THE INTERNATIONAL FAIR OF PLOVDIV IN BULGARIAN-CZECHOSLOVAK TRADE RELATIONS IN THE MIDDLE OF THE 40s AND IN THE 50s OF THE XX CENTURY ACCORDING TO BULGARIAN DOCUMENTS¹

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The article attempts to define the role of Plovdiv International Fair in the foreign trade relations of Bulgaria and Czechoslovakia – countries belonging to the same economic and political world in the inter-bloc confrontation during the Cold War. The period from the middle 1940s and the 1950s was chosen, because then Czechoslovakia was the second most important trade socialist partner for Bulgaria, which provided machinery, equipment and complete projects for Bulgarian industrialization. The study traces the gradual weakening of the importance of the fair for their trade relations with the increase of integration processes in the COMECON since 1956, when the international socialist division of labour was created and the processes of coordinating business plans were centralized. The analysis of the set problems is based on archival material not yet in scientific circulation, stored in the State Archives of Plovdiv, as well as on studies examining the Bulgarian-Czechoslovak economic relations for the period.

Keywords: Czechoslovakia. Bulgaria. International Fair Plovdiv. Cold War.

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After World War II Bulgaria and Czechoslovakia had a similar historical path, although the military clash affected the two countries differently. Located in the heart of Europe, Czechoslovakia was directly affected by German aggression. The Munich Agreement of 1938 and the following split of Czechoslovakia's

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territory became the reason for a domestic political consensus at the end of the war against the pre-war parties blamed for the fate of the country during the war. The broad coalition, formed with the help of the USSR, gave the left parties the upper hand over the democratic parties in the first post-war National Front government, proclaimed on 5 April 1945². Bulgaria's situation in the final stage of the war was different. The alliance with Germany, which lasted for three and a half years, determined the severe economic and political consequences. The declaration of neutrality from August 1944 did not stop the USSR from declaring war on Bulgaria on 5 September 1944. This opened a path to power of the Fatherland Front – a coalition of political parties led by the Bulgarian Workers' Party (Communists), which, through a countryside uprising and a coup in the capital, took control of the country on 9 September 1944. A new government was formed, which concluded an Armistice Agreement on 28 October 1944 with the anti-Hitler coalition. The armistice defined Bulgaria's political and economic obligations, and its observance was monitored by the Allied Control Commission dispatched to Bulgaria and dominated by the USSR. By the time the Peace treaty of February 1946 was signed, Bulgaria had fallen into international and economic isolation. The economic situation of the country was difficult. Expenditure increased in connection with the maintenance of the Bulgarian Army, which had been fighting in the ranks of the Third Ukrainian Front against Germany since mid-September 1944, and with its obligation to provide maintenance to the Allied Control Commission.³

The Percentage agreement between the Allies against Hitler determined the place of both countries in the plans for post-war regulation of Europe. Both countries fell within the Soviet sphere of influence and the emerging Eastern bloc, but Czechoslovakia as the victorious country and Bulgaria as the defeated one. The political, social and economic transformations that took place in Bulgaria and Czechoslovakia had similar features, but also specific national characteristics. The period from 1944 to 1947 was a time of transition for both countries, in which the communist parties were in no hurry to impose a dictatorship of the proletariat. The politics of "people's democracy" and the path of Bulgaria and Czechoslovakia's development, different from the Soviet one, were characterized by multipartyism, the presence of opposition, planned economy and multi-sectoral economy in which the state, cooperative and private

ХЕНЦЕ-ГОТОВСКА. Общество и власт: Чехословакия 1945–1967 г. София 2002, р. 13–27.

³ КАЛИНОВА and БАЕВА. Българските преходи 1939–2010 г. София 2010, р. 19, 35–36, 46.

sectors were present. The Bulgarian Tarnovo Constitution of 1879 was restored, Czechoslovak republican traditions were preserved.⁴

The most significant differences between the two countries were rooted in the state of their national economies after the war, as well as in the subsequent economic changes. Czechoslovakia was a highly developed industrial country with an export-oriented economy, traditionally linked to the markets of Western Europe.⁵ Bulgaria, on the other hand, was an agrarian country with predominantly small industry, poorly electrified and with low levels of technical facilities. Industrial equipment was mainly imported from Germany and Austria.⁶ After the Second World War both countries followed the Soviet-type of economic development with priority given to the development of heavy industry, but while Bulgaria in its first economic plans started a process of intensive industrialization, Czechoslovakia was re-industrializing due to its well-developed industry before the war. The characteristic features of their economic situation also determined their future place in foreign trade exchanges between the Eastern bloc countries.

Nationalization took place in both countries. In Czechoslovakia the process started much earlier than in Bulgaria, as early as October 1945, when 75% of the entire output of the economy came under state monopoly.⁷ In Bulgaria, significant changes in the institutional, political and economic system of the country did not begin before 1947 but after the signing of the Peace treaty of Bulgaria on February 10 the same year. From that moment on the country came out of isolation and was allowed to pursue an independent foreign policy. Until then, Bulgaria did not nationalize its economy, clinging to the idea of "people's democracy", and tried to revive its post-war economy by restoring foreign trade relations.⁸ Therefore, as early as 1947, Bulgaria concluded a series of trade agreements with a number of Western European countries, which created the preconditions for the contractual and legal regulation of relations and the expansion of trade in goods.⁹ Increasing tensions between the allies from the Anti-Nazi coalition and the beginning of the Cold War, however, hindered its

⁴ КАЛИНОВА and БАЕВА, Българските преходи, р. 40; ХЕНЦЕ-ГОТОВСКА, Теодоричка. Общество и власт, р. 27; КАЛИНОВА. Мястото и ролята на Отечествения фронт в годините на "народната демокрация" (1944–1947). In История на Отечествения фронт/съюз в България. Vol 1. София 2012, р. 47.

⁵ ХЕНЦЕ-ГОТОВСКА, Общество и власт, р. 172.

⁶ МАРЧЕВА. Политика на стопанска модернизация в България по време на Студената война. София 2016, р. 35.

⁷ ХЕНЦЕ-ГОТОВСКА, Общество и власт, р. 35.

⁸ КАЛИНОВА and БАЕВА, Искра. Българските преходи, р. 73.

⁹ ЗЛАТЕВ. България в европейското стопанство (1945–1949). In Исторически преглед, 2001, no. 1–2, p. 68–69.

trade contacts with capitalist countries.¹⁰ Economic integration processes were also started in both Western and Eastern Europe.¹¹

The severe consequences for all countries after the war and the need to revive their economies were main reasons for starting negotiations on settlement of financial issues, as well as diplomatic and economic relations re-establishment in the first post-war years. And it was all despite the worsened political contacts and the emerging economic disunion between the two parts of Europe.¹² Therefore, alternative means were sought to support these processes. Such alternatives were the international trade fairs. All around the world they were given great importance in stirring up trade relations and in reviving the economy, especially after the global crises.¹³ That is why, immediately after the end of the Second World War, international trade forum exhibitions resumed throughout Europe. As early as 1946, fairs were organized in Paris, Lyon, Basel, Utrecht, Stockholm, Milan, Prague, Leipzig, etc.¹⁴ In Bulgaria, it was also believed that Plovdiv Fair would contribute to renewing relations with traditional partners and especially to expanding contacts with neighboring countries, helping to restore exports and imports in the difficult post-war economic situation.¹⁵ But thanks to a series of international and domestic political difficulties¹⁶ the fair could not be organized

15 ДА-ПЛОВДИВ, f. 218, b. 1, no. 12, 11.

¹⁰ A key role in changing the foreign policy of American President Harry Truman was the so-called Long Telegram from J. Kennan from February 1946. In the document, he analyzed the essence of the USSR, the policy it led and its impact on the post-war development of Europe and the world. Kennan's views were reflected in the new strategy to "contain communism" and were formulated in the Truman Doctrine announced on March 12, 1947. КИСИДЖЪР. *Дипломацията*. София 1997, р. 393–395, 399–400.

¹¹ This was related to the refusal of Eastern European countries to participate in the American economic aid program announced on June 5, 1947, known as the Marshall Plan. МАРЧЕВА. Политика на стопанска модернизация в България, р. 63–64; БАЕВА and КАЛИНОВА. Следвоенното десетилетие на българската външна политика (1944–1955). София 2003, р. 120–122.

¹² ЗЛАТЕВ, България в европейското стопанство, р. 63.

¹³ CARRERAS and TORRA. Why Did Modern Trade Fairs Appear? In *Economics Working Papers 874*, Department of Economics and Business, Barcelona 2005, p. 1. Accessible at: <u>https://econ-papers.upf.edu/papers/874.pdf</u>

¹⁴ Държавен архив – Пловдив (ДА-Пловдив), fund (f.) 218 Международен мострен панаир – Пловдив (1935 –), box (b.) 1, number (no.) 12, 39.

¹⁶ In the period 1945–1947 under various circumstances International Fair Plovdiv was not able to resume exhibitions. The internal political situation in Bulgaria was complicated. The first government of the Fatherland Front had to take measures to get the country out of the war, to ensure the activity of the Allied Control Commission and to hold democratic elections. The situation became more complicated in 1946, when the second Fatherland Front government, formed on 31 March 1946, had to hold a referendum on the abolition of the monarchical institution on 8 September 1946, to organize elections for the VI Grand National Assembly

until the late summer of 1947.¹⁷ Thus on 31 August 1947 the XI International (I Republican) Fair was inaugurated and continued until 14 September of the same year.¹⁸

At the first post-war forum Bulgaria presented samples from all sectors of its economy. To organize the future trade of the country, the aim was to find for the different industries as many trading partners as possible.¹⁹ In addition to the economic tasks, the national exposition also aimed to demonstrate the results of the Two-Year Economic Plan.²⁰ This shows that the propaganda-representative functions of the exhibition would be of significant importance in the new stage of development of the Plovdiv Forum in the years of the Cold War and the consolidation of communist power in Bulgaria.

More targeted than the Bulgarian presentation was that of the foreign exhibitors, whose samples were specially selected to show the specific features of their national economies, thus demonstrating their export potential. Eastern European countries officially participated.²¹ These were the USSR, Albania, Poland, Romania, Yugoslavia and Czechoslovakia.²² Trade between them in the first years after the war was carried out through one-year bilateral agreements. With the adoption of their economy reconstruction programs – two or three-year plans – the need for long-term agreements emerged.

Czechoslovakia's economy was export-oriented and looking for possible ways to resume its trade relations in the first years after the Second World War,

- 17 ДА-ПЛОВДИВ, f. 218, b. 1, no. 12, 1–34.
- 18 ДА-ПЛОВДИВ, f. 218, b. 1, no. 12, 49.
- 19 Кооперативно движение, 1947, по. 7, р. 40.

on 27 October 1946, which would adopt the new constitution. Difficulties were also created by the increasing tension between the political partners in the Fatherland Front coalition and the struggle for greater representation in the government. In addition, institutional changes were taking place. The complicated international situation also influenced the processes of renewing the Forum's exhibitions after the end of the war, given its international character. Bulgaria had severed diplomatic relations and denounced trade treaties with major foreign economic partners. And by the beginning of 1946, the signs of the Cold War were also visible. In addition, the Paris Peace Conference was held in the summer of 1946 to draw up peace treaties. It was the signing of Bulgaria's peace treaty on 10 February 1947 and the resumption of Bulgaria's right to pursue an independent foreign policy that created the opportunity to organize the first post-war fair.

²⁰ МАРЧЕВА, Политика на стопанска модернизация в България, р. 64.

²¹ The official participation of a country is when many companies are involved under the flag of the country, and the selection of samples aims to represent the economic potential and foreign trade strategy of the country concerned. Unofficial participation is when companies from a particular country participate in the fair but without being organised by the public authorities of the country concerned. This type of participation is usually collective or general in form.

²² Кооперативно движение, 1947, по. 7, р. 39.

which determined its participation in the Fair in Plovdiv, 1947. In 1945 it signed the first post-war agreement with Bulgaria, which regulated trade and payment relations between the two countries.²³ On Czechoslovakia's initiative, bilateral contracts for the supply of machinery and for the exchange of goods were also concluded between the socialist countries in 1946.²⁴ Such a treaty for investment supplies was signed with Bulgaria on 22 April 1947. It was essential for the Bulgarian economy in the context of the industrialization process that had begun, because it supplied the economy with machinery and equipment for industry and electrification, and it also supported the mechanization of agriculture.²⁵

During the XI International (I Republican) Fair in Plovdiv from the autumn of 1947 Czechoslovakia was represented by the state-owned machine industry factories such as Agrostroy – agricultural machinery, tractors, as well as factories producing various types of motor vehicles, electric motors, pumps, industrial machinery, oxyacetylene torches, radio apparatus, etc. The metal industry and the precision tools industry were fully covered.²⁶ The Czechoslovak exposition demonstrated its export potential, on the one hand, to expand trade relations with Western countries by establishing direct contacts with the participating representatives of the Bulgarian exposition.²⁷ For despite the geopolitical orientation of the Central European country after the war, a high percentage of its trade still took place in Western markets. In 1947, capitalist European countries ensured 86% of Czechoslovakia's foreign trade, and the USSR hardly ranked seventh in its imports and exports.²⁸ On the other hand it aimed to show its socialist partners that its industrial capacity could provide them with the necessary supplies of machinery and equipment to be included in future bilateral agreements, especially as regards countries with low level of industrial development, such as Bulgaria and Romania. Of the socialist states, only East Germany had similar industrial development to that of Czechoslovakia.²⁹ The main exporters of industrial equipment in 1947 were Czechoslovakia, as well as the USSR and partly Hungary.³⁰

- 28 ЗЛАТЕВ, България в европейското стопанство, р. 62; НИКОВА, *Съветът за* икономическа взаимопомощ и България, р. 39.
- 29 ХЕНЦЕ-ГОТОВСКА, Общество и власт, р. 172; ЛАДИГИН. СИВ постижения, проблеми и перспективи. Москва 1987, р. 13.
- 30 НИКОВА, Съветът за икономическа взаимопомощ и България, р. 44.

²³ МАЛЕЧЕК. Чехословашко-българското стопанско сътрудничество. In *Външна търговия*, 1956, по. 12, р. 21.

²⁴ ХЕНЦЕ-ГОТОВСКА, Общество и власт, р. 172.

²⁵ НИКОВА. Съветът за икономическа взаимопомощ и България 1949–1960 г. София 1989, р. 40; МАЛЕЧЕК, Чехословашко-българското стопанско сътрудничество, р. 21.

²⁶ ДА-ПЛОВДИВ, f. 218, b. 1, no. 4, 1–2.

²⁷ These were United Kingdom, USA, Belgium, Italy, Monaco, France, Netherlands, Switzerland and Sweden. Кооперативно движение. 1947, no. 7, p. 39.

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The samples exhibited in the Czechoslovak exposition met the needs of the Bulgarian economy because Bulgaria was at the beginning of its accelerated industrialization. The development of the material and technical base of the mining industry, electrification, and transport infrastructure underlay its Two-Year Economic Plan (1947–1948). The construction of new industrial facilities, predominantly in the field of heavy industry, was planned. The construction of 14 heating and 17 hydro-electrical power plants was also planned,³¹ implying increased industrial imports and supply of raw materials. The direct economic result of the fair, measured by the value of the transactions, cannot be traced for the Bulgarian-Czechoslovak trade relations. The reason is that there are no documents in the archival heritage of the sampled exhibition, kept in Plovdiv State Archives, that show whether deals were concluded between Bulgaria and Czechoslovakia in the autumn of 1947. But its contribution had another dimension. Thanks to the trade forum, there were opportunities for direct contacts between the Bulgarian and the Czechoslovak business elite. Moreover, it contributed to triggering trade between the two countries, setting conditions for acquaintance with economic capacities and for an easier assessment of what nomenclature of items to include in the import-export lists when signing trade agreements. The fair in Plovdiv also provided a field for trade negotiations and allowed economic information flow between East and West, despite the difficulties in the dialogue between these two parts of Europe. The opportunity was used by both capitalist and socialist countries. However, as international tensions increased and as communist regimes in Eastern Europe strengthened, the propaganda and representative function of the trade forum became stronger. This occurred after the changes that took place in Eastern Europe immediately after the founding meeting of the Information Bureau of the Communist and Workers' Parties from 22–28 September 1947 in Szklarska Poreba, Poland. The need to accelerate transformations in the overall life and the adoption of the Soviet model of socialism was then pointed out to the Eastern European countries.³² For Bulgaria it meant the introduction of the right of the state to nationalize branches of the economy or individual enterprises of industry, transport and credit, regulated by the adopted new Constitution of the People's Republic of Bulgaria of 4 December 1947.³³ Thus, by the end of 1947, industry was nationalized. As a result, state ownership in total industrial production reached 91.7%.³⁴ On the other hand, land reforms in Czechoslovakia

³¹ МАРЧЕВА, Политика на стопанска модернизация в България, р. 64.

³² МАРЧЕВА, Политика на стопанска модернизация в България, р. 67; ОГНЯНОВ. Държавно-политическа система на България 1944–1948 г. София 1993, р. 189–191.

³³ КАНДИЛАРОВ. Отечествения фронт – от коалиция към единна общественополитическа организация. In История на Отечествения фронт/съюз в България. Vol. 1, София 2012, р. 181; ОГНЯНОВ, Държавно-политическа система на България, р. 196-197

³⁴ МАРЧЕВА, Политика на стопанска модернизация в България, р. 68-69.

were deepened after the Cominform (the Bureau of the Communist and Workers' Parties) of September 1947.³⁵

The first consequences of the division of the European economic space appeared in 1948³⁶ intensifying the process of economic integration between the Eastern European countries, directing exports and imports among themselves and towards the large market of the USSR.³⁷ The foreign policy orientation of the socialist states towards the Soviet Union also increased with the establishment of the bilateral treaty system.³⁸ The Treaty of Friendship, Cooperation and Mutual Assistance between Bulgaria and Czechoslovakia was signed on 23 April 1948.³⁹

Despite the Cold War gathering strength⁴⁰ and the gradually growing conflict in the Eastern Bloc in 1948, related to the rupture in relations between Yugoslavia and the USSR, the XII International Plovdiv (II Republican) Fair in August, 1948 welcomed guests with twice as much exhibition space as compared to1947. Poland, USSR, Czechoslovakia, Hungary, Romania, Albania, Yugoslavia officially participated.⁴¹ No Western European country had organized an exhibition space under its national flag.⁴² Difficult contacts between East and West forced the Eastern European countries to rely mainly on mutual supplies. Bulgaria, for example, as early as 1948, carried out almost all of its trade in the Eastern bloc markets.⁴³ That is why Czechoslovakia with its participation in the 1948 fair had set itself the main task to expand its trade relations with other socialist countries, including Bulgaria. The trade exchange between Bulgaria and Czechoslovakia was determined on a bilateral basis and regulated by short-term trade agreements. An opportunity for negotiations and direct economic contacts appeared during the Plovdiv Fair, where Czechoslovakia demonstrated

³⁵ ХЕНЦЕ-ГОТОВСКА, Общество и власт, р. 147.

³⁶ НИКОВА. Процесът на съветизация и преустройство на българската външна търговия (1944–1951 г.). In Исторически преглед, 2002, по. 5–6, р. 139.

³⁷ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 40-44.

³⁸ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 45-46.

³⁹ ТОДОРОВА. Българо-чехословашки отношения (1949–1958 г.). In Enoxu, 1998, year 5, no. 2, p. 67.

⁴⁰ An increase in East-West tensions was associated with West Germany's acceptance into the Marshall Plan and the USSR's blockade of West Berlin in 1948. НИКОВА. Българското стопанство между Германия и Съветския съюз. Ликвидирането на германското технологично влияние в България. In Исторически преглед, 1999, по. 3–4, р. 70–112; КАЛИНОВА. Германският въпрос и българската външна политика от края на Втората световна война до средата на 50-те години. In Модерна България. Сборник исторически изследвания в чест на 65-годишнините на проф. д-р Величко Георгиев и академик Илчо Димитров. София 1999, р. 313–337.

⁴¹ ДА-ПЛОВДИВ, f. 218, b. 8, no. 68, 3

⁴² ДА-ПЛОВДИВ, f. 218, b. 8, no. 68, 3

⁴³ МАРЧЕВА, Политика на стопанска модернизация в България, р. 91.

its export capacity. Thanks to the samples presented and the conversations held between business specialists at the fair, Bulgaria understood that Czechoslovakia could export industrial equipment to Bulgaria, in return for import of Bulgarian industrial raw materials.⁴⁴

The processes of economic integration in the Eastern bloc intensified in January 1949, when the Council for Mutual Economic Assistance (COMECON) was established among six Eastern European countries.⁴⁵ From the very start, the COMECON planned abolition of parallelism in the economies of the member states. This could be done through coordination of economic plans on the basis of specialized joint production, but the international labor division within the COMECON could only be spoken of after 1956.⁴⁶ In the socialist community, the shortages of iron ore and wholesale machinery were the most serious. In this environment, Czechoslovakia, with its well-developed industry, had the opportunity to provide wholesale machinery within the COMECON, but again, as in the autumn fair in 1948, it tied the supply of machinery to the counter-import of industrial raw materials.⁴⁷ Czechoslovakia made such a request to Bulgaria as well, demanding an increase in Bulgarian imports of ferrous metallurgy items.⁴⁸ However, Bulgaria did not have the resources to develop this type of industry.⁴⁹ Like other countries in the socialist economic space, it developed heavy industry as a priority, which absorbed significant amounts of raw materials.

The question of meeting the raw material needs of the Eastern European countries became more and more pressing because of the embargo barriers imposed by the United States in early 1949.⁵⁰ The economic isolation of the communist states gave a strong impetus to the integration between them and the USSR. But the processes within the COMECON were not unproblematic. The differences in the economic development of the socialist countries, the concentration of production in particular countries, the not yet established international division of labor, and the uniformity of economic goals often created difficulties in balancing foreign trade.⁵¹ The economic relations between Bulgaria

⁴⁴ Работническо дело, 1948, по. 202 [27.08.1948], р. 202.

⁴⁵ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 55; ФАДЕЕВ. Съветът за икономическа взаимопомощ. София 1975, р. 62.

⁴⁶ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 60.

⁴⁷ ТОДОРОВА, Българо-чехословашки отношения, р. 71-72.

⁴⁸ МАРЧЕВА, Политика на стопанска модернизация в България, р. 92.

⁴⁹ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 81.

⁵⁰ On February 26, 1949, the "Export Control Act," an export control law that banned the escort of articles, materials, consumables, and technical description to Eastern European countries, was reauthorized. НИКОВА, *Съветът за икономическа взаимопомощ и България*, p. 52–53.

⁵¹ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 61.

and Czechoslovakia were an example in this direction. Taking into account the implementation of the trade agreement from March 1949, it turns out that Bulgaria had realized a passive balance thanks to some unfulfilled export. The main task for Bulgaria was therefore to increase deliveries to Czechoslovakia in 1949. The balancing of trade between the two countries was the focus of their negotiations and a new trade agreement was to be concluded in 1949. Czechoslovakia agreed that Bulgaria should increase exports, but insisted that this should be done by increasing the supply of raw materials that were in its interest. However, Bulgaria could not supply larger quantities of the requested commodities such as: corn, pork, lead and zinc concentrate. Scarce for Bulgaria itself, these items comprised only 18.4% of the total value of the list of goods offered by Bulgaria. On its part, Bulgaria was interested in Czechoslovak imports of rolled material, boilers for thermal power stations (in view of the economic plans in the field of energy), cables, etc., which comprised 85% of the total value of the Czechoslovak goods list. Signed on 7 April 1949, the payments and exchange of goods agreement regulated an increase in mutual supplies by 30%, but did not lead to balancing the exchange of goods between the two countries. Bulgaria failed to fulfil its commitments under the treaty and recorded a passive balance due to the surplus value of imports from Czechoslovakia.⁵² Therefore, despite the already concluded agreement, during the XIII International Fair of Plovdiv, opened on 4 September 1949, the Bulgarian economic and political elite, again negotiated with Czechoslovak representatives in an attempt to increase Bulgarian exports. In the conversations held during the Plovdiv exhibition, Czechoslovakia assured Bulgaria that it would be able to supply large quantities of equipment for the mechanization of the Bulgarian economy. Moreover, the samples that Czechoslovakia itself presented were mainly from the metalworking, chemical, leather, rubber, wood, and paper industries. It was thus demonstrating its ability to secure commitments to import investment supplies and rolled materials. In return, an increase in Bulgarian exports was negotiated by increasing the quantities of agricultural produce as well as ores.53

At the beginning of the sixth decade, trade with capitalist countries became almost impossible. From 1951 to 1953 there was a period of great stagnation in contacts between East and West. Bulgarian foreign trade became almost entirely oriented towards the countries of Eastern Europe. In 1950, 93.4% of Bulgarian exports and 84% of imports were within the COMECON. The largest share in Bulgaria's trade had the USSR – 53.6% of exports and 50% of imports.⁵⁴

⁵² ТОДОРОВА, Българо-чехословашки отношения, р. 72–75, 78.

⁵³ Стопанство и търговия, 1947, Vol. 7, no. special issue, p. 33-34.

⁵⁴ НИКОВА, Процесът на съветизация и преустройство на българската външна търговия, р. 144.

Czechoslovakia took second place for Bulgarian trade and supplied mainly machines, equipment and raw materials, mostly for the large industrial sites, hydroelectric and thermal power plants in the country. The need for providing electrification in the context of accelerated industrialization also determined the importance of Bulgaria's trade relations with Czechoslovakia.⁵⁵ Bulgarian exports included agricultural and livestock goods, pyrite and iron ores, lead and zinc concentrate. These were also the items that occupied a major part of Bulgaria's list of goods in the agreement with Czechoslovakia signed on 14 July 1951. It was the first long-term agreement between the two countries valid for 5 years.⁵⁶

The challenges in the international situation also affected the International Forum, which did not organize exhibitions in the years 1951 and 1953.⁵⁷ Better conditions for organizing the Plovdiv Fair appeared after Stalin's death on March 5, 1953. The stagnation between East and West was then gone, and a new course to follow was announced in the Eastern European countries to improve the supply of necessities to the population and to mitigate the severe social consequences following the accelerated industrialization.⁵⁸

The new economic line put on the agenda the deepening of specialization and coordination of the plans of the member countries of the socialist community for the period 1956-1960. Thus an attempt was made to create a socialist division of labor in the COMECON. Sectoral governmental commissions were set up in 1954 in all COMECON countries to coordinate economic development plans on a bilateral basis.⁵⁹ In addition, a discussion of the coordination among member states was started, on the main tendencies in the foreign trade in goods development by 1960.⁶⁰ The first bilateral meeting of the Bulgarian branch commissions was with Czechoslovak representatives. It took place at the initiative of Czechoslovakia in August 1954, which was experiencing a shortage of industrial raw materials and was urgent to arrange their import.⁶¹ However, a year later, in 1955, adjustment of the economic programs was necessary. In the

⁵⁵ ТОДОРОВА, Българо-чехословашки отношения, р. 77–78; НИКОВА, Съветът за икономическа взаимопомощ и България, р. 136–137; МАЛЕЧЕК, Чехословашкобългарското стопанско сътрудничество, р. 21.

⁵⁶ Until 1951, trade between Czechoslovakia and Bulgaria was carried out on the basis of annual contracts. МАЛЕЧЕК, Чехословашко-българското стопанско сътрудничество, р. 21.

⁵⁷ ДА-ПЛОВДИВ, f. 218, b.8, no. 68, 1.

⁵⁸ ВАЧКОВ. Аварии и Катастрофи. Хроника на социалистическата индустриализация. София 2018, р. 82.

⁵⁹ НИКОВА. Съветът за икономическа взаимопомощ и България, р. 69–70; ФАДЕЕВ, Съветът за икономическа взаимопомощ, р. 63.

⁶⁰ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 122.

⁶¹ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 99.

COMECON, the activity of plans coordination was intensified, and bilateral as well as multilateral coordination of economic plans started in all countries in the Community.⁶² This was related to the rapidly changing amplitudes of the international situation,⁶³ which led to another change of economic priorities in the USSR and the Eastern European countries. The demand in COMECON was directed towards industrial raw materials and cereals, which made it difficult for Bulgaria's foreign trade within the Community. It was because the Bulgarian country, with the COMECON-imposed specialization of an agrarian and industrial supplier, offered light industry goods, which its partners refused to buy, according to the change of economic policy.⁶⁴ This curtailed exports and reduced their revenues, making it impossible to make capital investments for new capacities in the industrial branches.⁶⁵

Czechoslovakia was at the opposite pole. In 1955, as a result of changed economic policy, it increased its trade by 7.7% because it was an important supplier of complete equipment for industrial enterprises. In 1955 exports of such type accounted for 26% of the country's merchandise list. In return, from the COMECON countries, including Bulgaria, Czechoslovakia received mainly industrial raw materials and food products.⁶⁶ Therefore, a considerable part of the Czechoslovak exposition area was allocated to the exhibits of the machine-building industry during the XVI International Fair in Plovdiv, held between 4–20 September 1955.⁶⁷ They occupied 80% of the entire exposition area. The most numerous were diesel pumping units, power plants equipment, automobiles, agricultural machinery,⁶⁸ all goods that occupied a large part of

⁶² НИКОВА, Съветът за икономическа взаимопомощ и България, р. 72.

⁶³ On May 5, 1955, the Paris Agreements were ratified and the FRG was allowed to participate in the Western European Union, and on May 11, 1955, West Germany became a member of NATO, ending its occupation status КАЛИНОВА, Германският выпрос и българската външна политика, р. 331; МАРЧЕВА, Политика на стопанска модернизация в България, р. 114. In Eastern Europe, on the other hand, the formation of the military-political alliance was completed with the establishment of the Warsaw Pact on 14 May 1955. БАЕВ. Система за европейска сигурност в годините на Студената война. София 2010, р. 79–85.

⁶⁴ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 104–108; МАРЧЕВА, Политика на стопанска модернизация в България, р. 112, 114–115.

⁶⁵ МАРЧЕВА, Политика на стопанска модернизация в България, р. 114–115, 118.

⁶⁶ Външна търговия на Чехословакия през втора петилетка. In *Външна търговия*, 1956, no. 9, p. 4.

⁶⁷ ДА-ПЛОВДИВ, f. 218, b. 8, no. 68, 25; Пред XVI Международен мострен панаир в Пловдив. In Външна търговия, 1955, no. 7, p. 3; Панаирни новини, 1955, no. 3 [03.09.1955], p. 3.

⁶⁸ Реч на министъра на външната търговия Живко Живков при откриването на XVI Международен мострен панаир в Пловдив. In *Външна търговия*, 1955, по. 9, р. 5.

Czechoslovakia's export nomenclature to Bulgaria and in which the Bulgarian country was interested in view of its economic plans for industrialization.⁶⁹

During the XVI International Plovdiv Fair in the autumn of 1955, in front of the Czechoslovak Pavilion guests, their Metallurgical and Mining Industry Minister, who was visiting Plovdiv, emphasized "the good relations between Czechoslovakia and Bulgaria and the support from the USSR"⁷⁰. The focus of his speech was on Bulgarian-Czechoslovak foreign trade relations and trade in the COMECON. But in a détente spirit, he did not miss the opportunity to stress to the foreign representatives at the event that in 1953 and 1954 Czechoslovakia had increased its foreign trade with the capitalist countries. In this way, the Czechoslovak Minister took advantage of the opportunity provided by the International Fair to circumvent established international restrictions and conduct economic negotiations in an informal setting.⁷¹ This was important for a Central European country because the share of capitalist countries in its foreign trade in 1955 was $37\%^{72}$ – a relatively large percentage if compared to that of Bulgaria, where it fluctuated between 12% and 18% over the period.

The process of de-Stalinization in the Eastern bloc, which deepened after February 1956, when the 20th Congress of the Communist Party of the Soviet Union was held, created conditions for improving relations between East and West, but also caused a serious crisis in the Soviet camp. The liberalization of the regime gave impetus to express dissatisfaction with the foreign and economic policies pursued in the summer in Poland and in the autumn in Hungary.⁷³ The crisis in the Eastern Bloc lasted till November 1956, and it was probably the reason why the USSR did not take part in the XVII International Fair opened on 2 September 1956.⁷⁴ Samples were shown by the socialist countries China, the German Democratic Republic, Poland, Czechoslovakia, Hungary and Yugoslavia.⁷⁵

The focus in the Czechoslovak Chamber was on the samples, which reflected the import list for Bulgaria and included mainly samples that could be applied

⁶⁹ БРАНИЧЕВ. Външна търговия на НР България през 1954 г. Іп Външна търговия, 1955, по. 2, р. 2; МАЛЕЧЕК, Чехословашко-българското стопанско сътрудничество, р. 22.

⁷⁰ Панаирни новини, 1955, по. 7 [07.09.1955], р.8.

⁷¹ Външна търговия на Чехословакия през втора петилетка, р. 5.

⁷² Външна търговия на Чехословакия през втора петилетка, р. 5.

⁷³ БАЕВА. Източна Европа след Сталин 1953–1956. Полша, Унгария, Чехословакия и България. София 1995, р. 81–208.

⁷⁴ Официален каталог на XII Международен панаир – Пловдив, 2 – 21 септември 1956 г. Пловдив 1956.

⁷⁵ Пред XVII Международен мострен панаир в Пловдив. In Външна търговия, 1956, no. 8, р. 1–2.

by Bulgaria in industrialization and electrification. In addition, specialists in water engineering were specially sent to Bulgaria by the Czechoslovak Council of Ministers on the occasion of the fair. After visiting the fair and presenting the exhibited samples, they headed to Dimitrovgrad, Stara Zagora, Varna and other cities, where they were shown dams, irrigation systems, reservoirs, etc. The delegation's visit was the result of the cooperation between the two countries in the field of irrigation and hydroelectric power, for it was mainly from Czechoslovakia that equipment was imported for the "Pasarel", "Stara Zagora", "Kokalyane", and "Republica" hydroelectric power plants, and turbine generators for the Dimitrovgrad steam power plant.⁷⁶ This triggered the trade between the two countries and by the middle of the 1950s it had increased by more than 2.5 times. Thus, Czechoslovakia took the second place in Bulgaria's total foreign trade with the COMECON.⁷⁷

In 1956, the socialist division of labor was emerging when the Standing Committees on Economic and Scientific-Technical Cooperation and on Foreign Trade were established in May the same year. The relations in the COMECON then shifted from a bilateral to a multilateral basis, i.e. they became centralized at the level of common institutions of governance in the Community. Eleven standing committees were formed to cover the cooperation of the countries in all economic fields as well as in science and technology and foreign trade. This reduced the importance of the International Fair of Plovdiv for foreign trade relations between Czechoslovakia and Bulgaria. All the important issues on indicators adjustments and coordination of economic and foreign trade plans between the socialist countries, were solved at governmental and Party level during the sessions in the COMECON.⁷⁸ This weakened the need to seek new and alternative means for trade negotiations between the parties. The process deepened in 1958, when the basic legal documents of the organization, defining the general conditions of supply, the principles of establishing prices in the socialist community, etc., were adopted in the COMECON.⁷⁹ In addition, since 1958, the cooperation of member countries in various industries has increased. Problems and issues of cooperation were also resolved at the COMECON sessions. Initially, emphasis was put on the development of the raw material industries, energy, and on strengthening cooperation in the field of mechanical engineering in connection with the need

⁷⁶ МАЛЕЧЕК. Чехословашко-българското стопанско сътрудничество, р. 20; КУТРЕВ and АНТОНОВ. Външна търговия на НР България през 1957 г. In Външна търговия, 1958, по. 9, р. 20.

⁷⁷ КУТРЕВ and АНТОНОВ. Външна търговия на НР България през 1957 г., р. 18.

⁷⁸ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 173–175; ФАДЕЕВ, Съветът за икономическа взаимопомощ, р. 348–349.

⁷⁹ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 252.

to modernize the economy and introduce scientific and technical progress into production.⁸⁰ Therefore, in the autumn of 1958, at the XVIII International Fair of Plovdiv, held between 14 and 28 September.⁸¹ Czechoslovakia displayed mockups of a meat-processing plant, samples of machinery and equipment, including those of high precision,⁸² in order to emphasize products of the highest quality and the possibility of joint production with Bulgaria.⁸³ All the samples overlapped Czechoslovakia's export list for Bulgaria⁸⁴ in the agreement signed in the same year between the two countries, valid until 1960.⁸⁵ During the fair, under the terms of the agreement between Czechoslovakia and Bulgaria,⁸⁶ deals were concluded for the export of Bulgarian live pigs, pork and bottled wine. In return, Bulgaria expected to import agricultural machinery and engines.⁸⁷ This was also the structure of trade between the two countries under the 1958 agreement, where machinery and equipment to be supplied to Bulgaria accounted for 35% of the total trade. Bulgarian exports covered mainly agricultural products and industrial raw materials.⁸⁸ The agreement, however, showed that by 1960 Czechoslovak imports into the country would exceed Bulgarian exports in value. Thus, a deficit emerged in Bulgaria's trade balance. This was linked to Czechoslovakia's refusal to increase its supplies of Bulgarian agricultural produce, and also to its insistence that Bulgaria should increase its exports of raw materials, such as ores and concentrates, which were valuable and scarce for Czechoslovakia, too.⁸⁹ The situation of Bulgaria's trade relations with other socialist countries was similar, as they also insisted on increased supplies of fruit and vegetables and non-ferrous metals. Thus, the country reported an overall passive balance for the Community.⁹⁰

From the above statement it can be concluded that the International Fair of Plovdiv contributed to the development of Bulgarian-Czechoslovak economic

⁸⁰ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 181.

⁸¹ ДА-ПЛОВДИВ, f. 218, b. 2, no. 15, 46; Официален каталог на XVIII Международен панаир Пловдив, 14–28 септември 1958 г. Пловдив 1958.

⁸² Панаирни новини, 20.09.1958, по. 8.

⁸³ ПОПМИХАЙЛОВ. Чуждестранно участие на XVIII Международен мострен панаир в Пловдив. In *Външна търговия*, 1958, no: 9, p. 15–16.

⁸⁴ Панаирни новини, 1958, no. 13 [25.09.1958], p. 25.

⁸⁵ КУТРЕВ and АНТОНОВ, Външна търговия на НР България през 1957 г., р. 20.

⁸⁶ In the archival documents from the fund of the International Fair – Plovdiv until the end of the 1950s, information about the transactions is scarce. It is either presented as a total value or not noted at all.

⁸⁷ Панаирни новини, 1958, по. 13 [25.09.1958], р. 25.

⁸⁸ Панаирни новини, 1958, no. 4 [16.09.1958], no. 14.

⁸⁹ ТОДОРОВА, Българо-чехословашки отношения, р. 83.

⁹⁰ НИКОВА, Съветът за икономическа взаимопомощ и България, р. 161.

relations mainly from the middle of the 1940s to the middle of the 1950s. During this period, relations between Bulgaria and Czechoslovakia were regulated on a bilateral basis. Therefore, the two countries used the Plovdiv Fair exhibitions to get to know each other's economic and export potential. And thanks to the samples presented, a judgment could be made on what nomenclature to negotiate when signing the trade agreements, which helped to organize the future common exchange of goods. The direct meetings held at the fair gave Bulgaria the opportunity to come into contact with Czechoslovak representatives once again and to adjust unfavorable commodity items or quantitative indicators, even in the case of already signed trade agreements and completed formal negotiations.

However, with the establishment of the COMECON in the late 1940s, and especially from May 1956 onward, when the socialist division of labor took shape and integration processes deepened, the importance of the trade forum decreased. This happened because all important issues of coordination of economic programs, adjustments of indicators, coordination of foreign trade plans between the socialist countries were decided at the governmental and party level during the sessions in the COMECON. But the fair still kept its importance for contacts between capitalist and socialist countries. Its role as a "window" in the Iron Curtain was actively used by export-oriented Czechoslovakia to establish and expand contacts with countries outside the COMECON, and the international situation permitted it. This was even more clearly outlined in the 1960s, when the "opening" of the economies of the socialist countries began.

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