunken floors, with no shelves, etc.

In the majority of the rural stores the goods are not properly stowed. The warehousemen devote no attention to the

**RESTRICTED**

RESTRICTED

arrangement and the storage of the merchandise.

The Central Cooperative Union and the rayon cooperative unions do not assist the general cooperatives in carrying on a satisfactory trade in the villages and do not publicize the satisfactory experience of some of the cooperatives and the stores so that it can be copied by others. The excellent examples set by the store operators Comrade Tsanka Todorova at Lomtsi, Popovo Okoliga, and Comrade Dimcho Ivanov Filipov at Lyubenovo, Stara Zagora Okoliya, have not been given publicity although they have been very successful in increasing the goods turnover by securing large stocks of diversified merchandise, arranging it well, keeping the shelves and the show windows clean, and striving to fulfill the daily plans for goods turnover. Every ten days these individuals discuss the fulfillment of the plan with the administrative councils of the cooperatives. They have so arranged their working hours that the stores are open during hours when the villagers are not out in the fields. Last, but not least, they are polite and attentive in helping the customers.

Competition has not been adopted as a regular method of work by the cooperative and the commercial organizations.

The majority of the store operators in the general cooperatives continue to serve the customers indifferently and unpleasantly, do not help them select goods, do not try to understand their needs, pay no attention to their own appearance, and continue to meet the customers unshaven and unwashed and with dirty

RESTRICTED

**RESTRICTED**

clothes and hands.

In all too many instances the store operators measure and weight goods incorrectly and charge the wrong amount, taking advantage of the confidence vested in them for self-enrichment at the expense of the consumers, the cooperative, and the state.

In spite of the provisions of Decree No 1511 of the Council of Ministers and the Central Committee of the Bulgarian Communist Party, the premises most suitable for commercial purposes in a majority of the villages are being used for non-commercial purposes, such as offices, clubs, etc. By not turning over the best premises to the general cooperatives, the People's Soviets have failed to comply with the provisions of point 35, letter "a" of the decree. Typically unsatisfactory premises for cooperative stores are being used by the cooperatives at many villages, such as Komoshtitsa in Lom Okoliya, Bikovo and Banya in Nova Zagora Okoliya, Zlatar, Krumovo, and Kamenets in Elkhovo Okoliya, G. Aleksandrovo and Zhelyu Voyvoda in Sliven Okoliya, Chernogorovo in Khaskovo Okoliya, and many others.

In order to eliminate these defects in village trade the Council of Ministers ordains that:

1. The administrative councils of the Central Cooperative Union, the rayon cooperative unions, and the general cooperatives, and the chairman of the Central Cooperative Union, Comrade Peko Takov, and the chairmen of the rayon cooperative unions and the general cooperatives personally shall take quick and strong measures:

**RESTRICTED**

RESTRICTED

(a) to organize prompt supply of the rural population with high-quality manufactured goods, diversified as to the kinds, sizes, designs, and patterns, ample quantities of which are already being produced in the country, and to keep the stores regularly stocked with goods by taking into consideration the increased needs and the demands of the villagers;

(b) to organize a systematic study of the needs of the inhabitants of each locality in respect to quantities, sorts, varieties, designs, and patterns by establishing close contact with the customers so that orders can be put in for the production of new kinds of goods;

(c) to improve the external and internal appearance of the stores, arrange shelves and show windows properly, clean the show cases and the scales, maintain exemplary cleanliness, arrange and stow the merchandise properly, and improve the manner in which the customers are served and the assistance given them in the selection of goods;

(d) to put an end to the misuse of funds, thefts, and waste on the part of the store operators, whereby the interests of the consumers, the cooperatives, and the state suffer damage.

In this work the administrative councils should seek the cooperation and the support of the cooperative members and the consumers.

2. The Central Cooperative Union and the Central Committee of the Trade Union Credit and Exchange shall within the period of

RESTRICTED



RESTRICTED

one month:

(a) carry out a comprehensive inspection in order to see how the competition campaign is being organized and conducted and to find out what weaknesses have been tolerated up to now, and they shall adopt specific measures to extend socialist competition among the blue-and white-collar workers in cooperative trade and between the individual cooperatives;

(b) publicize the names, achievements, and work methods of the foremost workers in cooperative trade;

(c) study the methods and achievements of the shock workers and stakhanovites in Soviet cooperative trade and introduce them in the work of the blue-and white-collar workers in the cooperative trade of Bulgaria;

(d) hire honest, polite, and energetic store operators, placing more emphasis on the hiring of women and girls for such work.

3. The Central Cooperative Union, the rayon cooperative unions, and the general cooperatives must enlarge and improve the traveling trade in the villages, seeing to it that the rural population are supplied at the localities where they work and reside, that is, at the farms of farm workers' cooperatives, the state farms, threshing floors, grain collection stations, machine tractor stations, summer resorts, fairs, etc.

The wages of the store operators are regulated by Part 4, point 2 of Decree No 868 of the Council of Ministers of 27 July

RESTRICTED

## RESTRICTED

1951 on supplementary measures for the improvement of trade.

4. In collaboration with the Ministry of Internal Trade the Central Cooperative Union shall draw up and approve lists showing the minimum permissible variety of goods to be stocked in the various categories of cooperative stores and shall also determine the categories of these stores, as follows:

(a) within two months -- for cotton, wool, and silk cloth, cotton and wool knitted goods, footwear, and ready-made clothing for the rural trade;

(b) within three months -- for householdware, stoves, beds, furniture, electrical equipment, and food products.

The lists shall be added to as the needs of the rural population increase and the wider varieties of manufactured goods become available.

5. With the consent of the "Commerce" sections at the okoliya People's soviets, the Central Cooperative Union and the rayon cooperative unions shall, by the end of the year, have placed the stores in various categories according to the merchandise they carry.

6. The Central Cooperative Union, the rayon cooperative unions and the cooperatives shall make a radical improvement in the rural trade in construction lumber, ready-made clothing, and furniture, and for that purpose they must, by the end of 1951, have opened in the central and economic rural centers 140 special stores to handle ready-made clothing and furniture and 100

## RESTRICTED

RESTRICTED

lumber yards for the sale of lumber and construction materials.

7. The rayon cooperative unions and the chairmen of the general cooperatives must radically improve the appearance of village restaurants, beer gardens, and pastry shops so that they will become real establishments for public service and they will meet the growing needs of the population.

For this purpose the cooperatives shall see to it that there are sufficient quantities of nourishing and varied food and also various kinds of alcoholic and non-alcoholic beverages.

The Ministry of Internal Trade shall set aside and allot for public eating places in the villages a certain percentage of the foodstuffs purchased on the free market which have been put at its disposal.

8. The okoliya and village People's soviets are required, within one month after application is made by the rayon cooperative unions and general cooperatives in their areas, to clear and to turn over to them for commercial purposes premises which are now being used for non-commercial purposes.

Within the same period of time all their warehouses and stores which are occupied at present by other departments and organizations, with the exception of those which have been ceded by special decrees of the Council of Ministers, must be vacated and turned over to the rayon cooperative unions and the cooperatives for the needs of their commercial activity.

RESTRICTED

**RESTRICTED**

9. The Central Cooperative Union must procure the materials needed for setting up the 140 new special stores for ready-made clothing and furniture and the 100 lumber yards, and for remodeling the old stores.

10. The Central Cooperative Union must make plans for the construction of not less than 1,000 standard stores in villages during the period from 1952 to 1955.

11. The Central Cooperative Union is required to fix and announce exact working hours for the stores of the general cooperatives in accordance with the labor laws, arranging them so as to fit local conditions and the agricultural activity of the rural population.

The chairmen of the general cooperatives will be held personally responsible if the store operators are taken away from their jobs under any pretext whatsoever during their regular working hours.

12. The ministries, the departments, and the General Union of Labor Agricultural Cooperatives are required, within the period of one month, to pay for and remove from the warehouses of the Central Cooperative Union, the rayon cooperative unions, the general cooperatives, and "Narkoop" the goods, raw materials, spare parts, etc., allotted for their functional and production needs.

The Central Cooperative Union is required to submit to the ministries, the departments, and the General Union of the Labor

**RESTRICTED**

**RESTRICTED**

Agricultural Cooperatives a detailed list of the materials which are to be removed.

**II. WHOLESALE TRADE**

The Council of Ministers notes that the Central Cooperative Union, its commercial branches, and the rayon cooperative unions have not completely accomplished the tasks assigned them by points 15, 16, 17, and 18 of Decree No 1511 of the Council of Ministers and the Central Committee of the Bulgarian Communist Party, that is:

(a) They are purchasing low-grade, uniform goods, are lenient towards production enterprises which produce low-grade goods, accept these goods without rejecting any of them, without reducing payments for them and without imposing fines, and do not call to account the administrators of those production enterprises which go on producing low-grade goods, thus inflicting damages on the national economy;

(b) The commercial branches and the rayon cooperative unions do not gather the goods from all the production enterprises in wide assortments and do not resort to what they do get; they send merchandise of one kind only to the individual general cooperatives, thus artificially creating a lack of variety in the goods at the stores of the cooperatives. They do not ask the production enterprises to deliver goods that will meet the growing needs and the specific local requirements of the rural population.

**RESTRICTED**

RESTRICTED

(c) They continue to distribute in a bureaucratic and mechanical manner the merchandise which they receive from the production enterprises and do not take into account the needs and the local characteristics of the inhabitants of given villages, and thus goods of one kind are massed in one particular rayon while other rayons are deprived of that merchandise. Also, the funds of the cooperatives are thereby tied up, and the development of rural trade is hampered. For example, the following merchandise was delivered in Kurdzhali Okoliya: very low-neck dresses, ladies' high-heeled shoes, blue furs, silk stockings, men's ready-made gabardine clothes, rugs, etc. Razgrad Okoliya received ladies' sleeveless silk dresses, and in Stalin Okoliya the only "Struma" flannel cloth delivered to the villages was yellow.

(d) They do not resort to the contracts to influence the industrial enterprises, to assure regular and prompt supply of goods of the necessary varieties and high quality, and to get them to the general cooperatives so as to meet the economic and personal needs of the rural population.

(e) They fail to see to it that merchandise is purchased regularly for the rural population as provided by the plan, and they do not take into consideration the needs of the general cooperatives for seasonal and other goods required for the development of rural trade; they do not seek out and purchase goods produced locally so that the variety of merchandise can be increased.

RESTRICTED

**RESTRICTED**

(r) They do not take measures to enlarge and improve the warehouses in order to cope with the increased quantities of goods. There have been a number of cases of negligence on the part of employees in the storage of the merchandise. The rayon cooperative union at Dulovo stored six tons of cigarettes, two tons of sugar products, and other foodstuffs in a barn, where the humidity caused them to begin deteriorating. The rayon cooperative union at Dimitrovo has stored merchandise in unsuitable premises, places without windows and with weak doors and leaking roofs. Ready-made clothes are not put on hangers but are thrown together in a heap, where they become wrinkled. Salt is stored in humid premises and as a result the bags have ripped open and the salt has spilled out onto the floors and become soiled.

This negligence is responsible for the wearing out, deforming, and loss of valuable merchandise, and therefore the general cooperatives receive merchandise that looks bad and has deteriorated in quality.

In order to eliminate the above-mentioned defects in the work of the commercial branches and the rayon cooperative unions the Council of Ministers decrees that:

1. The administrative councils of the Central Cooperative Union and the rayon cooperative unions, and the chairman of the Central Cooperative Union, the chairmen of the rayon cooperative unions, and the managers of the commercial branches personally shall take radical measures:

**RESTRICTED**

**RESTRICTED**

(a) to purchase all the merchandise for the population as provided by the plan and which conforms with the fixed quality requirements or the approved samples without refusing part of it; to build up stocks of seasonal and other goods; to assure regular supplies for the general cooperatives; to resort the goods in the commercial branches and the warehouses; to form a rich variety of varied goods and deliver them to the general cooperatives in perfect condition;

(b) to make a systematic study of the economic characteristics of the rayon, the tastes and desires of the rural population, and the goods requirements of the general cooperatives, and to make the orders turned in to the production enterprises conform with the results of such studies. They must see to it that the stores of the general cooperatives are supplied with merchandise for which there is local demand, merchandise which is diversified in kind, pattern, and design.

The rayon cooperative unions must urge the general cooperatives to find out the tastes and the demands of the inhabitants of a given locality and to put in requests for the goods ascertained to be in demand.

In putting in their orders with the production enterprises the commercial branches and the rayon cooperative unions must take into consideration the requests of the general cooperatives and the actual sales of the various kinds of merchandise.

The production enterprises shall manufacture the goods

**RESTRICTED**



**RESTRICTED**

ordered by the commercial organizations in the desired variety, patterns, sizes, and colors to the extent that they can do this within the framework of the plan;

(c) to work constantly for the best possible preservation of all merchandise in the warehouses of the commercial branches and the rayon cooperative unions;

(d) to introduce the contract system and contract discipline in the Central Cooperative Union, the rayon cooperative unions, and the general cooperatives.

2. The Central Cooperative Union, its commercial branches, and the rayon cooperative unions are forbidden to purchase low-grade merchandise which does not meet the technical and qualitative standards or does not correspond to the approved samples.

The responsible officials in the commercial branches of the Central Cooperative Union and the rayon cooperative unions who purchase low-grade merchandise are held responsible for the damage thereby inflicted on the national economy.

3. As of 1 January 1952, the Central Cooperative Union will take charge of the retail and wholesale trade in copper sulphate and fertilizers and also the trade in notebooks, paper, and school supplies needed in the villages.

4. It has been decided that the Central Cooperative Union is to appoint the necessary number of stock checkers, clerks, and watchmen at the "Commerce" office in connection with the struggle to achieve high quality, greater variety, and regular delivery of

**RESTRICTED**

**RESTRICTED**

the merchandise from the industrial enterprises to guard the warehouses, and distribute incentive bonuses, in accordance with Decree No 1576 of the Council of Ministers on the 140 newly opened stores for ready-made clothes and furniture and the 100 lumber yards.

The labor fund and the wage rate are to be fixed by the State Planning Commission and the State Personnel Commission.

**III. THE PURCHASE OF AGRICULTURAL PRODUCTS AND THE  
PROCESSING OF MILK**

The Council of Ministers takes note of the fact that the Central Cooperative Union is not carrying out energetically enough the provisions of Decree No 1511 of the Council of Ministers and the Central Committee of the Bulgarian Communist Party, which requires that it devote its attention to the purchase of the agricultural products at the same time that it is extending the cooperative trade in the villages.

The Central Cooperative Union, the rayon cooperative unions, and the cooperatives are still not fulfilling the plan for the purchase of agricultural products satisfactorily. The basic reason for the failure to achieve the objectives here is that the purchase from the producers themselves is not actively organized on a daily basis, and the latter are expected to come to the cooperative to sell their produce. A purchasing staff of energetic and honest clerks and buyers has not been set up at all localities.

**RESTRICTED**

**RESTRICTED**

The agricultural products are not purchased promptly when they are ready at the farms. For example, the plan for the purchase of onions in 1950 was not fulfilled simply because this product was not purchased promptly from the producers. During the current year eggs were not purchased during the spring months. The cooperative organizations do not seek the assistance and the cooperation of their members in their purchasing work. They do not take the necessary measures to strengthen the prestige of the cooperatives and gain the confidence of the producers by prompt acceptance of the products, exact weighing, correct grading, and prompt payment for the products, and they do not carry on enough explanatory work among them.

Some state commercial organizations refuse to accept the products they have purchased or do not pay for them promptly. Of the lard purchased on the free market at the beginning of 1950, there are still 200 tons on hand, and this is keeping 193 million leva of the funds of the rayon cooperative unions tied up. There was a similar situation last year in beans and other products. The "Bulgarplodeksport" Enterprise has been keeping for a long time hundreds of millions of leva which it owes the rayon cooperative unions and the cooperatives for the products turned over to it for exportation.

The milk products at a number of dairies are not properly processed and stored. At the dairy at Medkovo, Lom Okoliya, approximately 10 tons of cheese spoiled because of improper

**RESTRICTED**

RESTRICTED

processing, careless storage, and the lack of suitable facilities. The prompt collection and transportation of the milk to the dairies is not well organized, and therefore at some localities the milk turns sour and is processed into "izvara" (sour cheese) instead of regular cheese.

In order to eliminate these serious weaknesses and defects in the purchase of agricultural products and the processing of milk the Council of Ministers decrees that:

1. The administrative councils of the Central Cooperative Union, the rayon cooperative unions, and the general cooperatives, and the chairman of the Central Cooperative Union and the chairmen of the rayon cooperative unions and cooperatives personally shall:

(a) radically improve their work of purchasing agricultural products promptly, grading correctly, and weighing exactly, and making prompt payments so that they can strengthen the prestige of the cooperatives among the producers and the confidence of the latter in them and by means of an extensive campaign of explanation assure cooperation between their own members and the producers;

(b) set up purchasing staffs of energetic and honest clerks and buyers to make daily purchases of agricultural products from individual farmers, farm workers' cooperatives, state farms, and other state and public farms and they shall pay these buyers mainly on a commission basis;

(c) hold personally responsible the clerks and buyers whose

RESTRICTED

RESTRICTED

work is not satisfactory, who do not fulfill the plans, who do not deal honestly with the producers, and who misuse state and cooperative funds;

(d) see that the agricultural products purchased are carefully stored.

2. The state commercial organizations and departments are required to accept from the Central Cooperative Union, the rayon cooperative unions, and the cooperatives and make payment to them for all the agricultural products, purchased, in accordance with the plan for the distribution of these products, not later than 15 days after notification.

3. The Central Cooperative Union is required to include in its plan for 1952 the erection of the warehouses and sheds most needed for the handling, processing, and preservation of the agricultural products, and pigsties for the fattening of hogs.

4. The Central Cooperative Union -- "Mlekokoop" (Milk Cooperative), the rayon cooperative unions, and the general cooperatives are required to remodel all collection centers and milk-processing plants and also to have their equipment repaired by 31 December 1951, to construct refrigerating installations wherever they do not now exist by 15 December 1951 at the latest and to make sure that they are properly set during the winter.

During the fourth quarter of this year, the Bulgarian Investment Bank is to grant to the rayon cooperative unions and to the cooperatives which operate dairies loans from the remaining

RESTRICTED

**RESTRICTED**

unused funds of the total credit for the erection of refrigerating installations, in accordance with point 34 of Decree No 7 of the Council of Ministers, dated 6 January 1951.

5. The Central Cooperative Union is required, within 15 days, to appoint, with the concordance of the Ministry of Internal Trade and the Ministry of Supply and Food Industry, a commission of dairy specialists to make a thorough study of the dairy industry in Bulgaria, including the structure of the "Mlekokoop" Enterprise and the training of personnel for the dairy industry, and to make a report of the findings to the Council of Ministers within 45 days of the publication of this decree.

#### IV. FINANCIAL AND ECONOMIC CONSOLIDATION

The Council of Ministers takes note of the following:

The financial situation of the rayon cooperative unions and the cooperatives is not good. Large funds are being misused, wasted, and diverted to purposes other than those for which they have been allotted. The financial discipline is bad.

Sufficient measures have not been taken to increase the working capital of the cooperatives either by increasing the shares of the farmer who are members or by increasing the membership in the rural cooperatives.

The membership of many cooperatives has not changed for a number of years. The cooperative members do not have large shares and not enough has been done to increase the interest and the

**RESTRICTED**

**RESTRICTED**

confidence of the farmers to the point where they will become active members of the general cooperatives.

Inspection has revealed that in Asenovgrad Okoliya there are cooperatives which have not been inspected for years, No measures are taken to make each activity self-supporting. Very often the losses from one particular activity are covered by the profits made from another.

In 1950 a total of 1,139 actions were brought for shortages of funds totaling 307,815,606 leva and in 1949 for shortages totaling 600 million leva.

The Control and Inspection Section of the Central Cooperative Union does not expedite the actions brought for shortages in the rayon cooperative unions and general cooperatives. Some are still left from 1950.

The rayon cooperative unions and the general cooperatives do not present before the general meetings correct and clear balance sheets at their general meetings; instead, they conceal their losses. For example, the special inspection made by the Central Cooperative Union revealed that the rayon cooperative union at Burgas has hidden losses totaling approximately 220 million leva during the last 10 to 15 years.

In a number of rayon cooperative unions and cooperatives there is no regular bookkeeping, accounts are not kept up to date, and the payments due are not collected promptly.

-22-

**RESTRICTED**

**RESTRICTED**

In order to eliminate all these weaknesses the Council of Ministers decrees that:

1. The chairman of the Central Cooperative Union, Comrade Peko Takov, shall take the necessary measures to eliminate the weaknesses and defects in the Central Cooperative Union and its subordinate cooperative organizations in order to strengthen them financially and improve their work to the point where they can carry out properly and thoroughly their assigned task of supplying the population with goods and of purchasing the agricultural products.

2. The administrative councils of the Central Cooperative Union, the rayon cooperative unions, the general cooperatives, and "Narkoop", and the chairman of the Central Cooperative Union and the chairmen and accountants of the rayon cooperative unions, the general cooperatives, and "Narkoop" personally are directed to take quick measures to establish a solid financial discipline as follows:

(a) The rayon cooperative unions and the cooperatives are not to permit the use of funds for purposes other than those for which they have been allotted.

They must adopt and carry out measures to meet and reduce the planned costs of turnover.

(b) The Central Cooperative Union and the Bulgarian Investment Bank shall, within a period of one month, draw up a plan for the payment of the overdue yearly installment payments

**RESTRICTED**



RESTRICTED

on the investment credits granted to the cooperatives and the unions and shall submit it to the Council of Ministers for approval.

(c) The mutual debts between the cooperatives and the unions shall be liquidated completely by payment of the amounts remaining on the accounts within six months through settlement accounts at the Bulgarian National Bank.

By the end of 1952 all debts owed them by private individuals and departments are to be settled.

3. The President of the Bulgarian National Bank and the chairman of the Central Cooperative Union are directed to submit within one month to the Council of Ministers exact data on fines imposed for violations of the credit limits by the Central Cooperative Union, the rayon cooperative unions, and the cooperatives.

4. A commission composed of the Minister of Finance, the chairman of the State Planning Commission, the Minister of Internal Trade, the President of the Bulgarian National Bank, and the chairman of the Central Cooperative Union, shall draw up within two months a plan for the establishment of a lower rate of interest on all commercial credits to the Central Cooperative Union, the rayon cooperative unions, and the general cooperatives, and for price increases and discounts for the retail and wholesale rural trade.

RESTRICTED

RESTRICTED

5. All departments and combines which have received co-operative property in any manner whatsoever shall pay the co-operative organizations concerned in accordance with the approved order and terms of payment. Obligations for which no terms have been set are to be settled within one year from the date on which this decree goes into effect.

6. The rayon cooperative unions and the cooperatives shall, within a period of two months, account for all taxes owed by them to the Republic's Treasury for the period from 9 September 1944 to the present.

The Ministry of Finance and the Central Cooperative Union shall, within one month after the Central Cooperative Union submits its report on the taxes owed by the rayon cooperative unions and the individual cooperatives, submit a proposal to the Council of Ministers for ways and means of settling them.

7. The ministers of Finance and of Justice and the chairman of the Central Cooperative Union shall, within one month, submit a proposal to the Council of Ministers for the speedy quick action on reports of enforcement of the shortages of funds.

8. The Central Cooperative Union shall strengthen and raise to the necessary height the planning services, bookkeeping and statistical accounting at the Central Cooperative Union, the rayon cooperative unions, and the cooperatives.

9. The Bulgarian National Bank shall continue granting loans to cooperative organizations, part of whose loans of which

RESTRICTED

**RESTRICTED**

remained without material guarantees up to the time of the issuance of Decree No 218 of the Council of Ministers and the Central Committee of the Bulgarian Communist Party on 2 March 1951.

10. The Bulgarian National Bank and the Central Cooperative Union shall by 30 January 1952 draw up a plan for covering the losses sustained by the cooperative organizations from 2 March 1951 to the end of 1951 and for the settlement of those debts of these organizations to the Bulgarian National Bank which have remained without material guarantee as a result of these losses.

The Bulgarian National Bank is forbidden to grant loans after 1 April 1952 to the cooperative organizations, which have unpaid bank loans not covered by material guarantees, with the exception of those mentioned in point 81 of Decree No 218 of the Council of Ministers and the Central Committee of the Bulgarian Communist Party of 2 March 1951 and those mentioned in point 4 of this decree.

V. THE STRENGTHENING OF THE ORGANIZATION AND THE PERSONNEL  
OF COOPERATIVES

The Council of Ministers notes that:

1. The administrative councils of the Central Cooperative Union, the rayon cooperative unions, the general cooperatives, and "Narkoop" do not feel that they are the leaders of mass economic organizations. They do not make sufficient use of the forms and methods of organizational and mass political work in their work

-26-

**RESTRICTED**

RESTRICTED

among the members of the cooperatives. They do not seek the active aid of the members in achieving their assigned objectives but resort to administrative methods.

They do not observe the rights which the members of the cooperatives have according to the charters of the cooperatives, and this alienates the members even more from the cooperatives and causes them to lose interest.

2. The administrative council and the executive committee of the Central Cooperative Union have not yet transformed themselves into genuine collective bodies to provide leadership for the rayon cooperative unions and the cooperatives. They do not promptly adopt the necessary organizational and other measures for the prompt fulfillment of the tasks assigned by the Government. The members of the administrative council and the executive committee and the union instructors do not extend constant assistance on the spot to the rayon cooperative unions and the cooperatives. No constant supervision of the daily activity of the rayon cooperative unions and the cooperatives has been organized.

The administrative councils of the rayon cooperative unions also do not direct, guide, and supervise the activity of the cooperatives in a satisfactory manner.

The administrative councils of the cooperatives do not direct the work of the cooperatives and very often leave the direction of affairs to individual employees.

RESTRICTED

**RESTRICTED**

3. The administrative council and the executive committee of the Central Cooperative Union have not devoted sufficient attention to the systematic training of white-and blue-collar workers in the cooperatives.

They do not make any serious effort to avoid transferring personnel from one job to another, something which has an adverse effect on the work itself and the achievement of the objectives of the unions and the cooperatives. The good employees work only a short while in the cooperatives and then transfer to other jobs. For example, 33 persons transferred out of the cooperatives of the rayon cooperative union at Pazardzhik during the first half of 1951, and 22 from the Novi Pazar cooperatives; during the period of one year three chairmen have left the Vratsa Rayon and three have also left the Pleven Rayon cooperative union.

A number of white-collar workers in the rayon cooperative unions and the cooperatives are often assigned other work and thus are taken away from their regular work and tasks for long periods.

4. A number of administrators and white-collar workers in the cooperatives, rayon cooperative unions, and the Central Cooperative Union fail to observe state and cooperative discipline and do not carry out the orders of the Government and the administrative council of the Central Cooperative Union. They arbitrarily run counter to and change the state plans. The administrative councils of the Central Cooperative Union,

-28-

**RESTRICTED**

**RESTRICTED**

the rayon cooperative unions, and the cooperatives do not wage a sufficiently vigorous fight against hostile elements which have gained a footing in the cooperatives, against the corrupt and dishonest white-collar workers, and against the embezzlers, so that these individuals can be fired and severely punished according to the laws of the country.

5. The Ministry of Internal Trade and its local functionaries do not extend sufficient aid to the officials of the Central Cooperative Union, the rayon cooperative unions, and the cooperatives. The okrug and okoliya functionaries of the Ministry take almost no interest in the rural cooperative trade. Goods which, according to the plan, are marked for the rural trade are diverted to city trade. For example, in 1950, the Ministry of Internal Trade, without the knowledge of the Government, ordered 400 tons of sugar products to be diverted from the rural trade supplies, but thanks to the intervention of the Government this diversion was not allowed. In 1951 "Narkoop" had its turnover plan reduced, but the Government straightened out this irregularity also. In October 1950 the Ministry of Internal Trade irregularly ordered that ready-made clothing with high fixed prices should be sold at the state stores at low fixed prices, without making the same arrangement in the cooperative stores too.

In order to improve the work of the Central Cooperative Union, the rayon cooperative unions, and the cooperatives and to assure the fulfillment of the state plans, the Council of Ministers decrees as follows:

-29-

**RESTRICTED**

**RESTRICTED**

1. The administrative councils of the Central Cooperative Union, the rayon cooperative unions, the general cooperatives and "Narkoop" shall work out and put into effect measures to strengthen the cooperative organizations organizationally, to assure constant supervision over them, and to secure prompt and precise fulfillment of the government plans, with strict adherence to the rules applying to the cooperatives. In their work they must seek the support of the activists and the members generally of the cooperatives, holding regular meetings with them to discuss the tasks that have been assigned them.

The rayon cooperative unions shall maintain regular contact with the general cooperatives and give them constant assistance.

The Central Cooperative Union must make a radical improvement in the work of the inspection commissions and the supervisory councils of the cooperatives.

2. The chairman of the Central Cooperative Union must take quick and determined measures to rid the Central Cooperative Union, the rayon cooperative unions, and the general cooperatives of alien profiteering elements among their officials, and new workers, especially women must be appointed to these positions.

Comrade Peko Takov is to report within two months to the Council of Ministers on what has been accomplished.

3. The Central Cooperative Union is to improve the work of its supervising and inspecting staff so that regular yearly

**RESTRICTED**

**RESTRICTED**

7. The administrative council of the Central Cooperative Union shall guarantee constant aid on the spot to the officials and employees of the rayon cooperative unions, the general cooperatives, and the "Narkoop" in the prompt achievement of the objectives assigned by the Government.

8. The Minister of Justice, the chairman of the Central Cooperative Union, and the chairman of the General Union of the Labor Agricultural Cooperatives shall prepare within one month a proposal for amending the Law on Cooperatives.

9. A special commission consisting of the Vice-President of the Council of Ministers, Comrade Rayko Damyanov, the Minister of Heavy Industry, Comrade Anton Yugov, the Minister of Light Industry, Comrade Atanas Dimitrov, the Minister of Supply and Food Industry, Comrade Rusi Khristozov, the Minister of Agriculture, Comrade Nikola Stoilov, the Chairman of the State Planning Commission, Comrade Karlo Lukanov, the Minister of Finance, Comrade Kiril Lazarov, the President of the Office for State Supply and State Reserves, Comrade Boris Taskov, the Minister of Communal Economy and Public Works, Comrade Stoyan Tonchev, and the Chairman of the Central Cooperative Union, Comrade Peko Takov, shall submit a proposal not later than 15 December 1951 to the Council of Ministers for freeing the Central Cooperative Union, the rayon cooperative unions, and the cooperatives from economic functions which do not belong to them and from the responsibility for the movement of processed and raw materials for production purposes and departmental supply.

**RESTRICTED**



RESTRICTED

10. The state purchasing organizations "Tekstilni vlakna" (Textile Threads), the "Zurneni khrañi" (Grains) State Combine, the "Mesotsentrala" (Meat Central) Enterprise, etc. cannot transfer their work of purchasing agricultural products to the cooperatives without the permission of the Council of Ministers or the consent of the Central Cooperative Union.

11. In order to increase the skill of the personnel in the cooperative sector, the system of six-month, three-month, and monthly courses for accountants, store operators, dairy workers, pulp-making workers, etc., at the Central Cooperative Union and the rayon cooperative unions shall be maintained in the future also; there shall also be six-month courses to train personnel for organizational and other inspection work.

At the Central Cooperative Union and the rayon cooperative unions special courses must be organized for the regular and preliminary training of chairmen of cooperatives and rayon cooperative unions.

12. For the systematic training of cooperative personnel, following the experience of the Soviet consumer cooperatives, the following educational establishments shall be set up in the cooperative organizations:

(a) one-year commercial-cooperative schools at Sofia, Plovdiv, and Stalin, each with two sections: a commercial section for the training of chairmen, store operators, sales clerks, buyers, and warehouse managers; and an accounting section to train white-collar workers for accounting and planning work;

RESTRICTED

**RESTRICTED**

(b) a cooperative technical school at Sofia to train personnel for the Central Cooperative Union and the rayon cooperative unions, with a two year course. The technical school is to have three sections: planning, accounting, and stockkeeping;

(c) short-term seminars (lasting up to a month) to increase the skill of the cooperative white-collar workers of the rayon cooperative unions and the cooperatives, the classes being so arranged that the workers attending these seminars will not have to give up their regular work during this period;

(d) individual and practical training (apprenticeship), in which cooperative white-collar workers will be assigned for a fixed period of time (up to six months) as apprentices to an expert accountant, store operator, sales clerk, etc., with the latter being paid a fee for the training work.

(e) The rayon cooperative unions and the cooperatives shall make sure that all store operators and buyers attend the permanent 15-day courses for store operators and buyers at the rayon cooperative unions.

13. Individuals who have completed accounting courses and schools are not to be shifted or transferred away from cooperative organizations for at least three years.

Transfer of other personnel from the cooperative organizations can be accomplished only after the consent of the superior organization is secured and a suitable replacement is found.

**RESTRICTED**

**RESTRICTED**

14. The chairman of the Central Cooperative Union, Comrade Peko Takov, shall report every three months to the Council of Ministers on the situation of the cooperative organizations with respect to the economic, commercial, and other tasks assigned to them and on the measures taken to improve their situation.

E N D

-35-

**RESTRICTED**