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Romania in the Seventies

Embarked with all its might in the revolutionary task of building the manysidedly developed socialism in Romania, the whole people takes a patriotic pride in the spectacular victories won in all the fields of economic and social life. During the last quarter of a century, Romania has covered all the way from an underdeveloped, predominantly agrarian country, to an industrial-agricultural socialist State. Its economy is undergoing a thoroughly modernizing process to provide for the continuous increase in national wealth and rise in the nation's well-being.

Out of the 25 years of planned development of the country the last ten years stand out as the most fruitful period. During these years of ebullient creative activity, the development of the technical and material basis became much more striking, the production relations, the social ones in general, the whole superstructure improved, our socialist system consolidated even more firmly.

Inaugurating the stage of building the manysidedly developed socialist society, the 1971—1975 Five-Year Plan is characterized by deep qualitative and quantitative shifts undergone by all the components of the social structure in Romania.

The outstanding successes scored by the Romanian people in the development of its productive forces, the rational distribution of these forces over the territory of the country, the fulfilment of the five-year plan ahead of schedule, the increase in the national income as well as the rise in the general standard of living attest to the righteousness of the strategy of Romania's socio-economic development.

President Nicolae Ceaușescu scientifically surveyed the deep, revolutionary changes which took place in the field of our socialist building and set the major lines of action for the successful fulfilment of the tasks set forth by the new five-year plan. He underlined that "Life has proved that under the leadership of the Party our people is capable of carrying out suc-

cessfully such tasks as industrialization, agriculture modernizing, the well-balanced development of all economic branches, the general progress of the country and Romania's unflinching advance towards socialism".

GREAT DYNAMISM AND WIDE SHIFTS IN THE STRUCTURE OF MATERIAL PRODUCTION

The decisive element of our economic growth and of our general social development is the *fast rate of increase of material production.* The recently concluded five-year plan played an essential part in the tremendous development of productive forces, strengthening the technical and material basis in compliance with the requirements of the technical and scientific revolution, and in the fulfilment of the strategic task i.e.: to go beyond the stage of a developing country and to set up a modern economy.

Evolution of major synthetic economic indicators

(lei / inhabitant)

	1965	1970	1975
Social Product	18,101	25,838	40,655
National Income	7,679	10,474	17,035
Industrial Production	9,376	15,447	27,140

These remarkably eloquent indicators underline the highly dynamic character of our national economy during the last decade, in the recently concluded five-year plan in particular.

The production potential of the country, expressed through the social product, was in 1975 more than 2.5 times as high as in 1965 and 10.3 times as high as in 1938.

The policy of socialist industrialization, prime factor of the development of productive forces, of the general economic and social advance of the country, is steadily carried on, which is clearly illustrated by the new dimension of the Romanian industry. Indeed, during the five-year plans, the industrial production increased about 21 times; at present, the whole 1938 industrial production of Romania is achieved in only 12 days. Throughout the country one can feel the beneficial effects brought about by the intensive process of industrialization in our socialist homeland.

The development of Romanian industry is characterized by the higher stress laid on the *qualitative growth*, which nowadays is essential to a modern economy and to its prospective advance. During the last decade, particularly in the 1971—1975 five-year plan, the process of modernizing the structure of industrial production was emphasized owing to a priority growth of those

branches which are vital for the rapid generalization of technical advance in economy and for the automation of the production process.

Structure of industrial production by branch

(per cent)

	1965	1970	1975
Total Socialist Industry of which	100.0	100.0	100.0
— Machine-Building and Metal Processing	21.2	25.5	32.4
— Chemistry	6.7	10.4	11.6
— Metallurgy (Ore mining included)	11.5	11.8	10.8

Last year, the weight of machine-building, chemial and metalurgical industries — which are characteristic of the general outline of an advanced economy — amounted to 54.8 per cent of the total industrial output, as against 47.7 per cent in 1970 and 39.4 per cent in 1965.

Important qualitative changes took place in the very structure of the industrial branches.

The machine-building industry has systematically increased its contribution to the extended reproduction, to the technical equipment of material production branches as well as of other sectors. Last year, some 80 per cent of the whole needs in plants, machines and equipments of the national economy were covered from domestic production.

Shifts of high technical and economic importance took place in the inner structure of this branch as a result of tremendously fast rate of development experienced by those sub-branches which are propellant of technical growth.

Annual average of growth during 1971—1975 (%)

Machine-building of which	18.4
— electronics	26.8
— precision engineering and optics	27.3
— measuring and control instruments, and / or automation and computing equipment	38.5

The machine-building industry is now capable of solving increasingly complex technical problems, of producing high-quality items of a competitive character on the external market, of turning to account at an increasing level the raw and intermediate materials, the national potential of technical and scientific creation. Before World War II Romania resorted, almost without any exception, to imports to meet its needs of machines and equipments.

Now it currently produces 330 MW power sets, drilling-rigs operating a 10,000 m off-shore drilling rigs 55,000 (metric) ton ships, automation plants process and management assisting computers, complex technological equip ments for the chemical, metal-working, building-material, and other indus tries.

An all important branch for an economy in full progress, *the chemica industry has scored one of the most dynamic growths* — which paralleled struc tural improvement — by giving priority to the production of highly proces sed goods. During the last decade, the output of chemical fibres and yarn went up 7.6 times, the nearly entire range of such items known at present by the world-wide technology being now home produced; during the same in terval, the output of plastics and synthetic resins increased 4.6 times; tha of synthetic rubber, 3.2 times. Last year, petrochemistry — a sub-branch turning to account the natural resources to a high degree — accounted for almost half of the whole chemical output, which increases the part played by chemistry in expanding and modernizing many sectors of material pro duction.

With *an output* of over 9.5 million tons of *steel* produced last year Romania ranks 14th in the world and 10th in Europe from that point of view. Steel output per capita — an index highly reflecting the economic potential of a nation — has reached almost 450 kg, as against only 18 kg in 1938.

As for the metal-working industry, special mention should be made of the faster rate of growth in the production of the more highly processed items. Indeed, during the 1971—1975 period, the output for the whole branch increased 1.7 times, while the weight of alloy- and high alloy-steels (more than 9 per cent of the total output) comes close enough to the best achieve ments at a world-wide level.

Our economic strategy lays special emphasis on *expanding the power and raw material basis.* In recent years a new impetus was given to geological explorations with the aim of finding and turning to account new deposits of useful minerals, the lower graded ones included. The power balance-sheet of our country evinces continuous increase in the weight of low-grade coals and hydro-power resources. This leaves a higher amount of hydrocarbons available to chemical processing.

Electric power output per capita rose from 905 kWh in 1965 to 2,527 kWh by 1975. To better illustrate the great successes scored in this field, it is enough to recall that in 1938 the same output per capita was of only 72 kWh, that is 35 times lower than today.

Concomitantly with the growth of power and raw material resources, we are taking steps to judiciously use and manage these resources, to raise their outputs.

Particular care was devoted to the production growth and diversifi cation in the *building materials and wood-processing industry*, the aim in view being to increase the industrialization and the processing level of in digenous raw materials. For the whole building materials industry, the ave rage annual rate of growth was of 9.8 per cent. For wood-processing industry, the additional production of 35.4% was due to the better use made of the wooden stock.

In close correlation with the capital goods producing branches and based on them, *the production of consumer goods has diversified its range*, thus supplying the population with more and better items. Indeed, during the last five-year plan light industry scored an average annual rate of growth of 13.4 per cent, i.e. superior to the one scored by the whole industry. This highlights the efforts made by our State to promote the production of those goods which are positively controlling the rise of the people's standard of living. In fact, a consistent increase in the production of clothes, shoes, and durable household goods was recorded, alongside the availability of a wider range of products of a higher quality. For food-industry, the average annual increase in production of 8 per cent, together with a wider range of products, have led to quantitatively and qualitatively better foodstuff supplies available for the whole population.

Considering now the structural shifts which took place in industrial production, it is worth-while mentioning *the positive changes underwent by the list of items produced.* This was considerably extended, while product renewal and modernization were considerably speeded up. The fact that in 1975 products developed or re-designed in the course of the five-year plan accounted for some 44 per cent of the whole industrial production clearly shows the firm direction taken by our industry towards making full use of the latest scientific, technical and technological achievements; it is worth mentioning that in machine-building, this proportion is even higher — in fact of some two thirds.

As a corollary of the considerably increased dimensions and modernized economic structures, the leading part played by industry in our economy, its stimulative role in material production as a whole, its contribution to the rise of the national income and national wealth with all the positive consequences deriving for the overall development of our social life, become even stronger.

A constant feature of our economic policy is the proportional, well balanced development of all branches of material production, *the achievement of a rational ratio of industry to agriculture.* This is an essential condition for the flawless operation of the extended reproduction mechanism, for speeding up the economic growth, for an ever more modern structure of the national economy.

On this line of thought, firm steps were adopted for developing the agricultural technical and material basis, for *intensifying the farming production*, so that the consumption demand of the population, industry's requirements of raw materials be ever better met. A surplus for exports is created at the same time. The mechanization level in farm work is much higher than in the past. Now, to one tractor there devolves 82 ha (some 205 acres) of arable land as against 91 ha in 1970 and 121 ha in 1965. Last year, the average amount of chemical fertilizers (active substance) per ha (arable land, vineyard and orchards) was of 88.5 kg, i.e. 3.5. times higher than in 1965. Thanks to the grand projects carried out during the last five-year plan, 28% of the whole irrigable land were irrigated.

Despite the unfavourable climatic conditions within two years, in the 1971—1975 five-year plan the global agricultural production exceeded the achievements of the 1966—1970 period by 25 per cent and those of the 1961 —

1965 period by 55 per cent. The average annual production of cereals, which reached 14.8 million tons during the five-year period, was by 36 per cent superior to that recorded for the 1961 — 1965 period. The weight of the animal husbandry sector went up,as high as 43.5% of the global agricultural production. All these figures certify to the increased potentialities of our socialist — state and cooperative — agriculture liable to yield high and stable agricultural outputs, and thus to bring an increased contribution to our economic advance, to the creation of the national income and the rise of the standard of living.

Transports were greatly developed so as to better meet the needs of both the population and the national economy. By equipping it rapidly with new transport means — road and particularly river and deep-sea ones — by mechanizing the loading-unloading operations, the technical and material basis of that branch was substantially extended and modernized. Modern transport means were substantially extended and new steps were made towards traffic optimization, the commercial speed going up from year to year.

The strong dynamism and the marked trend towards modernizing all branches of material production illustrates, once more, the righteousness of our State's economic policy, as well as the large resources which the socialist structure of the national economy can bring to the cause of progress.

RATIONAL USE OF THE NATIONAL FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT

The expansion of productive forces, the structural modernization of the branches and sub-branches of our national economy found a strong background in the *far-seeing policy of earmarking a high proportion of our national income to the national fund for economic and social development**), while at the same time increasing the consumption fund devoted to the rise of the general standard of living. The experience of many a country shows — the same as our own experience — with the expressive force displayed by plain facts, that any dynamic development of the economic structure as a whole, and of each of its component parts, is closely interrelated with a high, steady level of the accumulation rate and volume. Furthermore, it is demonstrated that only in such conditions the national income and the stock of consumer goods will experience the fastest rates of growth.

Sized in accordance with the actual needs and possibilities of our national economy, the investments — which have the highest share of our national fund for development — increased from a five-year plan to another, and particularly during the last decade when a firm option was taken for a steady policy of high accumulation.

During the 1971 — 1975 five-year plan the *investment volume exceeded* the ones made in the two preceding five-year plans.

The funds were mainly directed towards the expansion of material production; this direction is required by the extended reproduction and is

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*) The national fund for economic and social development comprises the share of the national income meant for this fund (accumulation) and the depreciation fund.

amplified by speeding up — under the impact of the technical and scientific revolution — modernization and replacement of means of production and of operating processes, by the stringent need of promoting without delay the achievements of science in production.

Investment distribution by main branch

	1966—1970	1971—1975	1971—1975 period, as against 1966—1970 (per cent)
	(billion lei)		
Total investments made in the National Economy	330.8	544.7	164.5
of which in the socialist sector:	314.5	516.5	164.2
by branch:			
— Industry	165.4	277.2	167.6
— Agriculture	50.0	74.9	149.8
— Constructions	12.8	26.5	207.0
— Transport and Telecommunications	33.9	55.2	162.8
— Science	2.0	3.8	190.0
— Education	5.0	8.4	168.0
— Health protection	4.1	5.3	129.3
— Housing construction	16.6	21.4	128.9

Sixty-two per cent of the investment fund allocated to industry in the previous five-year plan were earmarked to basic branches: metallurgy, machine-building, chemistry and electric power. Such a distribution of funds played an essential part in the structural improvement of our industry, in the renewal of production means and products, in the creation of 1.2 million new jobs, in raising the degree to which the natural and labour resource are turned to account.

The great investment effort made by our State is widely reflected in the expansion and modernizing of fixed assets — a basic component of the national wealth and the main propelling force towards economic progress. During the last 25 years, the amount of fixed assets increased almost 6 times, reaching some 1,200 billion lei by the end of 1975. It is worth-while mentioning that about two-thirds of these assets were created during the last decade, which proves the rapid rate of renewal of the technical and material basis. Consequently, fixed assets allocated to the production process increased substantially which, evidently, plays an important part in the rise in labour productivity.

Dynamics of fixed assets allocation per person employed in productive activity

1965 = 100

Years	The whole Economy	Industry	Agriculture	Constructions
1970	163	154	155	140
1975	276	203	306	253

The data in the table above are the proof of the high rate of technical endowment of work in the economy as a whole and also by major branches, as well as of the closer relations, from this standpoint, between industry and agriculture.

The scope of our investment effort proves the strength of our national economy, its capability of directing important resources to development, on which the rates and propotions of the country's economic and social growth directly depend.

WELL-BALANCED ECONOMIC AND SOCIAL DEVELOPMENT OF THE TERRITORY

In Romania, the rational distribution of productive forces on the territory — the sole alternative to obtain a real economic equality among all members of our society, to achieve a general rise in the standard of living of the population — is carried out according to a unitary, scientific philosophy of planned systematization of the development of all economic and social activities on the territory. This original philosophy has been worked out and promoted thanks to the direct contribution of President Nicolae Ceaușescu.

This strategy of rationally locating the economic, and particularly the industrial objectives in the territory was materialized during the 1966 — 1975 decade and in particular during the last five-year plan, in an intensified process of gradual levelling of the national economy in point of territory; this is a complex concept involving the gradual levelling of the county development levels, firts and foremost in terms of value of material production and, as part of it, of industrial production per capita, number of persons employed in industrial activities and, generally, in non-agricultural branches per 1000 inhabitants, the income per employed person and, as a final synthesis, the levelling of the population standard of living, the general rise in the quality of life.

The fulfilment of investment programmes along with the allocation of increased funds to less developed counties, as against the increase in overall investments resulted in *an expansion of productive forces in all areas of the country*, in the setting up of an ever stronger technical and productive basis in every country. Last year, 22 counties had between 10 to 25 billion lei worth of productive fixed assets and 8 counties over 25 billion lei worth, whereas some ten years ago only 4 counties had between 10 and 25 billion lei worth of fixed assets.

The fact that all the areas of the country are on the road to progress is highlighted by the fact that in less developed counties, high rates of economic — particularly industrial — growth were obtained. Their share in the country's industrial output thus increases while the gap in terms of gross industrial output per capita becomes ever narrower.

The more and more active presence of industry in the country's economic geography is also highlighted by the fact that last year, the counties exceeding a per capita industrial output of 15,000 lei reached the figure of 30, as against only 6 in 1965. At the same time, the branch structure of the industrial output as displayed along territorial coordinates was definitely improved. Indeed, in 17 counties, metallurgy, machine buildings and che-

mistry accounted for over 50 per cent of the industrial output in 1975. In many counties, industrial sub-branches of a high technicality have developed for the first time such as: electronics, precision engineering and optics, machinetools, chemical fibres and yarns, chemical fertilizers and others.

The actual extent of this territorial development of industry should also be assessed in terms of the important rise in the potential of the local, state and cooperative industrial units which — referring only to last year — supplied a production nearly equal to the country's overall production in 1955.

The economic-social levelling process is also illustrated by the marked trend of all counties of getting closer to one another as regards the number of employed persons per 1000 inhabitants. Last year, this index exceeded 250 in 23 counties, as against only 9 counties a decade ago; it should be also mentioned that, whereas in 1965 in 8 counties the number of employees per 1000 inhabitants was less than 130, in 1975 this figure was exceeded by all the counties.

Industry proves to be an essential factor in speeding up urbanization, in widely propagating civilization and well-being throughout the country. In 15 counties, more than 40 per cent of the population are now living in towns and urban centres. In counties less developed in the past, such as Dolj, Harghita, Neamț, Covasna, Mehedinți, Dîmbovița, — where only 15 to 26 per cent of the population lived in towns in 1965 — 30 to 45 per cent of the total population turned urban last year. In many a rural settlement, foundations have been laid down for future urban development.

Data are now available to outline the socio-economic implications of a large-scale process meant to establish in each area and settlement working and living conditions in compliance with the manysidedly developed socialism, in Romania.

WIDE OVERTURE TOWARD THE SCIENTIFIC AND TECHNICAL REVOLUTION

As much as science stands as essential factor of progress and general well-being of the nation, the manysidedly developed socialist society can only be built with due consideration paid to achievements made by science and technology.

Science, an ever more important component of productive forces, has known a continuous development, during the 1971—1975 five-year plan, strongly outlined by *the wide overture towards the technical and scientific revolution.*

On this line of thought, scientific research was directed in full accordance with the requirements of material production and social activity with the need of integrating science with education and production. Important resources were devoted to research activity: over 1971 — 1975, the investment funds and research expenses were nearly twice as high as those spent during the former five-year plan. The steps taken with a view to better organizing and co-ordinating the research effort, the creation of central research institutes by branch led to the most satisfactory results.

The implementation in production of the outcome of the scientific and technological research is now more efficiently and more quickly done.

During the 1971—1975 five-year plan, numerous machine-tools and plants new types of materials and a wide range of consumers' goods were developed in the productive branches; by the implementation of an important amount of new manufacturing technologies, the technical standard of our production was continuously raised. At the same time, national technical and scientific achievements brought an ever increased contribution to making the best use of national resources, to solving a number of complex problems that condition the high rate of development of productive forces, to increasing the efficiency of economic activity, to improving the welfare of the people.

In close symbiosis with the economic changes, positive modifications took place in manpower structure on the background of the general rise in the professional qualification standard. The share of those involved in non-agricultural activities, in industry and constructions in particular, went up, a fact of vast consequences in terms of economic efficiency and social configuration of the country. Presently, there are more than 5 million workers, as against only 1.2 million in 1950, nearly 2.3. million in 1960 and over 3.8 million in 1970. This important growth — workers represent now half of the employed population of the country, as against only a quarter 15 years ago — has many implications in political and social life.

The rapid rate of the shifts in manpower structure is strongly supported by an active policy of training and improving the qualifications of all working people, which intensifies the productive force of our society. An important step forward was made by generalizing the compulsory 10-year school, by expanding the specialized secondary school system — especially industrial and agricultural ones —, byi mproving the instructive-educational process in vocational schools.

The extent of public education in Romania is clearly mirrorred in the following data: during the last five-year plan, the number of graduates from higher education institutes amounted to about 155,000 while those having graduated from specialized secondary schools, post-secondary training courses, vocational and foremen schools amounted to 600,000; during the same period, more than 1,300,000 workers obtained their qualifications by apprenticeship on the job by short-range courses. The institutionalization of the national system of personnel-recycling and professional training is of great economic and social importance.

Science and education development, their close relation with production, with the requirements of the general advance of society proved factors of prime importance for the successful fulfilment of the 1971—1975 five-year plan.

INCREASED PROFIT RATES IN ECONOMIC ACTIVITIES

A characteristic feature of the 1971—1975 period resides in joining the economic dynamism to an accelerated intervention of the intensive development factors, this being synthetically expressed by *increased economic efficiency and profit rates in all production branches.* By its very essence, the objective laws governing it, the socialist economy has multiple valences, allowing it to make full use of the whole material and human potential of the country and thus to obtain maximum results from the employment of social labour, under all its forms.

During the recently concluded five-year-plan, the management of the national economy, of its branches and sub-branches, of the enterprises, was further directed towards the achievement of higher indices of labour productivity, towards a substantial cut-off in production costs — particularly material ones — towards an ever increased efficiency and profitableness in all fields.

What makes the 1971—1975 five-year plan differ from the preceding periods, when the weight of material costs in the social product followed an ascending line, is the evident trend for diminishing costs, a fact that synthetically reflects the increased efficiency of economic activity. The fact that the growth of national income outruns that of the social product has a most positive impact on the development rate and proportions. In this way, important additional resources are available for intensifying the economic and social advance, for increasing the general wealth of the country, for systematically raising the material and cultural standards of living of the population.

The human and the technical potential — the basic component and at the same time the major source of national wealth — was put to a better use in all material production branches. Steps taken with a view to improving work and production organization, to providing for a rhythmical supply of enterprises with raw and intermediate materials, to intensifying exchanges of material goods, to improving the general maintenance of technical equipments have led to higher intensive and extensive indexes in the utilization of production capacities.

Indeed, in industrial activities — which concentrate a considerable part of our nation's technical and material basis — the additional production obtained as a result of a better use made of the production capacities amouted for the 1971—1975 five-year plan to about 160 billion lei, which equals approximately the 1965 output of the whole industry.

The equipment of economy with plants, machines and equipments with the highest technical and economic performances, with modern technologies, the wider mechanisation and automation of production, the promotion of modern organization, management and administration methods and techniques have all built up a favourable climate for *the continuous rise in labour productivity*. The capability of any economic system of increasing national wealth, of making the most efficient use of the general resources of a country ultimately relies on this rise.

Labour productivity per industrial worker

	1955	1960	1965	1970	1975	1975/1955
For industry as a whole (thousands lei)	57.7	85.2	122.3	170.1	223.3	3.9 times
Electric power output (thousands of kWh)	496	856	1 668	3 179	4 127	8.3 times
Steel production (thousands of tons)	286	277	979	1 404	1 680	5.9 times
Coal production (tons)	145	200	266	466	562	3.9 times
Cement production (tons)	297	436	688	1 025	1 052	3.5 times

Assessed for industry as a whole, labour productivity by individual worker increased by 37 per cent, these last 5 years and in constructions, by 46 per cent. It should be also mentioned that in the very branches which are determining the general outline of a modern economy — i.e. machine-buildings, chemistry, metallurgy and energetics — labour productivity scored increases higher than those recorded in industry as a whole.

The economic development of the country requires *ever increased amounts of widely diversified material resources.* This is why, an important action, which polarized the efforts in the last five-year plan, was directed towards setting more *rational consumption of raw and intermediate materials, more judicious utilization of fuels and power.* The firm steps taken with this end in view, both on a nation-wide and on a local scale, as well as the solutions adopted subsequent to comprehensive studies led to satisfactory results.

In industry, which now uses up some 67 per cent of the whole electric power output, through convergent actions — carried on simultaneously in production, technological research and design activities — we started to apply the national power programme concerning the extension of our own power basis, the priority development of electric power generation based on coals, the intensive use of the hydro-power capacity. Consequently, important power and fuel savings were achieved; the total electric power consumption per unit of national income dropped from 154 kWh/1000 lei in 1970, to 141 kWh/1000 lei, by 1975.

Costs were considerably cut down — with metallurgical coke, metals, timber, chemicals, pulp and light-industry goods, through the use of new materials with higher performances, developed in our country, and also by re-designing and modernizing both the products and the production techologies.

The production of highly processed items, involving a better use of raw materials, the cutting-down of specific consumptions, the improved technological processes and the higher professional skills were reflected in *a drop of total costs per 1000 lei worth of production.* Indeed, for the national industry the total savings for the five-year period amounted to about 85 billion lei, which resulted in increased financial accumulations. In our economy, the high standard of technical equipment and professional qualification provide important opportunities which should be better used with the ultimate goal of reducing manufacturing costs — particularly the material costs of production — and of implementing an intensified programme of savings for all our resources.

The dynamic character of our economy, the increased number and the improved structure of the people employed in the various branches of material production, the higher labour productivity and economic efficiency in general were synthetically reflected in the *more and more substantial rise in the national income.* The average annual rate of growth of the national income over the last decade was 9.5 per cent, as against 7.9 per cent in 1956—1965; for the 1971—1975 period, this rate was of over 11 per cent, that is higher than for the three previous five-year plans. This growth points out the improved quality of economic activities, the firm option made for the intensive economic growth.

The contribution of industry to the formation of the national income rapidly increased, which greatly explains the fast growth of the latter. As for agriculture, its lower weight is explained by the increased absolute volume of the national income created in this branch.

A retrospective analysis — from various points of view — of the progress made by economic efficiency will lead to the conclusion that all along these years of socialist construction, and particularly during the last decade, an ever better use was made of the people's work, of the material and financial resources. At the same time, the data underline the huge reserves available for our national economy so that an even faster rate of growth can, and will, be imparted to those factors which are responsible for the intensive socio-economic development of our country.

ACTIVE PRESENCE IN THE INTERNATIONAL DIVISION OF LABOUR

The ever more active participation in the international division of labour, the intensive economic development, product and technology modernization, as well as the increased competitive character of Romanian goods on the world market have all set up a favourable background to *the expansion and diversification of Romania's economic, technical and scientific international relationships.* During the last five years, the annual average rate of growth of foreign trade was of 18.4 per cent, i.e. outrunning those of the national income and of the industrial production. This shows that our country takes an increasingly active part in the international division of labour, in the world-wide exchange of material and spiritual goods. Indeed, in the 1971—1975 period, the volume of our foreign trade was twice as high as that scored for the 1966—1970 period and nearly equal to that scored by all four previous five-year plans taken together.

The recently concluded five-year plan stands out by the considerable expansion of co-operation production. This modern form of developing foreign economic relationships, which is being increasingly used among nations, is at present responsible for one quarter of the whole foreign trade of our country; a great number of agreements and conventions were signed for the purpose of implementing economic projects through co-operative efforts, as well as for specialization in production in the fields of machine-building, chemical industry, geology, metal-working and other branches.

The 2.4. times increase in exports during the 1971—1975 period was accompanied by substantial structural changes. The intensively processed products, of a high competitive and technical character, have an increased weight in the export balance sheet.

Weight of machine-building and chemical industries products in the total value of exports

(per cent)

1950	1960	1965	1970	1975
5.9.	18.9	25.2	29.8	36.1

A convincing expression of exports structural modernization is the fact that for the time being the *exports to imports ratio is one-to-one*; this means a considerable improvement as against the pre-war period, when Romania had to export 8 to 10 tons against 1 imported ton.

The imports, whose volume increased 2.3 times during the five-year plan, have provided for raw and other materials required for increasing and diversifying the industrial production as well as machines, equipments and plants meant to endow a number of economic objectives with modern technical and technological equipment.

Our active foreign policy is best illustrated by the higher number of countries which are now our economic partners; indeed, from 62 in 1955, this number jumped to 98 in 1965 and to 131 at the present moment.

In the general framework set up by our policy of a world-wide economic co-operation, Romania has continuously developed its economic, technical and scientific relationships with all socialist countries, which have the major weight in our international economic relations. Increased co-operation with C.M.E.A. member-countries is recorded; Romania takes an active part in the fulfilment of the Complex Programme, in the promotion of diversified forms of co-operation in production and technology with a view to enabling the rapid advance of each country, to gradually bringing closer and levelling their economic development, to raising the force of socialism on a world-wide scale.

An increased part in the growth of economic relations of our country was played — during this period — by the expansion and diversification of economic exchanges and of co-operation with developing countries, with those nations which are now on their road towards the independent socio-economic development. Last year, the volume of exchanges with the more than 90 developing countries—with which Romania maintains co-operative relations — was 5 times greater than at the beginning of the five-year plan.

According to principles of peaceful co-existence and co-operation — which are enjoying an increasingly wide acknowledgement on a world scale — Romania has expanded its economic, technical and scientific relations with developed capitalist countries, with all the countries in the world, irrespective of their social order.

Firmly attached to the cause of understanding, co-operation and peace throughout the world, to the cause of developing the economic, technical and scientific co-operation among all nations based on the principles of national sovereignty and independence, equality in rights and mutual advantage, non-interference in domestic affairs, Socialist Romania intensely acts in favour of establishing a new economic and political world order. The well-known initiatives promoted by President Nicolae Ceaușescu and taken by our country at the U.N.O. or in other international organizations are echoed throughout the whole world and raise Romania's prestige within the world community.

AMPLE PROCESS OF IMPROVEMENT OF THE SOCIO-ECONOMIC LIFE

The fulfilment of the grand tasks of the present stage is indissolubly connected to the improvement of the planned organization and management of the whole social and economic life; indeed, the forms and methods of management should be dialectically matched to shifts in all component elements of society. In this respect too, the 1971—1975 five-year plan has marked an important step forward, strongly outlining the importance and righteousness of the set of actions adopted by the State and Government with a view to raising the management activity to a higher standard. In fact, in every sector one can feel the dynamic character and the fresh breath of the actions carried on purpose to solve the numerous problems connected with a development strategy in compliance with the requirements of the management science as applied to a socialist society.

The steps of basic importance that were adopted ensure the concentration and orientation of our national energies and resources towards those branches which are decisive for the rapid and multilateral development of our country, for the increase of the national wealth and of the well-being of the whole people.

In the scientific management of our economy, the State makes use of the single-national plan as a main tool in projecting the well-balanced growth of our entire economic and social life, both as a whole and by area, in consciously controlling every component of the national economy, as well as their relationships with the world economy.

In this context, special stress should be laid *on steps taken with a view to improving the unitary management of socio-economic life, based on the single national plan.* Planning — a basic and inalienable attribute of the working class revolutionary force, of the sovereign people — gives the full proof of its merits by enabling an optimum activity to be performed on the scale of the entire society and by turning to account all opportunities for progress offered by the new social order.

The last five-year plan covered all the fields of economic and social life, for the first time, in a unitary well-balanced vision; its provisions were more deeply substantiated, according to special programmes drawn up for the major sectors. This allowed for a speeded up development and modernizing of the social structure, for a higher efficiency in the formation and utilization of the national income, alongside with a strengthened unitary leadership.

The working out of the five-year plan by branch, department and region is full of relevant information. It is more closely blending the central management with the autonomy of administrative-territorial units, stimulating initiative on all levels. Thus, the plan represents a collective work, and expresses the common will of all those responsible for its implementation. On this line of thought, People's Councils were granted substantially increased rights and competences, the responsibility for the whole socio-economic activity in the area under their jurisdiction.

In this complex process of improvement, the *socialist State*, a dynamic political body and spokesman of the people has increased its capacity of exerting its functions on a higher level, i.e. economic management,organi-

zation and administration of public affairs. An important step forward was made by setting up standards and laws regulating all activities which are part of the social life.

The building up of the manysidedly developed socialist society is inseparably linked to the deepening of our socialist democracy; this is a strong incentive for all working people, in their double stand as producers and owners of production means, to take an active part in making and carrying out the decisions of both a national and local interest, to assert their creative force and to fully manifest the human personality.

Of course, the dynamics and scope of the deepening process underwent by democracy are determined by the specific features of each stage of socialist construction, by the level of economic and cultural development, by the socialist consciousness of the working people, by a whole range of objective and subjective factors. In this context a unitary complex of steps was worked out and applied concerning the active and efficient participation of the working class in adopting and transposing into actual practice the general policy of our State. The collective management bodies at all levels of our social structure were institutionalized for that very purpose. The same line of thought, that is the continuous development of socialist democracy, is followed by the laws adopted by the Grand National Assembly on the improvement of the organization and operation of the supreme bodies of state power and administration.

Particularly important is the institutionalization — on President Nicolae Ceauşescu's initiative — of the Congress of Deputies to County People's Councils and of the County Conferences of Deputies to Peoples's Councils, as well as the institutionalization of a body having a permanent activity and formed of the deputies to the executive committees of County People's Councils which is to be convened each year, prior to the Grand National Assembly sessions devoted to passing the State Plans and Budgets. The recent Congress, where highly important documents for the country's socio-economic development were discussed and adopted, represents a live expression of the deepening socialist democracy, of the constant concern for intensifying the dialogue with the masses of working people, with a view to increasing the part played by the local bodies in the life of our country.

While granting broad rights and liberties, socialist democracy requires special responsibilities from each working individual, along with the exacting control of society over the fulfilment of social duties. The increasingly competent participation of the masses with a high civic consciousness to debates held on every important issue of our economic, scientific, social and cultural life, to national administration, to the making of decisions that commit the present and the future of the country are an answer to the deeply humanistic goals of raising the people up to the position of active builders of homeland future.

HIGHER STANDARD OF LIVING FOR THE PEOPLE

The progress made in building up an advanced, highly efficient economy, and the increased national wealth made it possible for the 1971—1975 period to be the richest in successful achievements in terms of raising the

material and spiritual standard of the people. Representing two thirds of the national income, the consumption fund rose during the last five-year plan at an average annual rate of 7.5 per cent, superior to the one achieved in the previous five-year plans. Thus, increased opportunities for meeting in ever better conditions the needs of the people, for raising the civilization standard of the whole nation, were offered.

The programmes aiming at consistently increasing the material well-being of the people were materialized in higher incomes for all categories of working people — hence a higher purchasing power —, in an increased consumption of goods and services, in a substantial expansion of housing construction and of socio-cultural actions, in other words, in a systematic improvement of the quality of life. The total real incomes of the population in the last five-year plan rose by 46 per cent, this increase representing over 74 billion lei.

Wage funds rose from 62 billion lei in 1965 to 146.4 billion lei last year. *The average nominal salary* for employees in enterprises and institutions reached 1,975 lei per month by the end of last year, as against 1,434 lei in 1970. Steps taken with a view to substantially raising the low wages had a high social significance. Indeed, during the five-year plan, the minimum tariff wage for skilled workers went up by 55 per cent while for unskilled workers, by 50 per cent. As a result of the differentiated increase in wages and of the consistent application of socialist equity principles, a more appropriate low to high income ratio was reached.

Changes also occurred in the structure by class of wages as a consequence of the permanent concern for strengthening the mobilizing character of the distribution system, and also as a consequence of changes undergone by the socio-professional configuration, of the increased qualifications acquired by the working people.

Personnel distribution by class of wages

(in per cent)

Class of wages	1970	1975
up to and including 1,400 lei	58	15
from 1,401 through 2,000 lei	28	47
over 2,000 lei	14	38

During the 1971—1975 period, steps were taken with a view to *increasing the incomes of the peasantry*. Since the first year of the five-year plan the guaranteed minimum monthly income was introduced: in 1973—1974 it was increased. In this way, conditions were set up for cooperative farmers to get money income all over the year. The incomes obtained by cooperative members and individual producers in their private households were fully or partially tax-exempt. Moreover, as a result of higher prices paid and bonus

system in effect on contract conclusion, peasants got important additional incomes.

Following all these steps and the increased production and labour productivity in agriculture, the real incomes of the peasants, derived from their work in cooperatives or private households, per active person, were by 30 per cent higher in 1975 than in 1971, and by 75 per cent higher than in 1965.

As far as the utilization of the consumption fund is concerned, it is aimed at a righteous proportion betwwen the share meant for direct, individual distribution, according to the quantity, quality and social importance of the effort invested by each individual, and the share meant to meet the social and cultural requirements of the people as a whole.

Last year, the expenditures from the State budget for *socio-cultural actions* exceeded 50 billion lei, that is by 49.5 per cent higher than in 1970 and almost four times more than in 1960. Estimated per family, these expenditures amounted to 7,420 lei, last year, as against 5,200 lei in 1970.

The technical and material basis of every socio-cultural sector further developed and modernized, both in towns and villages. By building up and commissioning educational, cultural and medical care establishments, by better equipping them, the fixed assets in such sectors increased from 20 billion lei in 1965, to about 42 billion lei in 1975.

Under the direct impact of the increased production volume and variety, of higher incomes and of other factors of a socio-economic nature, the population's consumption improved both quantitatively and qualitatively,which is a basic factor of the standard of living. Indeed, in 1975 as against 1970, retail sales made by socialist trade organizations rose by more than 48 per cent; the goods sold to the population exceeded by about 6 billion lei the provisions of the five-year plan. *Services* for the private citizens were developed and diversified at an increased speed of 68.6 per cent.

One of the most important factors in improving the standard of living of the population is housing. In the last 25 years, some 12 million inhabitants moved in new homes as a consequence of some 3.6 million flats and houses being built from state funds, credits and private money of the population.

The achievements made in raising the material and spiritual standard of living of the population are a token that everything thatour nation creates is meant to serve man, his welfare and happiness, to strengthen his personality, to demonstrate the humanistic rationale and finality of the whole revolutionary work of building up socialism.

ROMANIA IN THE 80'S

The 1976—1980 single-national plan, an important stage in the fulfilment of the Party programme adopted by the XIth Congress, ensures sustained rates of growth for industry, agriculture and the other branches of production, for all the counties, the wide-scale implementation in the national economy of the achievements made by modern science and technology, a better utilization of the country's resources, the fast increase in social work efficiency and the rise of people's welfare.

Romania of the 80's will show up to the whole world as a prosperous country with a modern economic structure. By the end of the 6th five year plan, *industrial production will reach the figure of 1000 billion lei*, i.e. 36 times higher than in 1950; thus over three decades, our country will cover a road which many a capitalist country required a time twice or thrice longer.

The sustained rate at which the industrialization process takes place will determine the weight of industry in the formation of the national income to rise up to 68 per cent by 1980. The plan provisions, by each branch, pay due consideration to the need of speeding up structure modernizing, to a substantial increase in product quality and technical standard. By the end of this five-year plan, the machine-building and chemical industry will hold nearly 50 per cent of the whole industrial production of the country and more than one half of the foreign trade; at the same time the production of consumer goods supplied by food and light industry will develop and diversify rapidly. Conditions for a better supply of the population are thus ensured.

The 1976 — 1980 five-year plan further takes care of agriculture *development and modernizing* in all districts of the country, according to all-comprehensive programmes worked out for each field, ranging from irrigation, land improvement and preservation works, to the complex mechanization of farming work, the increased use of chemical fertilizers and the improved plant species and animal breeds. Substantially increased outputs are expected with cereals, technical crops, vegetables, fruits and animal products; agriculture increases thus its contribution to a better supply of foodstuffs on the market and of raw materials for industrial uses, to increased export availabilities, to the overall economic advance of our country.

The successful fulfilment of agriculture intensification and modernizing programmes requires the mobilization of all farming workers, of all villagers for a rational administration of the land fund, for a timely and skilful carrying out of farm work.

The recently started five-year plan represents a first stage in the implementation of the long-term programmes for *forest preservation and rational management, as well as for the fitting up of hydrographic basins.* Firm steps are required to help carrying out in perfect conditions the planned work, thus providing for the better use of these important resources, while protecting and improving the environment.

The high rate of growth of the national income, the Party policy of well-balanced distribution of resources allotted to the development fund are factors contributing to permanently increase the means assigned to develop and modernize the productive forces and to extend the material basis of socio-cultural activities. In the present five-year plan, *the national fund for economic and social development* will be higher than in the whole 1966—1975 decade. Out of the total investment fund, which amounts to 1000 billion lei, the overwhelming part — some nine tenths — is earmarked to the development of material production.

The exemplary fulfilment of the investment programmes requires a careful preparation of new project execution, timely supply of documentations, technologic equipments and manpower, a good organization and adequate technical endowment of the sites, for the purpose of commissioning the planned production capacities ahead of schedule.

The present five-year plan represents a first stage in the implementation of our national programme of *planned systematization of the development of all socio-economic activities on our territory.* As President Nicolae Ceaușescu said: "The fulfilment of our national systematization programme will thus contribute to the achievement of one of the most important goals in building up the manysidedly developed socialist society, in our progress towards communism — the gradual vanishing of the differences between town and village, the ever increased meeting of material and spiritual requirements of the people in all localities of the country, the general rise of cultural and civilization standard".

The rational distribution of investments by counties, the location of important industrial objectives in less developed places and areas *will lead to new and great advances made towards industrializing all counties of the country, in bringing them closer to one another in terms of their industrial potential.* On this line of thought, it is worth-while mentioning that by 1980, as many as 33 districts will yield an industrial production per capita of over 25,000 lei, as against only 14 counties, in 1975; thus, industry will hold the highest share in the material production of every district. In 50 towns deprived of industrial activities or having a lower economic potential, nation-wide industrial units will be located; moreover, provisions are made for setting up industrial units in the 120 communes which are to become small agro-industrial towns during the years of the present five year plan.

A first-order pre-requisite of the dynamics of our social and economic advance in this five-year plan is the responsible administration of our *national wealth, of the 2,000 billion lei worth of fixed assets* and particularly of those in the material production branches, since these are generators of national wealth.

This requires from centrals and enterprises firm organizational steps meant to ensure the full utilization of production areas, maximum use of machines and equipments, their perfect maintenance and operation, a strengthened discipline and order in production activities.

The present five-year plan expects an *increased rate of rise of labour productivity* — a decisive factor in building up the manysidedly developed socialist society. Bearing in mind the fact that our goal for the 1976—1980 period is to achieve a rate of growth of industrial labour productivity of over 9 per as against cent 6.5 per cent in the last five-year plan, we have to take firm steps meant to ensure the modern, scientific organization of the production process, to expand even more the mechanized and automated processes, to improve technological flows, to improve professional skills, to strengthen order and discipline at the work place, to make a good use of reserves existing in our economy in this field.

A basic target of the new five-year plan is *the administration with utmost responsibility of power and raw material resources*, and the reduction of production costs, particularly material costs. The plan directs our efforts towards adopting efficient steps in view of setting up standards for material expenditures, towards the strict observance of these norms, the better use of our resources and a tight policy of raw material, fuel and power savings.

The provisions set forth for the 1976—1980 period include *professional training courses so that almost 2 million workers* become qualified manpower.

On this line of thought, steps should be taken to recruit and adequately train the future workers, to increase the efficiency of professional training and recycling processes in compliance with modern technologies newly implemented in our economy, with the aim of providing for the rapid rise in the productivity of social work, which is the main growth factor in the general wealth of the country.

During the present five-year plan — which we may call the plan of the technical and scientific revolution — technological research and development, tailored in compliance with the requirements of the multilateral advance of our homeland, will know an unprecedented expansion. The funds earmarked to the development of the material basis meant for the research effort, alongside with wide actions taken to integrate science with education and with production will considerably rise the scientific creative capacity of our country.

In order to fully achieve the current five-year plan provisions in the field of foreign trade, steps have been taken for the purpose of rhythmically producing high quality goods meant for foreign markets, of effectively adjusting our production to the demands of foreign buyers, of rationally managing the foreign currency funds earmarked for imports.

The progresses made in building up an advanced, highly efficient economy, our increased national income and wealth have laid out the basis required to *increase the material and spiritual standard of the people.* By 1980, the national income per capita will amount to 27,000 lei, as against nearly 17,000 lei in 1975, and only 10,500 in 1970.

The provisions of the present five-year plan have laid out the basis for a substantial growth of the resources meant to improve the standard of the working people. The expected stock of consumer goods in 1980 will be by nearly 48 per cent higher than that of last year.

On this basis, important rises of incomes traced to salaries or wages, or else to social welfare funds are anticipated, together with improved working, rest and housing conditions, the qualitative and quantitative rise in goods and services, the development of education, arts and culture, of health protection. The life conditions of the working people will improve by intensifying the erection of residential buildings in towns and villages, by expanding the edilitarian works and utilities, by taking care of environmental aesthetics so as to raise the general quality of life.

The remarkable successes acored by the Romanian people during the last five-year plan, as well as during the whole 1966—1975 decade, the bright prospects of progress are indissolubly connected to the name of the creator and promoter of our home and foreign policy, President Nicolae Ceaușescu. This policy clearly mirrors his outstanding qualities: highly principled revolutionary mind, realistic and daring character, fercvent love for his homeland and nation combined with consistent internationalism, deep dedication to the cause of the people, of peace, of cooperation and advance throughout the world.

The optimum implementation of provisions set forth by the 1976—1980 five-year plan will give a new impetus to the progress of our homeland on its bright way toward building up the manysidedly developed socialist society in Romania.