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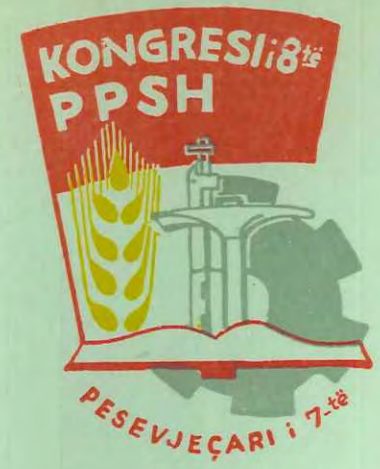
THE NATIONAL CONFERENCE ON THE ECONOMIC DEVELOPMENT OF THE PSR OF ALBANIA



THE NATIONAL CONFERENCE

ON PROBLEMS OF THE DEVELOPMENT OF THE ECONOMY IN THE 7th FIVE-YEAR PLAN

TIRANA 1983

THE NATIONAL CONFERENCE

ON PROBLEMS OF THE DEVELOPMENT OF THE ECONOMY IN THE 7th FIVE-YEAR PLAN

11th-12th April 1983

THE INSTITUTE OF MARXIST-LENINIST STUDIES
OF THE CC OF THE PLA

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TIRANA 1983

The National Conference on Problems of the Development of the Economy in the 7th Five-year Plan was organized by the Institute of Marxist-Leninist Studies of the Central Committee of the PLA, the State Planning Commission, the Institute of Economic Studies and the Faculty of Economics of the University of Tirana, in collaboration with the organs of the state and the economy in the centre and in the districts, from 11 to 12 April 1983 in Tirana.

Attending the proceedings of this Conference were leading cadres of the Party, the state and the economy, students of economic and social sciences, working people of production, etc.

The materials of the Conference were read in plenary sessions and in three sections.

This book, which is available for the foreign reader, comprises the closing speech by Comrade Ramiz Alia, Secretary of the CC of the PLA and President of the Presidium of the People's Assembly of the PSRA, the opening speech by Comrade Nexhmije Hoxha, Director of the Institute of Marxist-Leninist Studies of the CC of the PLA, the reports: «On the carrying out of the orientations of the 8th Congress of the PLA for the development of the productive forces and the main problems emerging therefrom», «The struggle for the implementation of the directi-

ves of the 8th Congress of the Party in the field of socialist relations of production and the main problems emerging therefrom», «Deepening the intensification of agriculture — the permanent main road of the development of agricultural production», «Increasing the efficiency of the economy — first-rate factor for fulfilling the planned tasks for the correct development of economic processes, and some papers which were read in the sections.

Comrade Ramiz Alia, member of the Political Bureau and Secretary of the CC of the PLA, speaking at the Conference.

COMRADE RAMIZ ALIA'S SPEECH

Comrades,

The National Conference on Problems of the Development of the Economy during the 7th Five-year Plan concluded its work with success. This Conference is a valuable contribution to the selfless struggle and work of our working class and cooperativist peasantry, of our cadres and specialists, to put into practice the great historic tasks set at the 8th Congress of the Party for the development of the socialist economy and culture.

The proceedings of the Conference were from beginning to end based on and permeated by the sound spirit and sense of duty the fulfilment of the directives of the Party calls for and which stem from the ideas and teachings of Comrade Enver Hoxha, as presented, in particular, in his work «On the 7th Five-year Plan».

We have entered the third year of the 7th Five-year Plan. The results achieved during the first two years (1981-1982) regarding the increase of the social product and national income are among the greatest ever achieved in the last

decade. Continuing on this road, our economy is emphasizing its distinguishing features as a truly socialist economy of relatively high-rate development, an economy without crises and inflation, with great possibilities of expanding social production and maintaining and increasing the well-being of the people, enhancing its own stability, and securing the independence and defence of the Homeland. This is a great historical experience which confirms the vitality of the teachings of Marxism-Leninism and the correctness of the line the Party has worked out and the policy it has pursued. **It shows incontestably that the economy of our country has all the possibilities to make continuous progress at relatively high rates, relying entirely on its own sources, without taking credits from abroad and without stretching out the hand to anyone for help.**

Our reality assumes a profound significance and a special political-ideological and socio-economic meaning particularly when we compare it with the situation in the countries of the capitalist, bourgeois or revisionist, world, with their crises of different kinds, with their stagnation and all-round degeneration in every field of life, when we see the clamorous failure of the «economic reforms» experimented in the Soviet Union and in the other revisionist countries, the deep crisis in Poland, and the utter failure, already thoroughly exposed, of the so-called workers' self-administrative system of the Titoites. All these failures and setbacks can no longer be covered up by any amount of social demagogy, however elaborate, any kind of manoeuvre, any manipulation of figures, any promises of «better times to come».

The analysis of the fulfilment of the plan

for the first two years of the five-year plan, which was made by the 6th Plenum of the Central Committee, and the tasks which this Plenum set, strengthen us in our conviction that the tasks the 8th Congress of the Party set in the 7th Five-year Plan for the development of the economy and culture will be carried out wtih complete success.

Warrant of this is the unprecedented mobilization and the spirit of revolutionary initiative which exists in all the working collectives of town and countryside. In every district of the country and in every field of activity, the working class, the cooperativist peasantry and the people's intelligentsia, under the leadership of the Party with Comrade Enver Hoxha at the head, are fighting more than ever for the fulfilment and overfulfilment of planned tasks.

Another evidence that confirms that every possibility exists to carry out with success the tasks set at the 8th Congress of the Party, is the holding of this important scientific Conference in which the vigour of the creative thinking of our economists and scholars has been fully expressed. In their reports, papers and contributions to the discussion, the comrades indicated many roads and possibilities for the solution of the tasks facing us, spoke of the great reserves of our economy, whose proper exploitation will guarantee the overfulfilment of all the targets set by the 8th Congress of the Party. Many valuable ideas and proposals were made at this Conference about problems connected with the development of the productive forces, the improvement of the relations of production and the raising of the efficiency of the economy over a long-term period.

On this occasion allow me, on behalf of the

CC of the Party and our beloved leader, Comrade Enver Hoxha, to thank all the comrades and congratulate them on their contributions and valuable proposals and suggestions. The Central Committee of the Party will see to it that all the party organizations and state and economic organs examine with due attention all your suggestions and take the appropriate organizational, technical and financial measures for their application.

Comrades,

The Party has decided that preparatory work for drafting the 8th Five-year Plan (1986-1990) of the development of the economy and culture should begin right now at all levels all over the country. The Central Committee of the Party, basing itself on the directives of the 8th Congress of the Party and on Comrade Enver Hoxha's work «On the 7th Five-Year Plan», has outlined the main orientations for the studies that will be carried out in this context. So our vanguard workers, cadres and specialists, our students in all domains are confronted with arduous tasks.

The experience we have gained hitherto, specially during the drafting of the 7th Five-year Plan, has convinced us that we must as soon as possible get down to work out and properly clarify the main socio-economic targets and objectives of the new five-year plan. Being a new step forward, every five-year plan raises new problems and sets greater and more complex tasks which must be studied, examined, discussed and weighed up in an all-round manner. This

process necessarily calls for careful preparatory work. Otherwise, problems are solved hurriedly and tasks planned on an empirical and subjective basis, and not on sound scientific bases, as the Party and Comrade Enver Hoxha require.

At this phase of work it is imperative to develop and promote a broad and qualified scientific thinking — socio, economic, financial, technical and technological and make a proper estimation and application of its achievements in production. In every branch of the economy and in every sector of social activity we are faced with problems whose successful solution cannot be conceived without all-round and thorough scientific study based on our experience and the latest achievements of contemporary knowledge. Only by proceeding more rapidly and persistently on this road shall we be able to apply the orientation Comrade Enver Hoxha issued at the 8th Congress of the Party. He stressed that, along with the efforts to ensure the complete fulfilment of the 7th Five-yar Plan, «an important task and objective of our science is to begin right now carrying out studies for the next five-year plan.»

It is important to point out that a number of signalled achievements have been made in the field of the development of the technical and scientific thinking. Our workers of science and technique, our advanced workers and innovators have studied, designed and executed on their own many of the industrial projects of the 7th Five-year Plan which are being built now or will be built in the years to come. Good progress has been made in the solution of problems connected with the advancement and modernization of the technique and technology of

production. In agriculture, too, many valuable studies and experimentations are being carried out to increase agricultural and livestock production, to introduce modern technology. Important results have been reached in social sciences — economic, historical, linguistic, as well as other sciences. The technical-scientific revolution has been deepened in all fields and has set in motion large masses of people.

The active participation of the vanguard workers and specialists in the efforts to find out more effective methods for the development and strengthening of the economy, culture and the defence of the Homeland, the unprecedented development of the creative and innovative thinking everywhere, **is a feature of the time which stems from the new political, economic and social conditions of our country, from the new dimensions of our social production, from the powerful material-technical base it is equipped with.** This is the result of the great work the Party has done and continues to do in order to prepare our people politically and scientifically, it is the result of the broad and active democracy of our social order, which has created all the possibilities for the working people to have their say in everything, to take upon themselves tasks of responsibility and to carry them out in the interest of society, the building of socialism and the defence of the Homeland.

The road in which the development of our economy has proceeded in conformity with the Marxist-Leninist line of the Party has been correct. It has led to the creation of a multi-branched structure, with a complex industry, agriculture, construction building and transport, relying on a powerful material-technical base.

This has brought about the further strengthening of both the political and economic independence of the country, and created the conditions for the systematic uplift of the standard of living of the working masses. **In the future, too, we will continue firmly on this road, deepening and advancing it further in conformity with the new stage of development and the new economic and social conditions and the achievements made up to this day.**

Speaking about the general orientations of the studies which must precede the drafting of the plan, Comrade Enver Hoxha pointed out: «The 8th Five-year Plan is based on the realization of the 7th Five-year Plan, on the real possibilities created by the latter, on the experience accumulated and on a scientific calculation of the probable limits we will attain in the next five years». A more profound scientific knowledge of these possibilities and perspectives, about which Comrade Enver Hoxha speaks, will enable us to determine exactly and correctly the impact of the changes, both qualitative and quantitative, that will be made in the structure of our economy during the next five-year plan.

Our studies will cover various fields and sectors of the economy, culture and the defence of the country. In all of them, there are problems that require qualified solution.

Without going into details for every particular field, we must stress that **the studies that will be conducted for the development of industry, especially the energy and extracting and processing industry, present special interest.** We have already created a powerful and independent energy system, have a structure of energy re-

sources capable of fulfilling all the needs of the country and creating a surplus for export. In the coming five-year plan the Party will continue to pay special attention to the development of the energy industry, in all its branches, to the extraction of oil, gas, and coal and the production of electric energy, especially from hydro-power stations. Studies in this field should aim at solving the problems of this industry so as to lead to the further strengthening of the energy base and its most effective possible use. Problems here must be seen and assessed as they are in reality, as two inseparable aspects of the same objective of capital strategic importance — to guarantee the independent development and ceaseless intensification of our socialist economy.

The proportions the mineral extracting and processing industry has assumed in the 7th Five-year Plan call for a more complete estimation of our mineral resources. All work in this field should absolutely be preceded by thorough studies in order to find out the most convenient roads for the increase of the potential of geological, industrial and forecast reserves, as well as for the establishment of an optimum ratio, as regards both quantity and quality, among them. Only in this way shall we manage to create a higher degree of reliability in the extraction of minerals during the 8th Five-year Plan and later, to increase the possibilities of their discovery, as well as make more accurate forecasts of the further development of the extracting and processing industry.

On this correct road, greater possibilities will be created to further broaden the perspective already opened up to the development of

metallurgy in general and ferrous metallurgy in particular, to deepen the full-cycle processing of our main minerals and to strengthen more and more the independence of our country and its economy. Applying its correct Marxist-Leninist line and the teachings of Comrade Enver Hoxha, the Party has prepared this perspective gradually and patiently, and with great perseverance. And now we must take another big stride ahead in order to make the most profitable possible use of this potential for the complete construction of the material-technical base of socialism.

The stage reached now by our metallurgy and its future development call for more comprehensive studies in **the engineering industry to enable it to proceed further on the road of the extensive production of equipment and machinery.** This is absolutely necessary and decisive for the development and intensification of all the branches of the economy, the application of new technologies, and the increase of the productivity of labour. For this historical task to be carried out, the Party demands that a radical change be made in this key branch of the economy during the 8th Five-year Plan. Comrade Enver Hoxha points out, «Artisan concepts, outdated methods and inefficient organizations existing in this branch of industry should be done away with ruthlessly.» «Studies in this industry,» says Comrade Enver Hoxha, «should focus precisely on these questions and on an all-round preparation for the tasks which it will take upon itself to solve.»

In the great preparatory work that will be done for the drafting of the 8th Five-year Plan, particular attention should be paid to the study

of questions connected with changes in the structure of agricultural production, with the further intensification of agricultural production and with the further intensification of our entire agriculture — in the plains, in the hills and in the mountains. The strategic targets set in this branch and the complete construction of socialism in the countryside, too, have been clearly explained by the Party and Comrade Enver Hoxha. They aim at ensuring, through the application of modern scientific criteria, the stability and structural improvement of the food supply, of the population of town and countryside, the fulfilment of the needs of industry for primary materials, the increase of the export of finished agricultural and livestock products, as well as a perceptible rise in the efficiency of expenditure for agricultural production. Studies in the field of agriculture should give the answer to the above problems. Problems in agriculture must be treated in such a manner as to guarantee the solution of the most important tasks the 8th Congress set for the extension of the zone of priority intensification, without in the least neglecting the other zones.

The main social function of the development of our economy **has been and remains the guaranteeing and improvement of well-being, the meeting of the growing material and cultural demands of all our working people.** Taking account of the development of demographic processes, the question of well-being requires more studies and new solutions, so as to guarantee the full employment of the new active forces, the growth of the real income, the improvement of the quality of the goods of everyday use, the

improvement of the structure of the people's nutrition and, in general, the narrowing of the essential distinctions between town and countryside.

Special studies must also be made of the problems of the development of the light and construction building industries, of education and culture, the protection of the people's health and the system of social insurance, housing, the services and the cultured recreation of the working people, as well as of other problems of our socialist life in town and countryside.

The development of the different branches and sectors of the economy and culture, and the strengthening of the country's defence demands that, before initiating special studies, **general complex studies** should be carried out. This is dictated by the ever greater extension and multiplication of economic connections, the increasing integration of branches and sectors into the general pattern of the national economy, by the organic links existing between different sciences, and the socio-economic objectives which we want to attain on the road of the complete construction of socialist society. In this context, **I want to stress some cardinal problems** which have to do with the quantitative and qualitative changes we intend to make in the economy and culture, in science, technique and technology, in perfecting the socialist economic relations and in other directions in the future.

Our main objective remains the development of social production at relatively high and steady rates. This is a question of fundamental importance for the destiny of our people, for the development of all the branches of the economy

and zones of the country. Comrade Enver Hoxha teaches us that the rates of development of production are connected with the fulfilment of the growing needs of the entire society. High rates of production are required to cope with the population growth and the full employment of the new active forces to increase the sources of accumulation for the extended socialist reproduction, to increase the real income per capita and narrow the essential distinctions between town and countryside, to ensure educational and cultural development and the protection of the people's health, the increase of reserves and the strengthening of the defence of the Homeland.

At a time when our socialist production has assumed large proportions maintaining relatively high development rates calls for thorough studies and analyses, especially of the roads of achieving them. These roads we must seek and find in our experience hitherto as well as in the new possibilities created by the planned development of the forces of production and technical and scientific progress.

The question is to look for and find the optimal variants of harmonizing the various factors and roads of the development of production: through the exploitation in depth of the existing material-technical base and through new investments; through a more rapid increase of the productivity of labour and growth of the new active forces, through the expansion of the natural resources and energy sources and their complex and intensive exploitation; through the increase of the fund of accumulation and its more efficient use, and so on. These questions, which are connected with the rates of development, should find the broadest possible reflection in the studies that will be made in the various branches and sectors of the economy to increase exports and relatively reduce imports, to develop science and education, to improve the training of cadres and the development of our socialist culture.

Proceeding from both a principled and practical position, we come to the conclusion that **special studies and research should be carried out for the further increase of the effectiveness of the economy.** In this direction, every study should in the first place be aimed at finding new roads for a systematic reduction of production costs and the increase of the productivity in every enterprise, cooperative, branch or sector of the economy, as well as for the increase of the financial income on a state level. Problems of cost, circulation and investments in industry, agriculture and other fields require our all-round attention.

Large investments have been and will continue to be made for the development of heavy industry. This has been and remains a correct line, which our Party has pursued and will constantly pursue in the future, as required by the Marxist-Leninist principles of the industrialization of the country and the complete construction of the material-technical base of socialism, as required by the interests of the development of the economy, the enhancement of the degree of its independence and the strengthening of its defence potential. A permanent major problem facing us is to increase the productivity of the heavy industry ever more **so that it copes ever better with the tasks of its own expansion**

and strengthening, and helps the further development of the other branches of the economy.

In agriculture, especially in the cooperatives, some investments have been made without very clear ideas of the perspective development and without complex measures to support them. This has come about both in cases of investments with bank credits or state participation, and investments realized through other facilities created for the cooperatives. In order to ensure the effectiveness of all investments, the Party demands that from now on every new investment in agriculture must absolutely be accompanied with higher production and lower expenditure for unit of production. Otherwise, the buying power of the countryside, which must be covered with goods, increases in an artificial manner.

In some branches and sectors of our economy, there are productions and activities which for various known reasons, are carried out at a loss and on a dotation basis. It is necessary to take all the measures (through investments and other means) for the creation of proper conditions for them to work and produce on a profitability basis. Otherwise our economy will continue to cope every year with a burden of excessive expenditure. Therefore, in this direction, too, it is necessary to carry out organized studies and set precise tasks so as to make the most of our investments.

Comrade Enver Hoxha has stressed that in all the questions and problems connected with the increase of the efficiency of the economy, an important and ever increasing role should be played by our financial and banking system

which should delve deeper into the problems of production, distribution and investments, as well as strengthen, to this end, active and preventive control by means of all the levers of our economic and financial system. In this regard, the control organs, especially those of the base, should be directed and operate in such a manner as to be really in a position to discourage all manifestations of narrow interest in every field of economic-productive activity, and more radically influence the development and administration of socialist property.

Finding new roads and possibilities for the increase of production and its efficiency is **inseparable from the efforts made for the modernization of the existing technologies and the introduction of the more advanced methods of production.** This is one of the most important problems facing all the branches of the economy, education and culture, and here our innovators, scientists and specialists can have their weighty say. «**We must improve the technology of everything we have, and everything we create we must adapt to the new technology**», says Comrade Enver Hoxha.

Modern technology is the synthesis of the achievements of the applied, technical, natural and economic sciences, as well as the advanced experience of production. Therefore, knowledge and application of it cannot be achieved without coordination and cooperation among various sciences, among specialists, technologists and workers of all branches and sectors of the economy which are connected with and conditioned by one another. So studies connected with technical and scientific progress should be carried

out in more suitable forms and ways, combating all mouldy and narrow concepts about the organization of production, the complex processing and exploitation of natural resources, etc.

Extraction of useful minerals has put on the order of the day the problem of the modernization of technology in prospecting, discovering, extracting, processing and utilizing these assets. Here lies a great potential which must never be neglected. Therefore, studies in this field must deal mainly with the solution of problems carrying decisive weight in the broadest possible and complex utilization of our mineral reserves. Here, **determining new technologies for the prospecting, exploiting and processing of oil is of special importance.**

Application of advanced technologies requires appropriate forms of organization and production. Let us once again refer to the **engineering industry.** It is impermissible, but the fact is that this industry is frequently regarded as being made up of single independent units, much like the erstwhile mechanical workshops, not as a whole, in the service of the national economy. Obviously, the old mentality cannot conceive the great and irreplaceable role the engineering industry should play at the present stage and the tasks it should cope with in order to secure the dynamic development of our economy in depth and breadth.

The road to the solution of this contradiction is known. It is absolutely necessary to overcome the various organizational and bureaucratic obstacles of narrow departmental interests, **to deepen specialization and scientific cooperation with a clear and long-term perspective of**

production. Without proceeding with determination and conviction on this correct path, which the Party and Comrade Enver Hoxha show us, we will not succeed, in the conditions of our small country, to set up serial production on a relatively large scale and ensure the lowest possible cost in the engineering industry. Hence, of special interest are studies connected with these problems, as well as studies about the organization and strengthening of specialized design which should ensure a higher degree of complex coordination and harmonization of technical and technological thinking with economic and financial thinking.

At the 8th Congress of the Party Comrade Enver Hoxha declared the **intensification of agriculture** as a task of first-rate importance. In this direction, today and in the future, the application of modern technologies to achieve a large-scale increase in the yields of crops and in the productivity of livestock farming will play a primary role. Studies in these fields will certainly suggest the application of more complex and intensive methods to increase the yields of all field crops as well as the productivity of all kinds of animals through the application of new technologies in their feeding and management.

An all-important problem, connected with every branch and sector of the economy and culture and occupying a **conspicuous place in the studies for the next five-year plan, is that of the perfecting of the socialist relations of production.** The problems which have to do with the strengthening of the cooperativist order, with the personal plot of the cooperativists, with the transformation of group property into the property

of the entire people, with the gradual transition of some agricultural cooperatives to state farms, or with the new features the property of the entire people will assume in this process of development — are complex problems whose correct solution should become the concern of the working people, not only of agriculture, but also of industry, trade, construction, finance, culture, education, etc. Therefore, the problems of the perfecting of socialist relations of production must be made an object of study in all branches and sectors.

The same may be said about the problems which have to do with the relations of exchange between town and countryside, the system of wages, the attestation and qualification of working people, the training of cadres and their employment, etc.

The problems connected with the development of the relations of production should be made the object of special studies not only by the institute of social sciences, but also by the economic departments and the districts.

Comrades,

The large-scale preparatory work that will be done for the drafting of the 8th Five-year Plan is a very important political, economic, social and scientific action. For this action to be carried out with success **it is necessary that all the organs of the Party, the state and the economy, all the creative and scientific forces and organism of the country, should mobilize themselves with greater application.** The Central

Committee of the Party has the full conviction that the leading cadres at all levels and the great army of our talented and skilled specialists, students and vanguard workers without distracting even for a moment their attention from the actual management and control of the fulfilment of the planned tasks for the year 1983 and the entire current five-year plan, will apply all their forces and knowledge to ensure that studies for the 8th Five-yar Plan and long-term forecasts are carried out at the highest possible scientific level so as to serve the development of our socialist economy and culture best.

In the conclusion of the National Conference on Problems of the Development of the Economy, allow me on behalf of the Central Committee of the Party to congratulate the Institute of Marxist-Leninist Studies, the State Planning Commission, the University of Tirana and the Institute of Economic Studies on the very good organization of this important Conference, to congratulate once again the authors of the reports and papers, as well as all those who have contributed to the success of this Conference.

Let this experience and the materials of this National Conference serve us to struggle with greater determination and creative spirit for the consistent application of the teachings of the Party and Comrade Enver Hoxha, for the successful fulfilment of all tasks that lie ahead of us. Let us mobilize all our inexhaustible and ever renewed energies and efforts for the complete construction of socialism and the defence of our socialist Homeland.

Long live the Party of Labour of Albania and its Central Committee with Comrade Enver Hoxha at the head!

Glory to Marxism-Leninism!

The presidium of the scientific session of the Conference. Comrade Nexhmije Hoxha, member of the CC of the PLA and Director of the Institute of Marxist-Leninist Studies of the CC of the PLA, holding the opening speech.

COMRADE NEXHMIJE HOXHA'S OPENING SPEECH

Comrades,

The National Scientific Conference on Problems of the Development of the Economy in the 7th Five-year Plan, organized by the Institute of Marxist-Leninist Studies of the CC of the Party, the State Planning Commission, the Institute of Economic Studies and the Faculty of Economics, in collaboration with the state and economic organs in the centre and in the districts, begins its proceedings today.

Allow me on behalf of the Organizing Committee to thank all the participants in the Conference, and especially the leaders of the Party and State, whose presence here is a great honour for all the scholars and working people interested in the problems of the economic and social development of the country.

The drafting and approval of the 7th Five-year Plan was a marked event for our Party and people, because it envisages objectives, tasks and structural improvements of the economy which are the greatest ever set in any previous five-year plan both as regards their importance

and their political and social significance for carrying the construction of socialism further forward. At the same time it is the first five-year plan that was drafted and is being carried out relying completely on our own internal forces and possibilities, without any kind of aid or credit from abroad.

This Conference will carry out its proceedings at a time when the broad working masses, under the leadership of the Party with Comarde Enver Hoxha at the head, have mobilized all their forces to put into practice the historical decisions of the 8th Congress of the Party. The two years elapsed since the 8th Congress was held have been characterized by the growing mobilization of the working class, the cooperativist peasantry and people's intelligentsia for the fulfilment and overfulfilment of the planned tasks. As a consequence, our socialist economy is going forward at relatively rapid rates, coping with and overcoming the difficulties of socialist growth, as well as those created by the external enemies. It is strong and dynamic, with constantly growing stability and with great possibilities of further developing and extending the social product, of raising its efficiency in all directions. On this sound basis, the Party carries forward the socio-economic development of the country on the road of socialism against the capitalist-revisionist ocean, in a period of aggravate crises and various political, economic and social upheavals in the capitalist and revisionist world. These recurrent crises are eating away the foundations of the structures and all the other elements of the world of capital, while at the same time, revealing the utter failure of the

«economic reforms» applied in the Soviet Union and in the other revisionist countries, as well as the bankruptcy of the Titoite so-called worker self-administration.

The objective of this Conference is to analyse the course of the more important processes of development of our economy during the recent two years, drawing conclusions and making generalizations which should assist in the fulfilment of tasks and the correct solution of problems for the whole 7th Five-year Plan, as well as raise new problems which have to do with the perspective development of the economy. For this purpose, the materials prepared for this Conference take in due consideration the directives of the 8th Congress of the Party, the analysis of the 6th Plenum of the Central Committee and the teachings of Comrade Enver Hoxha, presented especially in his work «On the 7th Five-year Plan».

The proceedings of this Conference should further encourage and enliven the scientific, economic, financial and technical thinking of the specialists and cadres of the Party, the State and the economy, the innovators and workers, in order to deepen the technical-scientific revolution, always fulfilling the planned tasks and raising the efficiency of the economy.

Allow me to declare the Conference open and wish it complete success in its proceedings.

REPORTS

Petro Dode
First Secretary of the Party Committee of the Shkodra District

Prof. Hasan Banja

ON THE CARRYING OUT OF THE ORIENTATIONS OF THE 8th CONGRESS OF THE PLA FOR THE DEVELOPMENT OF THE PRODUCTIVE FORCES AND THE MAIN PROBLEMS EMERGING THEREFROM

The stage reached in the socio-economic development of the country as well as the historical stage of the complete construction of the socialist society have put forward a number of problems in all fields of life. They are linked with the economic base and superstructure of society, with its material and cultural development. Among these problems, **the constant all-round and high-rate development of the productive forces constitutes one of the main factors for the ceaseless advance and strengthening of our order.**

Thanks to the political and socio-economic conditions that have been created under the leadership of the PLA, with Comrade Enver Hoxha at the head, the productive forces have

constantly developed on an ascending line, in conformity with the demands of the economic laws of socialism which are embodied in the economic policy of the party and reflected in the general unified state plan. They are unfettered by antagonistic contradictions which slow down and impede their advance, as happens in the capitalist, bourgeois and revisionist society.

The economic policy of our Party has always been correct, principled, and far-sighted. It is aimed at ensuring that **the productive forces, the sciences and technique develop in complete conformity with the Marxist-Leninist ideology, with the fundamental interests of the peoples, with the creation of conditions for the complete construction of socialist and later, communist society.** The «theory of the productive forces» or of treating the relations of production separately from their material base, has always been alien to our Party. The simultaneous development of the two aspects of the mode of production has led to the creation of a complex and multi-branched socialist economy capable of developing according to the Marxist-Leninist principle of self-reliance, of standing all the tests of the times and of coping with the imperialist-revisionist encirclement and blockade. The rapid socio-economic development of the country, the fulfilment of the ever growing demands of the people, the economy and the defence of the Homeland, have been the fundamental aims of the Party.

In nearly four decades of the people's power in Albania big strides forward have been made in the development of the productive forces. They have been constantly strengthened and renewed, thus enabling extended socialist re-

production to take place at an ever larger scale and creating totally new features, structures and contents. The structure of the basic funds, which constitute the material base for the development of the productive forces, has been constantly improved. In the period 1975-1981 basic funds increased about 54 per cent. However, the greatest achievement in the context of the development of the productive forces is our new man, educated and tempered by the Party with an ever higher ideological, educational and technical level, capable of carrying forward production and the technical-scientific revolution. In 1981 the number of workers with higher training and with medium professional training has increased over 12 and 14 fold respectively as compared with 1960, and the number of workers in the state sector of the economy has grown about 3 fold. All this has brought about an increase in the **social product by about 4 fold, against the 1.7 fold increase of the population during this same period.** Such development of the productive forces has supported and ensured the dynamic growth of the population, the full occupation of the active forces of society with useful work, the introduction of natural resources into economic circulation, the constant raising of the well-being of the people, the strengthening of the dictatorship of the proletariat and the defence potential of the Homeland.

The development of the productive forces in Albania knows no anarchy and competition, is not disrupted by economic crises, nor is it governed by the laws of the capitalist market economy and profit, whereas the modern revisionists in the Soviet Union and in the other former so-

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cialist countries have given the green lights to the operation of the economic laws of the capitalist mode of production through the «economic reforms» they have invented and carried out in practice. In these conditions, the aim of production and the physiognomy of the economy has changed radically there; the productive forces either stagnate or grow at very slow rates; their economy has entered a profound and all-round crisis. This crisis has also shaken the foundations of the Yugoslav economy, which is an expression of the complete bankruptcy of the capitalist system of Titoite «self-administration».

The structure, proportions and dimensions achieved in the development of the national economy of Albania as was stressed at the 8th Congress of the PLA serve as the sound groundwork on which the further development of the productive forces envisaged in the 7th Five-year Plan is based. In his analysis, summing-up and scientific synthesis of the main problems of the development of the productive forces Comrade Enver Hoxha pointed out: «Our socialist economy enters the new five-year period of its development with stability, dynamic and with great possibilities to develop and extend social production further and raise its efficiency in all directions.»[1] In this five-year plan social production is envisaged to grow at an average annual rate of 6.4 per cent as against 4.6 per cent in the 6th Five-year Plan.

The fulfilment of the targets for the country's economic development under the 7th Five-year Plan, as well as the opening up of new perspectives call for a more profound knowledge and the ever correct solution of the problems that crop up in the field of the further development of the productive forces, the fullest possible utilization of the material, technical, human and financial resources and factors our society has and ceaselessly creates on the road of its non-stop socialist development.

The analysis and treatment of these problems are connected with the carrying out into practice of the directives of the 8th Congress of the PLA, the teachings and ideas of Comrade Enver Hoxha, which have been especially expressed in his work «On the 7th Five-year Plan». From the analyses of the most important problems of the development of the economy in these past two years, we must reach conclusions and make generalizations for the solution of problems linked up with the 7th five-year Plan in general, and raise some problems which have to do with the perspective development of our economy.

I

The full exploitation of the productive capacities, their expansion and modernization is the fundamental problem of the development of the productive forces in the 7th five-year Plan and in the future. The development of the social production is firmly based on the increase of the fundamental investments and constructions, the setting up of new branches of industry and the expansion of the existing ones, on the new work fronts that will be opened in town and countryside, giving priority to the sphere of material produc-

1 Enver Hoxha, Report to the 8th Congress of the PLA, Tirana 1981, p. 11, Eng. ed.

tion. Proceeding on this road has been correct and natural. It has been and is conditioned by the historical need to overcome the centuries-old backwardness within a relatively short time, to ensure the ceaseless development of the productive forces at high rates and to raise them to a higher technical level, to build up the complete material-technical base of socialism. However, as the Party teaches us, this road, which continues, **must necessarily be combined with the intensive road of development, as a feature and demand of our socialist economy.**

In the present conditions, and in the future too, this question comes up foremost, because of a series of factors.

1. The 8th Congress of the Party emphasized that in the 7th Five-year Plan the growth of the social production and national income, and the further raising of the efficiency of the economy should be achieved through **the better combination of the extensive road with the intensive road of development, giving priority to the latter.** This is evident also from the fact that about half of the increase in the total social production and national income and more than four fifths of the increase of the volume of industrial production will be ensured from raising the productivity of social labour and from a more complete utilization of the existing productive capacities. Likewise 90 per cent of the increase of agricultural and livestock production will be achieved through raising the yields of crops and livestock. Proceeding on this road will deepen the intensive aspect of the development of the economy in all its indices.

2. The precedence the intensive road of development of the economy has assumed is also

based on the **generally new condition of the basic funds** in all its branches, and on their structure which is in constant improvement. The greater part of the basic funds for industry is made of their active part, which Marx describes as the bone and muscular system of the means of production, about one third of them are of the age of 1-5 years, whereas the average amortization accounts for no more than one third of their total value.

3. It is important to point out, lastly, that the productive capacities and projects already under exploitation **are not unchangeable quantities.** Experience shows that they tend to change constantly towards growth, along with the technical-scientific progress, the expansion and deepening of the scientific knowledge and work habits of the working people, the raising of the level of management and the application of more efficient methods of organization of production and social work. On the other hand, experience has also proved that in special cases and for different reasons (planning of the volume of production with withholding of reserves, shortcomings in the management and organization of enterprises, in the supply of material-technical means, etc.) the productive technical-scientific, material and human potential which our society has created, is constantly expanding and perfected, is not yet placed fully in the service of the economy.

The priority development of the power industry, the mines, the ferrous and non-ferrous metallurgy, the chemical industry — both organic and inorganic, the primary and deep processing of oil, and the engineering industry has vital importance for the further development of productive forces, for the construction of social-

ism and for the ceaseless strengthening of the economic independence of the country.

Productive capacities are utilized more thoroughly and with higher efficiency when they are considered and dealt with in a national context, that is, meant to serve the whole economy and not one department only. Our country disposes of a powerful engineering industry capable of turning out complete machinery, equipment and spare parts and of ensuring their regeneration, of maintaining the implements of production of all the branches of the economy in working conditions. Despite all the achievements, this branch of industry still does not fulfil as it should the tasks set for it in the present stage of the development of the economy and for the future. For this to be achieved it is required that it works with greater efficiency, improves the quality of production, puts the studies and designing on sounder bases through a better utilization of the capacities of its engineers, technicians and skilled workers; further deepens its specialization and cooperation so that plans are made on a national scale, while, at the same time, maintaining the profile of each enterprise, and spare parts are regenerated with a higher technological level, as the more fruitful road to cope with the growing needs of the economy through ever less social work.

In the conditions when the engineering industry is centred both on combines and big factories, and on administratively distributed units in all the districts of the country and dependent on different departments, it is high time its organization and management were raised to a higher level.

The main road for a more thorough application of the intensification in the economy is the **technical reconstruction of the existing workshops, factories, departments and production lines.** This is a very profitable road which saves time and social work, improves the quality of production and encourages its growth, and raises the technical and technological level of production with less fundamental investments and work force. At the 8th Congress of the Party, Comrade Enver Hoxha points out. «This is an advantageous course which results in large savings of funds for construction and speeds up the extension of productive capacities, based on a higher level of equipment and technology.»[1] In the current five-year plan 40 per cent of the investments in industry and the other branches of the economy will be made to expand and modernize the existing productive capacities. In the coming five-year plan it will constitute the more important road on which the development of industry and the other branches of our economy will proceed. The economic profitability of this road is obvious from the work that is being done for the reconstruction of many enterprises of the heavy processing industry, the light and food processing industry, in the reconstruction of irrigation and drainage works in agriculture, etc.

For reconstructions, just as for the new projects, to yield the desired effect, they must be conceived and carried out not merely as expansions of productive capacities, but, above all, as **their modernization on a new technical and technological level and with higher economic profitability.** This will lead to doing away with the

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 44, Eng. ed.

practice which is noticed in some cases of borrowing that technique and technology which is already known and which is easier to apply, without proper consideration for their qualitative indices and economic efficiency. In this process, too, we must rely on the more advanced level of the material-technical base we have created and the existing technical-professional capacities of our working people, without taking untimely steps to adopt techniques and technologies beyond our present possibilities.

The demand for scientific planning should and must lead to the application of unified criteria, norms and advanced experience in the utilization of productive capacities in the enterprises destined for similar production. Of great assistance in this direction is the working out of more precise methods for calculating the productive capacities in the individual branches of the economy, a more scientific study of the schedule of the building and commissioning of new projects, a more accurate definition, planning and following-up of technical-economic indices in the utilization of the implements of work.

The extension of the time-limit in tapping new productive capacities and their incomplete utilization have a negative influence on the attainment of the goal of increasing the social product and especially, the net product in every enterprise and on an economic branch level.

II

A distinctive feature of the development of the productive forces of the country, the strength

and vitality of our socialist system of the economy, **is the continuing growth of the volume of investments and fundamental constructions and the ceaseless improvement of their structure.** The capacity of our society to invest in the increase and perfecting of its productive forces as well as in the development of the socio-cultural sectors, in housing units and other sectors, have increased continually from one five-year plan period to another. The bulk of investments goes to the productive sphere. During the thirty-year period 1951-1980, about two thirds of state investments have been used for the development of industry and agriculture, as the two key branches of the economy.

The 7th Five-year Plan marks a great step forward in the field of investments. Their volume is envisaged to reach billions of leks, equal to the total volume of investments our country made during the twenty-year period 1951-1970.

The first problem that emerges here is the fulfilment of the plan of general state income in financial terms, **the creation of financial accumulation in order to cope with the increased volume of fundamental investments that will be made in this five-year plan in the economy and the social-cultural sectors.**

This is one of the main tasks that the 8th Congress of the Party has set in this field. For this to be achieved constant care must be devoted to every link and every cell of the economy. Experience shows that the targets set in this field are attained when the planned tasks of production, productivity of labour and cost are realized on all fronts and rhythmically, when a regime of frugality is enforced everywhere. This is the

road on which our economy will proceed for the increase of socialist accumulation as the only source of financing fundamental investments on ever greater proportions. Otherwise, society will not have sufficient monetary funds to finance the constant development of the economy and the social-cultural sectors at the levels and directions envisaged in the plan.

Another, just as important aspect of the accumulation, regarding its composition, is its support with the respective material-technical base, **the conversion of the financial accumulation into real, productive accumulation.** This is achieved when constructions, machinery and technical equipment are ensured, both in quality, quantity and in time, both through the increased local production of them and through exchanges on the international market of part of our social production for them.

The proportions of social production today raise the urgent need for the establishment and maintenance of the most correct possible ratios between the productive sphere and the non-productive sphere, between sub-divisions, between branches and between all the cells of the economy, both during the planning and during the carrying out of the plans. In this process, the main objective of the work of the Party, the state organs and the economy remains the priority development of the productive sphere, because production is the main sphere of the activity of society, the pivot of the entire socio-economic development. Production is the determinative factor of the volume and variety of the relations of distribution and exchange, one which has a direct influence on the fulfilment of the needs

of society and the people, on the raising of the material well-being and the cultural level of the working people. However, there are cases in which a sort of detachment is noticed in the leading activity of the organs of state power and the economy, especially in some departments and districts. It is correct that they interest themselves in the economic vital work which is connected with the improving of the living conditions of the working people, but this interest they take is incomplete and ineffective when it fails to be as intense as it should also for the problems of construction, the coming into production of new projects or those under expansion, modernization and which ensure the further development of production.

The increased volume of fundamental investments and constructions intended for the development of the productive and social-cultural sectors, and for the strengthening of the defence capacity of the country **must be matched with the corresponding development of the engineering industry and the building materials industry.** This has decisive importance for fulfilling the plan of investments of the current five-year plan as well as for taking new steps for expanding and modernizing the material-technical base on a self-supporting basis. Despite all the progress made, the part of the implements of work against the means of production is still insufficient which speaks of the need for the all-round development of the engineering industry. Besides this, stepping up the rates of constructions and lowering costs in this sector calls for increased efforts to extend the assortments of construction materials and to improve their quality, to expand the production

of prefabricated objects and elements, to raise the degree of mechanization of work, to turn building sites into assembly sites, etc.

The 7th Five-year Plan for fundamental investments and constructions **was, more than any other five-year plan, based on our own studies and designs.** However, in the process of its carrying out, some problems have emerged which must be solved. More than any other time today projects in all fields should be preceded by proper construction designs, especially the technological and mechanical designs. Comrade Enver Hoxha has laid before the designers the task that «... designs should be as simple as possible, take well into account the functional and technological aspects of the objects they are intended for at the lowest cost, setting reasonable limits to the amount of construction fund».[1] This task has already assumed a very acute importance, because in this five-year period we must cope with our own forces with a volume of studies and designing work for industry which is three times as big as that of the 6th Five-year Plan. It covers not only the construction of new projects but also the expansion and modernization of the existing projects. So it is a voluminous and varied work which calls for the **integration and generalization of sciences, the raising of the productivity of labour by scientific institutions and designing, technological and mechanical bureaus.**

Today more than ever before technical-scientific progress is required to lead to the reduction of that cycle which begins with studies, experimentations, laboratory and semi-industrial tests, the drafting of designs and making of estimates, and ends with the phase of the production of the implements of work and the construction-assembly work.

1 Enver Hoxha, «On the 7th Five-year Plan», p. 470, Alb. ed.

Hence the conclusion that work must be accelerated in order to calculate and approve the normative coefficients and time-limits for the economic profitablity of the fundamental investments and constructions, with a view to achieving that the programs and draft-ideas for the main projects of the 8th five-year Plan (1986-1990) are prepared and approved in time.

The problem of fundamental investments in our socialist economy has always been and remains an important one. This is linked with the economic policy of the Party for the non-stop development of the productive forces, the social-cultural sectors, and for the strengthening of the defence potential of the Homeland. It is linked with the essential feature of our economy — its planned and harmonious development all over the territory of the country. By means of its ceaseless investments our society consolidates its economic foundations, resolves many social problems on the correct road and opens up new perspectives for the future.

A correct solution of these problems is beyond achievement, provided the **organizational and management work in the economy** is raised to a higher level. Along with improving the work for the construction of projects, this calls for the enhancement of the role and responsibility of the investors, the financial organs and the State Bank for the carrying out of the tasks in the field of studies and designs, financing

and control through the lek, the following-up and control of implementation of investments plan and their economic profitability, independently of the plans of different voices and the manner of the execution of work (in the economy or in the enterprise level).

The development of the productive forces and the social production through investments and new fundamental constructions raise the need for the planning organs and investors to strive more **for the combination of the large-scale production with the medium and small-scale production**, for the setting up of large and medium-sized enterprises, but also for the setting up of complete technological departments and lines. Likewise more efforts should be made right at the stage of technological studies and designing for the correct solution and harmonization of instant expenditure of investments with the yearly expenditure at the time when the new factory, production line or department come into production.

III

The development of the productive forces is closely linked with the ceaseless strengthening and the effective use of the energy base and primary materials. A powerful base of primary materials and energy sources, which is being constantly expanded and perfected, has been created in our country. Now we extract and process more than 40 kinds of primary materials, hydrocarbours and useful minerals, of which more than four

fifth are fully or partly procesed. On the other hand, as a result of the socialist industrialization and the intensification of agriculture, the incidence of material expenditure has increased as well. Today it accounts for about 60 per cent of the social product, 68-70 per cent in industry and constructions, and 45 per cent in agriculture. The best and most efficient use possible of this base in the process of production and in other social activities, as well as in the increase of the national income at rates higher than the social product, the expansion of exports and the relative reduction of imports, is among the main factors on which the fulfilment of the tasks of the 7th Five-year Plan is based.

a) The first problem in this field is **the improvement of the balance of mineral reserves, the discovery of new mineral sources and minerals, and the deepening of the complexity of geological work, while raising its economic efficiency.** In order to enhance the vanguard role and the part of geology in the process of the deepening of the socialist industrialization of the country the needs of the extended socialist reproduction and export for mineral primary materials must be combined with geological reserves and especially with industrial reserves which should be taken into account in planning production, with a view to ensuring that geological reserves not only precede, but for a period of time be double the amount of industrial reserves in them. Likewise, the establishment of optimal ratios as well as the preparatory work in mines to ensure available and tapped reserves, are absolutely necessary to guarantee the perspective development and the normal and rhythmical pro-

cedure of production. This requires the carrying out of studies on the part of departments through the active participation of the scientific institutes of oil and gas, geology and mining, so that the role and part of geology in forecast studies — so necessary for the development of the productive forces in the desired directions, — should be raised.

Our scientific activity in the field of geology, technology and economy should be further extended into the field of prospecting for and discovering of new minerals, finding the ways and means for the enrichment and industrial processing of low-grade minerals, and revisioning the conditions set for each mineral, so as to increase the profitability of their introduction into the economic circulation today and in the future. Of great economic and technical-technological interest is the more complete evaluation of the useful contents of minerals, because many minerals, especially the polymetal ores, are often considered to be poor, hence are excluded from the industrial reserves or treated as ordinary waste. The experience over the last five-year plans in the field of studies and designing for mineral enrichment shows that the possibilities exist for this great and scientific qualified work to be carried out on a broad front with our own forces.

b) In the directives adopted at the 8th Congress of the Party for the 7th Five-year Plan, **high rates were set for the further development of the energy base**. For many years now our country has an active energy balance, meets its increasing needs with its own resources, and exports the rest of the energy produced. The importance of this becomes still more evident if we consider that many European states such as

Italy, Yugoslavia, Bulgaria, Czechoslovakia and others, have to cope with 45 to 90 per cent of their energy needs through imports.

Despite the recent increase on the part of coal and fuels in the energy balance, **oil and gas continue to figure topmost** in the structure of primary energy sources. Therefore, the high rate development of this branch of the power industry remains an important strategic task for the present and the future of our economic development. The discovery and utilization of new oil and gas sources clearly testify to the correctness of the economic policy of the Party for the development of this industry, despite the attempts of the internal and external enemies to sabotage it. The experience gained over the many years of work in the oil and gas industry proves that the discovery and preparatory work for the exploitation of new oil and gas structures is linked with increasing the variety and improving the quality of studies, therefrom a more precise idea is formed about the age of formations, the sources and contouring of them and the quality and quantity of oil and gas in them.

The problems emerging in oil extraction have to do with the maximum possible extraction of production from every oil-well, while maintaining and improving the parametres which guarantee the optimal exploitation of the natural energy of the deposit. However, as the 8th Congress of the Party pointed out, the intensifying and secondary methods must be used more extensively in order to raise the coefficient of extraction. The scientific, economic and technical thinking of the country is faced with the task of studying the ratios that must be established in

the oil extraction through primary methods, intensive methods and secondary methods; the degree of efficiency, the order and the methods of applying each of them.

Qualified solution of these problems in these key branches of our economy requires that oil and gas be kept at the centre of attention of the respective organs of the economy, the state and the scientific institutions, requires that technical-scientific work discipline and sense of duty be enhanced, because any neglection, however slight, costs the economy dearly.

The further improvement of the energy balance on the basis of the concept of the utilization of the better known, the more readily exploitable and cheap natural resources, **puts hydro-energetics in one of the first places for today and in the future.** The policy of our Party for the production of electric power from water-power sources, as the many-years long experience shows, has been and remains correct and has guaranteed a high efficiency of the fundamental investments. This is a profitable source of energy for the future, too, at a time when the need for electric power in our country doubles at rates 2-3 times higher than in many developed countries of the world. As a mountainous country rich in water sources, our country is amongst the richest in water power sources, expressed in relative figures. Although a great, uninterrupted and growing volume of work has been done for their exploitation, still we manage to exploit only less than one third of the total yearly energy which our water power sources supply. Therefore, in this direction it is necessary to carry further the studies in order to reach conclusions valuable

for the further development of this important branch of the economy during the 8th Five-year Plan and in the future. As Comrade Enver Hoxha instructs, the exploitation of water-power sources, of rivers with a low water potential, of water basins and canals for the production of electric power by means of small hydro-power stations, is of great profitability. Studies carried out in this field in some districts of the country show that a considerable amount of energy can be produced in economically profitable conditions by setting up smaller hydro-power stations.

In the strengthening of the energy base of the country **the coal industry must play a major role, since geological reserves of it are considerable and indices of economic exploitation very convenient.** In this branch of the economy the Party smashed the hostile activity of A. Këllezi and K. Theodhosi who were aided and supported by the multiple agent Mehmet Shehu, and who underrated the value of coal. They tried to bar all prospects of its profitable extraction and large-scale utilization in industry, in the communal services, etc. Important measures have been taken to make up for the time lost. Production has increased and liquid fuel is increasingly being replaced with gas and coal, which makes for large economies. However, as Comrade Enver Hoxha instructs, this work must be further deepened in order to avoid «. . .creating in anyone the idea that we are swimming in oil and treading on coal. On the contrary we must deeply implant in everybody's mind the sense of thriftiness for every drop of oil and every piece of coal.»[1]

1 Enver Hoxha, «On the 7th Five-year Plan», p. 29, Alb. ed.

In order to increase the part of coal in the energy balance of the country, work is going on, apart from the known coal basins in Tirana, Memaliaj and Korça, for the discovery and preparation of other coal basins in other areas of the country, as well as for the fulfilment and overfulfilment of production plans, for the thorough exploitation of the existing mines, especially in Tirana, for discovering coals of high calorific value and coking coals, for the extension of the degree of enrichment and bricketing and for the increase of their exports.

c) The growth of social production depends largely on **the expansion of the range of minerals, the raising of the degree of their processing and, especially, the most profitable possible utilization of primary materials of mineral and agricultural origin.** Experience over many years shows that despite the advance made there are losses in mineral extraction during transport, in enrichment and in their preliminary and final processing, which in some cases, are higher than the norms allowed, without mentioning their quality, which is not in the proper level, because of the impoverishment of minerals.

The first qualitative steps taken in the process of the socialist industrialization and in the rapid expansion of the heavy extracting and processing industry, the tasks set for increasing the export of finished and semi-finished products instead raw materials, the increased degree of economic utilization of the natural resources of the country, call for the implementation of strict measures for the utilization of minerals, for the establishment of advanced technical and technological processes which ensure the exploitation of all their useful components, the reduction of losses and the raising of the productivity of social labour, in the most complete possible manner.

The increase of the quantity and range of primary materials must respond to the rhythmical supply of the heavy processing industry and the light industry. This increase must be also accompanied with the finding of the most suitable methods for the primary processing of the raw materials as close to the sources of massive production, especially in agriculture, as possible, with the aim of ensuring their conservation and further industrialization at the best time beyond the peak of seasonal production. Special concern must be shown also for the preservation of the agricultural products ready for use, either fresh or conserved, for the needs of the productive or personal consumption. Greater attention is required for the improvement of the quality of primary materials also through the improvement of the use of economic levers, by setting prices differentiated according to the contents of useful matter (of metal in mineral, of fats in oil plants, of sugar in sugar beet, of dry matter in fruit and vegetables, etc.).

Our country today is in a position to meet, through its own production, about 90 per cent of its needs for primary materials for the reproduction of the social product. More studies and research should be carried out for the total or partial replacement of the primary materials that are still imported today, such as phosphorites, coking coals, iron-nickel without nickel, asbestos. This must apply to a series of other minerals, such as titanmagnesium, nickel silicate, bauxite,

bituminous sands, polimetallic ores, part of which have been found in reserves big enough to start exploitation. Particular care is being devoted to the discovery and economic utilization of light and resistant, cheap and beautiful, primary materials in the industry of building materials, such as marbles, plastermarl, decorative stones, of which there are sufficient reserves that can be brought into industrial production.

Our economic, technical and natural sciences should express their opinion better and find more proper solutions to increasing the degree of the recuperation of mineral components and the technological coefficient, because at the present level of industrial processing the coefficient of recuperation from mineral ores is still low: only the main elements are extracted from them, while the rest which frequently are just as valuable, if not more, often remain unexploited.

The increase of energy sources, of minerals and all other primary materials and their best possible utilization cannot be achieved without strengthening a regime of frugality in everything. Comrade Enver Hoxha teaches us: «A strong and rich country is not that which produces much, but that which produces much of what it needs, and especially which knows how to use everything thriftily.»[1] For this it is of first-rate importance to extend the norm of utilization of primary materials, and especially their technical norms, to perfect the method of planning, the planning itself, and to rigorously follow-up a number of indices, such as the efficiency of work

1 Enver Hoxha, «On the 7th Five-year Plan», p. 31, Alb. ed.

and prospecting in geology for the increase of mineral reserves and raising of their category, for the coefficients of extraction and impoverishment, for the coefficient of the utilization of the metal, as well as for the coefficient of utilization of timber and of primary materials, in general, and the fuels.

IV

Our Party sticks to the Marxist-Leninist thesis that the **working man is the primary productive force of society.** The man, with his consciousness, educational, cultural and technical-professional level and with his experience, is the decisive factor in everything, in the fulfilment of every task. It is the man who produces and puts into motion the implements of work, who transforms the nature and the objects of work, who increases material blessings. Comrade Enver Hoxha points out that, «The working people, by acting on nature, get to know it ever more thoroughly, discover the laws of its ceaseless development and transformation and use them in order to appropriate its unlimited wealth, produce material blessings with which they fulfil both the needs for personal consumption and those of the extended reproduction».[1]

The development of the productive forces is the doing of our working people educated by the Party. Likewise, the technical advance of the country puts forward the need for the working

1 Enver Hoxha, «Reports and Speeches 1969-1970», pp. 44-45, Alb. ed.

people to constantly raise their educational, cultural and professional level to sum up the advanced experience and to acquire new work habits.

During the years of the people's state power there has been a dynamic growth of the population in Albania. There has been created a structure of population with the young age-groups predominating and with a population always young and active. About three fifths of the Albanian population have been born, have grown and have been educated in the last 40 years. The average age of our population is 26 years. As a consequence, the young age-groups account for a high percentage in the structure of the population. The population under 15 years of age comprises 37 per cent of the total population as against 21-27 per cent in other countries. Our country knows no such social phenomenon as the ageing of the population, which is noticed in many European countries.

At the present rate of the increase of population, the new contingents of workers will be relatively large. At the same time the trend towards the growth of investments for creating new jobs will continue, because our socialist society calls for higher productivity of labour and goes towards the expansion of mechanization and technical equipment of work processes. Therefore, **the full employment of the new active work force is a problem that calls for our special attention, on a national plane and for every district and enterprise and cooperative.**

In the field of demography, labour sources and their efficient utilization, several problems crop up concerning methodology and practice:

studies for planning of productive forces and forecast studies for their medium — and long-term development; the best accord achieved at the stage of drafting of plans, between the socio-economic development according to the economic branch — which remains the main criterium — and the territorial distribution of fundamental investments and constructions, as well as the new work forces, the raising of the level of the productivity of social labour.

The rapid demographic development calls for the work force and social production to increase at high and steady rates. Approximative calculations show that only to guarantee the present level of people's well-being and to raise it gradually, to open up new work fronts, to narrow distinctions between town and countryside and to fulfil other vital needs, **the social production and national income must increase about three times as rapidly as the increase of the population.** Therefore more care must be devoted to the forecast studies in the field of the increase of the fundamental ratios of the socio-economic development of the country.

The attainment of the rates needed for the economic development in conformity with the line and policy of the Party **calls for the correct evaluation and the adoption of most complete measures which ensure the increase of the productivity of social labour.** The 8th Congress of the Party of Labour of Albania and the 6th Plenum of the CC of the Party dwelt especially on the need for the most effective possible use of the technical and human potential of the country in order to ensure the constant rise of the productivity of labour. This has been and

remains a great problem which is connected with the economy, technique, organization, our new school and qualification of the working people.

The tasks of the 7th Five-year Plan in this field are great, but real and completely realizable. They rely first and foremost on the conscious, organized and qualified work of man. These possibilities exist and are continuously expanding. The working class of our country is relatively young: nearly half of it is up to 30 years old, about 70 per cent has averagely above 6 years of experience of work, and 67 per cent has finished the 8-year and secondary school. This is an active and efficient force, which is in a position to undertake more important tasks in the social production, in the management and organization of the economy and in the further raising of its efficiency. Therefore the problems of the rational distribution of the work force, of the application of more efficient forms of the organization of social labour, of the perfecting of work norms and especially technical norms, of the fulfilment of norms by all working people, of the rigorous observation of the demands for the cultural-professional attestation of the working people, of the exploitation of the working time, etc., must be constantly at the centre of our attention.

One of the important factors for raising the productivity of labour is **the further qualification of the working people in conformity with the demands of the cultural-professional attestation.** About 10 per cent of the workers and cooperativists take a higher degree of qualification every year. This has levelled out, to

some degree, the discrepancy between the qualification level of the working people and the categories of the work place or the process of work. But the problem is raised for the cultural-profesional attestation of the working people to be linked with and serve better the fulfilment of the production targets, the raising of the productivity of labour, the improvement of the quality of work in production and in services, the strengthening of the regime of frugality and the carrying forward of the technical-scientific revolution.

An irreplaceable role in all this is played by the development of the entire educational system for the training of qualified workers and specialists of various fields and the non-stop development of science and technique at rapid rates and at the level of contemporary achievements.

The economic policy of the PLA for the development of the productive forces has always had the improvement of the well-being of the working masses at its centre. Comrade Enver Hoxha teaches that the superiority of our socialist society over the capitalist, bourgeois or revisionist society, lies in the fact that it ensures high and stable rates of development of its productive forces, which is simultaneously accompanied with the systematic improvement of the material well-being and the raising of the cultural level of all the working people of town and countryside.

During nearly four decades of the people's state power the rates of the increase of the social product and the national income have been three to four times as rapid as the increase

of population. On the other hand the production of mass consumption goods by industry and agriculture has ensured the fulfilment of the increasing needs of the people for them ever better. Well-being in socialist Albania is based on the increase of the social product. It is well-being achieved through the work, the efforts and toil of our people, and not through foreign credits, loans or economic «aid», as happens with the capitalist, bourgeois and revisionist, countries. The economic crises of the seventies and eighties, with their typical phenomena of unemployment, inflation, price rises and deterioration of the living conditions of the broad masses, exposed the weakness of the theories of the apologists of the bourgeoisie about the so-called affluent consumer society of modern capitalism.

Our Party, basing itself on Marxism-Leninism and the concrete conditions of the construction of socialism in Albania, **has always followed a far-sighted, realistic and scientific policy in the field of the people's well-being as well.** Here stand out, first of all, the close relationship between well-being and the level of development of the productive forces, the stage reached in the socialist construction, the social policy which considers well-being to be something due to all and everybody, and does not allow excessive differentials in the incomes among classes and groups of working people, considers it to be well-being for the present and the future. This is done always on the basis of the increase of the production and income as permanent factors, by ensuring the **full employment of the able-bodied population, the constant increase of income, stable prices for retail**

trade and, eventually, their reduction along with the economic development of the country as well as the increase of the social fund of consumption.

In the 7th Five-year Plan these roads are accompanied with the raising of the efficience of the social production, with the coordination of production with income, with the harmonization of the value of the consumer goods with that part of the national income which is utilized for individual and social consumption and for non-productive accumulation. This for its part requires that industry and agriculture should increase production, expand the range of goods produced and improve the quality of them. The meeting of the needs of the country for cunsumer goods almost totally from our sources (about 90 per cent through home production and nearly 10 per cent through export-import trade), at a time when the population has almost trebled compared with 1938, and its cultural and consumption level is incomparably higher, constitutes a great success for our economy, which should be consolidated and carried further forward.

In the coming 15-20 years our social production will have to cope with the growing needs of a population of about four million. Steps should be taken in time to realize this objective. The fulfilment of the tasks of the 7th Five-year Plan occupies an important place in this direction. The fact that during the first two years deviations from the targets of the production plan in industry and agriculture were observed, lead us to the conclusion that these questions should be examined better and with

greater responsibility, the more so since they are very closely connected with the standard of living of the people. Hence emerges the task of increasing the agricultural products, in particular, of improving the structure and the supply of the population with food products. For the countryside, these problems must be examined in the light of the new tasks which emerge from the formation of the common herds of livestock from the individual livestock of the cooperativists. The light and food-processing industries also face important tasks.

Despite of its very character of turning out mass products, the light industry **must be more resilient in finding optimal series of production which respond better to the demands of the people.** For this it is necessary that the demands of the market should be known for shorter intervals of time through enquiries and organized information, without sticking only to the schedules envisaged in the methodology of planning regarding the signing of protocols and agreements or the inter-enterprise productive and trade contracts.

An important role in strengthening the links of production with consumption is played by **socialist trade**, which, in the form of retail trade turn-over, copes with more than 82 per cent of the people's consumption, and the trend is towards its further growth. In 1985 against 1980, the sale of the more important consumer goods will show an average growth of 20-40 per cent at a time when the population will grow only by 12 per cent. In these conditions the problems of the purchasing power and its coverage with the funds of commodities especially for the countryside, are most important questions in the sphere of production and circulation for which the time has come to find a solution. Therefore, the studies of the demands by the consumers must help to orientate production and timing of it, **so that the growing purchasing power of the people is fulfilled with the respective structure of food-stuffs, industrial goods and the services, both for the daily use and for those of a medium-and long-term use.**

The role and part of the production in the raising of the well-being of the working people is well known, but this must be linked better with the increase of the per capita income of the population. The Party sees to it that these two aspects go hand in hand in harmony, putting into operation those factors which are common for them as well as those which are specifically linked with the raising of well-being in town and countryside.

The present state of development of the productive forces, as well as the present and perspective demographic development of the country convince us that **the full employment of all the new work force is and remains the main road for the increase of the income of the population.** This factor brings the levels of per capita income of the different population groups closer together and leads to the narrowing of the sphere of operation of the «bourgeois law» in consumption. It is for these reasons of principle that in the 7th Five-year Plan most of the growth of the real per capita income of the population will be ensured through securing full employment. However, the economic and social effect of this policy becomes real when the open-

ing up of new work fronts is always accompanied with the increase of production, the raising of the productivity of labour and socialist accumulation.

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In this report we have dwelt mainly on some problems of the development and perspectives of the productive forces in the light of the directives of the 8th Congress of the PLA.

The fulfilment of the tasks set by the 8th Congress of the PLA for the development of the productive forces will step up the economic and social progress of the country and open up new prospects for the future. In this manner our country marches with determination towards the complete construction of the socialist society, on the Marxist-Leninist road which is illuminated by the Party with Comrade Enver Hoxha at the head.

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THE STRUGGLE FOR THE IMPLEMENTATION OF THE DIRECTIVES OF THE 8th CONGRESS OF THE PARTY IN THE FIELD OF SOCIALIST RELATIONS OF PRODUCTION AND THE MAIN PROBLEMS EMERGING THEREFROM

One of the questions of great principled importance in our socialist construction has been and remains the strengthening and perfecting in a revolutionary manner of the socialist relations of production. The theoretical thinking of the Party, the teachings of Comrade Enver Hoxha and our historical reality in this field too, constitute a valuable contribution to the enrichment of the theory and practice of the construction of socialism and its defence against the threat of bourgeois-revisionist degeneration. The directives of the 8th Congress of the Party constitute a new step forward towards the development of the Marxist-Leninist line of the Party also in the field of the socialist relations of production.

In this report we will deal mainly with some

problems of the dialectical connection between the productive forces and the relations of production in the present stage, the consistent application of the system established in the socialist relations of production and some questions of the perfecting of their specific aspects.

I. We must have a more thorough knowledge of and put better into practice the dialectical link between the productive forces and the socialist relations of production.

Over the whole period of the socialist construction in our country, the Party has treated both aspects of the mode of production namely, the productive forces and the relations of production, in their complexity and interconnection. Every development of the productive forces has been considered not just as development of production and technical progress, but also as the indispensable material base for attaining definite socio-political objectives, for strengthening and perfecting the socialist relations of production. On the other hand, the socialist relations of production have served and still serve the attainment of three main objectives: the dynamic development of the productive forces, the strengthening of the socialist character of our order, and the revolutionary class education of the working people.

This mutual process is not achieved easily or spontaneously. **It's realization goes through the discovery and solution of contradictions, through the correct development of the class struggle.** Therefore, as always the Party instructs to discover

in time the contradictions which manifest themselves in the process of our growth and development, in order to perfect the relations of production and to ensure the dynamic development of the productive forces during the 7th Five-year Plan and in the future. These contradictions must not be underestimated and, moreover, cannot be solved by adopting a passive stand. The experience over many years shows that the only correct road is to study and understand the causes that give birth to contradictions and to take timely measures to solve them.

The 8th Congress of the Party and the important work of Comrade Enver Hoxha, «On the 7th Five-year Plan», provide the scientific analysis, the summing up and synthesis of the main problems of the development of productive forces and perfecting of the socialist relations of production with which our economy is faced today and will be faced in the future, as well as the roads to their solution. The fundamental aim that «the development and strengthening of the material-technical base of the country... should, as always..., be done in close connection with the perfecting of the various aspects of the economic relations,»[1] is at the basis of these orientations and teachings.

1. The first problem that emerges here is that **the perfecting of the socialist relations of production should respond to the high-rate development of production and intensification during the current five-year plan with greater dynamic.**

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1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 17, Eng. ed.

The productive forces are growing at rapid rates. At the present rates of development the social product, despite its present proportions, almost doubles every decade. The national income increases more rapidly than the social product. Within this five-year plan extraction of the main minerals will be doubled. Agricultural production is envisaged to increase by about 20 per cent this year in comparison with the last year. The same occurs in the other branches and sectors of the economy.

The engineering industry, for instance, is more and more extensively going over to machine building. The quality and efficiency of production in this branch must undergo an appreciable increase. However, the tasks in this branch cannot be attained without perfecting some aspects of relations. Specialization and scientific cooperation between engineering bases and plants, regardless of their administrative dependence, the defining of norms of consumption of primary materials in conformity with the new structures of production, the perfecting of the mode of planning, etc., have become imperative. Otherwise all the technical and productive capacities which have been created in this branch, will not be utilized fruitfully.

The same picture appears in all the great work that is carried on in breadth for the concentration and specialization of agricultural production. However, as the Party has stressed, in this aspect we have lost invaluable time as a result of the hostile activity of Mehmet Shehu, and of the failure of the state organs to understand and support in time the positive elements

of the experience of Plasa[1] in the technology of agricultural production, in its organization and management on scientific bases.

All these and other developments in production lead to the conclusion that the steps taken to promote the productive forces must be accompanied with, indeed, even preceded by studies, surveys and new forms of organization and management. And when we speak of them we imply definite aspects of the relations of production, which in fact are very concrete. Therefore, both the underestimation seen in some cases in practice, and the one-sided treatment of the advanced experience of the intensive development of production, when they are studied and regarded mainly in their technical and technological aspects, are not correct.

In this context, the many-years experience, which shows that the relations of management have a very dynamic character and constitute a great reserve to carry matters forward, should be put to better use. They can and must open

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1 This refers to the higher-type agricultural cooperative of Plasa, Korça district, which has achieved high results in agricultural production through the deepening of scientific work, the carrying out with success of studies for concentration-specialization and agricultural rotation, through the transformation of the structure of agricultural crops and the utilization of new élite strains which are adapted to the concrete conditions of the cooperative. Wheat yields in the whole acreage planted with this culture in this cooperative was 63.5 quintals per hectare in 1982.

the road more broadly to the productive forces and the dynamic development of production.

2. **The dialectics of combining the development of the productive forces with the relations of production should be realized as a continuity, both in the major problems and in the work of the central state and economic organs, as well as in the organization and concrete management of production.** So, in the present stage the Party demands that a more determined struggle should be waged against the artisan and fragmented character of production. This must be achieved in every enterprise, in every agricultural cooperative, in every district and on a national level. Likewise, the struggle to overcome the situation of «mosaics» in agriculture has been stepped up. The situation of «mosaics» must be overcome at more rapid rates also in other branches and sectors, such as the engineering industry, the wood-working industry and the construction materials industry, in designs and studies, scientific experimentations and in scientific informational technique which today are very much fragmented.

Comrade Enver Hoxha's orientation in his book, «On the 7th Five-year Plan», about the gradual transition to the creation of large-scale economic-territorial complexes in extensive hilly zones specializing in fruit-growing and about cultivated pastures built on joint state-cooperative investments, must be studied concretely in the districts and the agricultural economies so that they come out with proposals for a more complete activation of the work force, for the expansion of investments in agriculture, etc. This

is a new field in which the relations of state ownership must combine with those of group ownership in order to raise the latter to a higher level.

For the relations of production to develop on a large-scale, the need for experimentations is raised. In technique and technology experimentation is an ordinary practice, but our time requires that it should serve to find the most appropriate forms for the application of the existing economic relations, and to perfect specific aspects of them. Naturally, the relations of production have to do with delicate questions, therefore experimentations should be carried out after thorough consideration, good organization and examination of both their positive and their negative aspects.

About these and other questions of the dialectical links between the productive forces and the relations of production, however, there is much hesitation, a certain temporization, especially on the part of the organs at the base, while the range of questions that call for further improvement and activation is broad.

3. **The most extensive and comprehensive field,** in which the economic relations find their concrete reflection and application for the development of the productive forces, **is the unified general state plan. Therefore, the struggle and work to draft and implement mobilizing and scientifically based plans remains the main front also for the complete and correct realization of these dialectical links.** Comrade Enver Hoxha teaches us, «The plan in itself contains and must contain both aspects of the mode of production: the tasks for the development of the productive

forces and those for the perfecting of the socialist relations of production.»[1]

Why does the Party emphasize this Marxist-Leninist principle? Because the plan reflects the requirements of the objective economic laws, the economic line and policy of the Party, embodies the main ratios of the development of production. The plan expresses the links between production and consumption, between productivity and real income, the relations between town and countryside, and so on. Besides, the plan is drafted and applied through such mechanisms as the system of working norms and wages, prices and cost, productivity and the relations with the budget. Therefore, if we draft and apply optimal plans of production and income, if we establish scientific norms for work and material consumption, if we pay well-earned wages, proceeding from the principle that before we demand from society we must give it its due, then both the productive forces and the economic relations of production will advance.

These fundamental questions of our socialist development are frequently understood in a narrow manner and applied improperly. In this manner, however, the danger is created of violating the basic ratios and principles of the economy, of weakening control on the part of society on the amount of work and consumption, a control which has been and is an irreplaceable means to prevent all inflationist phenomena from manifesting themselves in our economy. It is precisely violation of these fundamental principles and questions in the revisionist countries where the laws of the market and capitalist spontaneity operate freely, that landed them into a deep economic, political and social crisis without a way out.

1 Enver Hoxha, «On the 7th Five-year Plan», p. 59, Alb. ed.

Therefore, the Party teaches us to guard against the idea that since we have a correct system of economic relations and the economy develops on plans and has stability, weaknesses in production, planning or the implementation allegedly carry no weight. **On the contrary, we must delve deeper into and fight more sternly in order to attain the indices, the categories and the links of the plans, to maintain the economic relations which they represent,** in order to close the way to globalism, one-sidedness, underrating of the social aspect of the plans and a series of other questions which breed liberalism and bureaucracy in the economy. For the economy to be organized and managed in a scientific manner, and for the economic and social processes to develop on the correct road, the Party teaches us that «...the drafting of realistic and mobilizing plans, based on all-round studies of current and future problems, on profound generalizations and analyses has special importance.»[1] It is precisely because our Party consistently acted along these lines that the enemy Mehmet Shehu and his gang broke their heads against the correct Marxist-Leninist line of the Party. Despite the great threat they posed, they failed to displace the axis of the correct line and policy of our Party of Labour or impede our march forward on the

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 61, Eng ed.

road of socialism, complete independence and freedom.

4. As is known, **the more active role of the relations of production over the productive forces manifests itself in the subjective factor, the economic, organizational and administrative forms and measures the people, the state and economic organs decide upon and carry out.** The elevated level of the productive forces and the major tasks of this five-year plan require that the subjective factor, the cadres, specialists, the various organisms should have a scientific knowledge of problems and the economic and technical laws, delve deep into the structural changes ocurring in the economy, into the priorities and trends of development of the specific branches and sectors. Hence, the question arises here of properly following the dynamic of the development of life and of reflecting it in time with measures taken in the most effective manner, on the basis of studies and concrete results, in order to avoid any delay in the perfecting of specific aspects of the relations of production. This makes the activity of the organs of the state and the economy more resilient, and bars the way to manifestations of empiricism, spontaneity and tagging at the tail-end of situations.

These and other problems require that the cadres and the directors must take more seriously the word of the workers and specialists. And this because the broad working masses, under the leadership of the Party, bear the brunt of and play a decisive role in the implementation of economic relations too. Cadres, specialists and all the working people have an interest in the correct development of economic processes and

the relations of production which are reflected in the plans, and this interest must increase. So, they will participate more actively in the fight to improve what is healthy and combat what is unhealthy in production and management; will make their irreplaceable contribution to the understanding and conscious implementation of the objective economic laws and demands, to putting into practice the objectives of the policy of our Party and socialist state.

5. The treatment of the mutual relationship between the productive forces and the relations of production, from the positions of materialist dialectics, by our Party of Labour **leads to some important theoretical and practical conclusions:** the main thing is to avoid divorcing the relations of production from the productive forces; to avoid subjectivist manifestations by allowing «improvements» to be made when conditions are not ripe or by skipping stages; and, as well as this, to ensure that all the aspects of the relations of production advance and are improved en bloc. The development of the productive forces will always be reflected in the relations of production, however the Party and the state of the dictatorship of the proletariat, and their levers, should work to prepare the subjective factor for this, the working people must be made conscious of the support they must give for the measures adopted in this field. Of great importance is also to find the most propitious moment for effecting the changes needed, judging from the complex of economic, political and social standpoints. However, even when measures are adopted and carried out for the perfecting of economic relations we must proceed cautiously, because, along

with the many positive aspects, obstacles and difficulties, even negative aspects emerge in practice, which must be watched closely, overcome and avoided in time.

By proceeding in this manner, the Party has fought and shown continuous concern to ensure that the perfecting of the relations of production always strengthens their socialist character, bars the way to manifestations of liberalism and bureaucracy, puts our social order in general more solidly on the road of the complete construction of socialist society. Our Party has never slipped into the positions of one-sidedness regarding the development of the productive forces, nor has it absolutized or made a fetish of their role in the development of society. It has exposed the bourgeois and revisionist practices and concepts of economism and technocracy, which ascribe a determinative and independent importance to the technical-scientific revolution in the development of society, etc., concepts and practices which cultivate a new variant of vulgar materialism, the theory of the productive forces, the negation of the proletarian revolution and spontaneity in the development of society.

II. We must strengthen and perfect the system of the socialist relations of production

Both theory and practice show that, from the viewpoint of the fundamental features of the relations of productoin, socialist society preserves its nature unchanged through the entire process of its complete construction. However, this does not imply that the socialist relations of production, which were established as an integral system

after the construction of the economic base was completed, do not undergo improvement. On the contrary, everything in our country speaks of their development in the desired direction towards the construction of socialism and its defence against any threat of bourgeois-revisionist degeneration.

The policy and the practical activity of the Party for the strengthening and perfecting of the relations of production covers all fields: the relations of ownership and exchange, distribution and management of the economy.

1. The Party has always stressed that **the strengthening of the socialist attitude towards socialist ownership, the most complete and effective use of the objects of ownership, are at the foundation of the socialist ownership.** This has to do with our national wealth, which has been almost entirely created through the work and accumulation in the years of the people's state power, and which today is calculated in terms of colossal figures, in tens of billions of leks, and grows incessantly.

Therefore, it is not correct to reduce the slogan of the Party about the socialist attitude towards property, as occurs sometimes, to the struggle against abuse and embezzlement, or, in some other case, to the material maintenance of buildings, etc. which, of course, is indispensable but not the main thing. The question is especially connected with the most complete utilization of productive capacities, the exploitations of the many reserves which exist in the utilization of metal-cutting machines and means of transport, the utilization of productive capacities in the food industry, in the extraction of all useful compo-

nents from minerals and other primary materials, in the exploitation of the fund of the land and the irrigation capacity, the productive capacity of livestock, and so on in other fields. All this speaks of the need for a more comprehensive conception of the relations of ownership.

In this sense, greater care should be devoted also to improving the material structure of socialist ownership, because in the 70's the part of constructions against the value of fundamental funds increased perceptibly, at a time when the part of machinery and equipment, which make up the most active section of the productive funds, had a tendency to fall. And this negative manifestation caused the fundamental productive investments and funds to grow more rapidly than production, at a time when the opposite should occur, in some particular branches and districts.

The relations of ownership during this five-year plan **are characterized by the strengthening of the cooperativist order at accelerated rates in order to bring group ownership closer to the ownership of the entire people.** This tendency will be strengthened by intensifying production in the most fertile plains of the country with precedence, by strengthening the existing higher-type cooperatives and by setting up such cooperatives in the plains and in the hilly-mountainous zones. In this manner, the higher-type cooperative becomes wide-spread. It will comprise, at the end of the five-year plan, nearly 40 per cent of the arable land of all cooperatives. Along with this, some higher-type cooperatives will be transformed into state farms. A series of economic and financial measures will be carried out to develop and strengthen the cooperatives of the hilly-mountainous zones.

The new which the Party has brought in this field **is the gradual combination of the relations of group ownership with the ownership of the entire people.** Comrade Enver Hoxha teaches us that this process «...should be carried out in such manner that the sphere of relations of state ownership is extended while the sphere of relations of the cooperativist ownership is narrowed gradually.»[1] This road of development and progress of group ownership is understood and accepted by the peasants, too. It accords with the interests of the peasantry, is normally coped with the possibilities our society has and creates and opens a broad road to the intensification and increase of agricultural production in the interest of the entire society. In this broad context of the current and future development of the cooperativist order, emerge no simple problems and great and many-sided tasks.

A decade has gone by since the setting up of the higher-type cooperatives, however, many of these cooperatives have still not created the conditions to become state farms. The material base and other factors of production, in many of them, have been strengthened and have reached approximatively the same level as the state farms. However, the situation in some higher-type cooperatives was, in no slight degree, influenced by **weaknesses of organization and management, failure to make full use of their funds of investments, or in some case, of funds with state participation, which result from the practice of proceeding from the immediate interests of the cooperatives and from the difficulties emerging in carrying out investments.**

1 Enver Hoxha, «On the 7th Five-year Plan», p. 185, Alb. ed.

These manifestations delay the maturing of conditions for the advancement of group property, and this has harmful consequences.

Another problem connected with the progress of the cooperativist order is **the more efficient use of the material-technical base and live work in order to make sure that the cost of agricultural and livestock products falls and the sources of accumulation rise.** Without this it is impossible to achieve two of the main objectives in the field of relations which the Party has set for the zone of priority intensification and the higher-type cooperatives: the raising of the well-being of the cooperativist peasantry to the level of the agricultural workers; the creation of greater material and financial means for the state to make investments and to assist the hilly-mountainous zones more. From the analysis of the work in some of the cooperatives in the plains, it emerges that we still have low yields and high costs for some products, under-efficiency in the utilization of investments, improper harmonization of the factors increasing agricultural production, etc. This current situation is responsible for the limited possibilities of increasing the appropriation of differential rent from the plains' zone in order to assist the other zones.

The important thing is to understand also that **the process of bringing group ownership closer to the ownership of the entire people is a fundamental aspect of the narrowing of distinctions between town and countryside, between industry and agriculture.** Experience and studies show that the ratio between funds earmarked for internal accumulation and consumption in agriculture and in the countryside in general, and the

total national income created in agriculture must be gradually increased in order to narrow the fundamental distinctions.

This is why, as the 6th Plenum of the Central Committee of the Party set the task, greater care should be devoted to the state farms, the heavy and light industry, constructions, transport and services, from which larger means of accumulation accrue. In the branches and sectors the state has made big investments, therefore it expects to get more from them in order to be able to cover more thoroughly the needs for their development, for the raising of well-being and strengthening of the defence of the country.

The new qualitative measures adopted for the formation of common herds and the narrowing of the cooperativist's personal plot constitute another very important moment in the strengthening of the cooperativist order as a whole and the perfecting of the socialist relations in the countryside. «This is a big step forward, comparable to a revolutionary change,» Comrade Enver Hoxha points out, «a change which has been prepared for gradually over more than three decades of the development of the cooperativist order, the raising of the political consciousness and well-being of the peasantry, and the creation of greater possibilities on the part of society.»[1]

This is an original road which proceeds from the experience of the peasantry, as summed up by the Party. It ensures the maintenance and increase of livestock, which represents a major

1 Enver Hoxha, «On the 7th Five-year Plan», pp. 598-599, Alb. ed.

national asset, the gradual withering away of the relations connected with the personal plot and, together with it, of the petty-bourgeois psychology it fosters, the growth of the group property and the improvement of the living conditions and supplies for the peasantry. In this manner, the volume of production and income from the cooperative will grow constantly, while the cooperativist's personal plot gradually loses its importance.

It is important to understand **that this is a process in development,** one which has raised and will raise problems which must be anticipated and watched attentively. The question here is about the equal treatment both of the livestock of the collective property the small livestock and cattle of the common herds; about preparing the gradual formation of common herds from the cooperativists' cattle in the hilly-mountainous zone; about ensuring the ever better supply of the peasants with livestock products.

2. **In the field of distribution** there are many problems which the Party has put on the right road are making progress towards their solution.

— Linking up work remuneration with its three components (quantity, quality and material expenditure) is yielding results. But **this must be further deepened, finding and using, in the different branches and sectors, indices which are controllable and serve as better incentives to work,** because today there is still a tendency to rounding things up, and the range of primary materials which is subjected to this form of remuneration, is not being extended. It is required here to reinforce educative work, in order to encourage fulfilment of the planned tasks, because, in many cases this form of remuneration also fosters

narrow interests and makes people keep reserves in planning.

— Working day, as an intermediary unit of remuneration, emerged along with the cooperativist order in agriculture. Its application was a necessity, but the majority of the cooperatives now have overcome the conditions which justified its application. So in a great number of ordinary cooperatives it is gradually being removed and **they are going over to pay according to work norms.** The analysis of the many-years' experience of the higher-type cooperatives shows that through this step, some socio-economic goals are achieved: to encourage participation in work and fulfilment of work norms, to further guarantee the income of the cooperativists and to enforce accounting and financial control in the cooperatives by means of the lek.

— It is known that scientific norming of work is an indispensable regulator to promote production and ensure a correct distribution according to work done. However, norms today must be improved, **especially qualitatively**, in order to further extend the technical norming of work and to ensure that departments carry out the unification of norms on a branch level.

Qualitative improvements of work norms are necessary **not only to increase productivity, but also to apply the established system of wages correctly**, with a correct escalation and differentiations reflected in the tariffs system, in the categories of work places, etc., which, for their part, are vital for the observance of the law of distribution according to work, therefore they are defined in a centralized manner by the state. However, the danger exists for them, more than anything else, to be misinterpreted through the fault of unstud-

ied and low norms. As well as this, there are cases when degrees of attestation, in which are comprised nearly 50 thousand workers and employees a year, are given even when the candidates do not deserve them. Therefore norms should be improved for all working people, and degrees of attestation given only when the candidates succeed in producing more, in fulfilling and overfulfilling their work norms, when they work with quality and economy, when they make qualitative improvements in organization and production. This is the best test for the qualification as well as the best efficient manner to block the way to manifestations of liberalism noticed in this field.

These improvements are indispensable. Just as indispensable is, however, **the creation of conditions for the fulfilment of norms by all the workers, as well as the encouragement of efforts to overfulfil them.** Although improvements are made, there are workers who still do not manage to fulfil norms properly. Likewise, the revision of norms time and again, and without scientific criteria has created among some workers a psychology which inhibits them in the overfulfilment of norms. However, both when work norms are not fulfilled and when their overfulfilment is inhibited in an artificial manner, the consequences are harmful and of a double character: here we have to do with impediments to the increase of production and utilization of productive capacities, as well as with the failure to achieve the average planned pay of the workers.

Meanwhile, it would be good if the departments carry out once a year, as a rule, the unification and revision of norms for the more common work processes (at the time plans are drafted) and after the approval of the plans, see to it that they are applied in the future. As for experimental norms depending on changes in technique and technology, which increase productivity, they must be revised at shorter intervals.

— In the conditions of the development of the technical-scientific revolution, two processes among others, take place in production: the division and fragmentation of work tends to grow as the educational and cultural level of the workers tends to rise to the level of their qualification, thereby enabling **the reduction of categories for working places,** from 5 or 6 that they are today, to only a few of them, and making them comparable to the degree of the workers' attestation. We raise this problem, because today there is a discrepancy between the degrees of the workers' attestation, and the categories of working places, and because the possibility must be created for a more correct distribution of workers among work fronts according to their degrees of attestation. Naturally, this is a process which will be carried out gradually over some time, one which requires studies and great care for the qualification of the working people and for the strengthening of the socialist organization of work in general.

— In the field of distribution one must understand more profoundly the fact that the raising of well-being in our country has a social character. Figures show that in the 7th Five-year Plan 70 per cent of the increase of the real income of the worker or employee is made up of the fund of wages going to an increased number of workers, 30 per cent is made up of increased incomes from social insurance and social consumption as well as of increased average

pay through the raising of the degree of attestation and overfulfilment of work norms.

Experience shows that the adoption of such a structure in order to ensure the increase of the real income of workers and employees has always been correct. It is based on the line and policy of the Party to ensure the complete occupation with work of the new active forces which amount to over 40 thousand people every year, to fulfil a series of social needs of a common character with priority, to narrow distinctions between social classes and groups, and, lastly, to increase incomes through overfulfilment of norms and higher degrees of attestation. Here, our Party and state stick firmly to the principle that the productivity of labour should increase more rapidly than the real income of the population, which creates possibilities for the accumulation to increase, too.

But the implementation of this principle of a profound class content must necessarily be strengthened further through the dynamic of the motive forces and incentives of our society such as, ideological work, enlivening of emulation, enhancement of the mobilizing power of our plans and in other roads open to our socialist order. So, the raising of well-being on the socialist road, will open broader perspectives to the increase of production, its intensification and its efficiency.

— **The structure of the real income of the cooperativist peasantry has its specific features.** In the 7th Five-year Plan it is envisaged that nearly 53 per cent of the increase of income will be secured from the increase of the average income for every work hand, about 27 per cent from the numerical increase of the work force in

cooperatives, and the rest, nearly 20 per cent, from other sources outside the cooperatives (such as work in the state sector, social insurance, etc.). Hence it emerges that the increase of the real income of the peasantry is based, in the first place, on the income of each work hand. Therefore, **the struggle for the fulfilment of the plans in agriculture, is decisive for raising well-being.**

With their great work and efforts to fulfil the plans during the first two years of this five-year plan, in 1982 compared with 1980 the agricultural cooperatives succeeded in activating over 40 thousand new work forces and the average income of each hand increased nearly 20 per cent, which shows an improvement of proportions in their real income. Nevertheless, the tasks of the five-year plan for the last two years have not been fulfilled everywhere. Apart from this, the cooperatives must give priority to accumulation while always guaranteeing and raising the level of consumption of their members. And for this to be achieved they must fight and work all the year round. Any effort to regulate these proportions at the end of the year yields one-sided results and endangers the relations between the cooperative and its members. Here we want to make the suggestion that, both in the plan and in its implementation, the increase of the real income in the countryside should figure both as a whole, and as a separate item, i.e. as income from work in agriculture.

3. **In the field of exchange,** large-scale agricultural production must be supported better by the existing system of accumulation and processing of agricultural products. Figures show that the minor sectors in the rear of agriculture incur losses, thereby demaging not only the

interest of the peasantry but also of society. Attainment of the objectives set by the Party for agriculture in the present stage, raises the imperative duty of improving not only planning, organization and management of production, but also «...the subsequent links of the chain: the procurement organs, the light and food-processing industries, the home and foreign trade.»[1]

The intensive as well as the extensive development of agriculture **must necessarily be accompanied with the further improvement of economic levers.** We must expand supplies of means of production for agriculture, which are ensured from industry, through lowering costs and reducing prices for them. The development of the hilly-mountainous zones must be better supported with **complex measures.** So, the structure of agriculture and livestock in these zones is being adapted to their natural conditions better. More production and greater efficiency should be achieved from the investments made by the cooperatives themselves and from non-return state subsidies — about 80 million leks annually, as well as from the credits accorded to the cooperatives. Similarly, there is room for further differentiation in the procurement prices for some agricultural and livestock products in favour of the mountainous and hilly cooperatives.

A broad field for studies and organizational measures lies in **the connection between enterprises for mutual supplies and the distribution of products and goods.** There are still organizational shortcomings and backward methods in this work, which are reflected in the fact that,

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 41, Eng. ed.

as early as the planning stage gaps are allowed in mutual supplies and especially, in the observation of the timing of delivery and supply which sometimes grow deep and cause obstacles and difficulties in the fulfilment of the needs of the economy and the people. In this direction there should be a more balanced distribution of primary materials and other products; the organs responsible for production, especially in the departments and districts, should be immediately answerable for the problems of distribution; the prepartaion of catalogues should be further improved and more resilient forms used to strengthen links between enterprises on the basis of a positive experience over many years; work in the enterprises distributing import goods, in which there are manifestations of bureaucracy and liberalism, which impede production and cause the freeze of no small material and financial means, should be improved, too.

4. **In the field of the management of the economy, the present stage has brought into evidence the problem of a better co-ordination and cooperation of work in production, distribution and consumption.** Our economy is an organic whole, and its development is directed under a unified general state plan, which co-ordinates all economic-financial links of reciprocity and subordination on a branch, district or enterprise level, the co-ordination of all the management and organizational activity of the state and economic organs for the fulfilment of the tasks set in the plan on a broad front is an objective necessity. Co-ordination and cooperation today are dictated by the more advanced stage of the development of the economy, by the multiple and

complicated economic, technical and scientific relationships existing between different enterprises and productive activites, by the more complete integration of branches, districts and zones of the country into the national economy as a whole. This represents at the same time a distinguishing feature of our socio-economic growth.

Therefore who strives for scientific co-ordination and cooperation in production, designing and constructions, in science and studies, who strives for the proper fulfilment of the plan in all its component parts, he understands correctly and applies realistically the links, relationships and ratios needed for the development of the economy. Whereas who does not apply them, who dodges technical and scientific discipline, plan and finance discipline, he violates the organized management of the socialist economy and the economic relations which underlie its foundations, opens the road to spontaneity and operations from positions of liberalism which have harmful consequences. The lack of «...cooperation and collaboration for the solution of various problems not only prevents us from utilizing the superiorities of the socialist economy as a unified economy, but also impedes the rapid development of the economy,»[1] the 8th Congress of the Party pointed out.

Last year a number of items of production under the competence of the organs in the centre and in the districts were not fulfilled according to plan. Despite the notable improvements made, there are still cases of failure to fulfil part of

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 41, Eng. ed.

the assortments of production. Economic relations are affected by any non-fulfilment of plans, and this becomes especially a serious problem when it occurs in some enterprises of the engineering industry, agriculture, foreign trade, transport, etc. There are still cases of production and work at high cost in industry and agriculture, as well as in transport and construction, which cause a discrepancy between the value of consumption and the value of products and goods. Not inconsequential are also delays in construction, reconstruction and commissioning of new productive projects. Therefore, as Comrade Enver Hoxha teaches, «It is important to uproot from the minds, consciousness and method of work of anyone the idea that the plan can be regarded as fulfilled only when the total value of production or some general indices are fulfilled. The plan is a complex of indices and parts, is a unified state plan and its fulfilment is compulsory for everyone.»[1]

In the field of management improvements must be made especially in **the methodology of economic and financial planning.** It must respond better to the requirements of intensification, efficiency and technical and scientific progress. It has become clear now that in practice, there is one-sidedness and inadequate evaluation of qualitative indices of production and that methodology itself is lagging behind compared with the dynamic and intensive development of the economy. It does not reflect some qualitative indices of the plan, the technical-scientific revolution, the cooperation and co-ordination of work, the harmonization of the economic aspects

1 Enver Hoxha, «On the 7th Five-year Plan», pp. 117-118, Alb. ed.

with the financial aspects of reproduction, etc. The drafting of a series of metnod guides for the different branches and sectors of the economy, which will further complement methodology and make it more concrete as a whole, is imperative. This is a broad field of activity, in which the economic as well as the technical and scientific thinking should delve deeper into things in order to ensure solutions more appropriate to the higher stage of development of our socialist economy.

In the framework of the improvements in methodology and methods there is the important problem of **a better regulation and accord between the economic indices and the financial indices of the plan.** Tasks are set to lower costs, but the result does not always properly figure in the increase of the net income. Every year the state makes financial investments for the increase of the means of circulation, and enterprises are given funds amounting to hundreds of millions of leks for capital repair of their main means, which are not always covered with the material base, as is the case sometimes with investments in the agricultural cooperatives. The rule exists for industrial enterprises, once they deliver their goods to the trade organs, to report the centralized net income to the budget. But this report is also made for goods which are not circulated in the time fixed by the trade organs. These and other problems of the kind face the State Planning Commission, the Ministry of Finances, the State Bank, as well as the scientific institutions and higher institutes, and they call for solution in theory and in practice.

The methodology of planning and the practice of economic management should place on

more correct scientific bases **the evaluaoin of the economic-productive activities of the state farms and the agricultural cooperatives.** According to the present practice, the work of the state farms and cooperatives is measured mainly by the degree of fulfilment of the planned tasks. This is necessary and must continue. However, along with this, we must check up on how much the planned tasks have increased in comparison with the past year in analoguous state farms and cooperatives. Likewise, it is important to bear in mind the quantitative and qualitative level achieved in economic indices (productivity, cost, norms of consumption, etc.) in comparable enterprises or cooperatives. The complex following up of these three components will help discover internal reserves, will encourage the advance and give a more logical and objective character to the evaluation of the work in the base.

III. Some conclusions about strengthening the socialist relations of production and preserving their purity

From the struggle and effort of our Party and the state of the dictatorship of the proletariat for the establishment of the socialist relations of production and their perfecting on the correct revolutionary road, as well as from the analysis of the negative experience of the re-establishment of capitalism in the Soviet Union and in the other revisionist countries, our Party has drawn conclusions of a general character, which have a theoretical and practical importance.

Above all, the preservation and strengthening of the proletarian character of the Party and

the state of the dictatorship of the proletariat is fundamental. This because it is the ideology and policy of the Party that lead and have priority over the economic base of society. It is the Marxist-Leninist ideology and policy of the Party and its leading role in the entire system of the dictatorship of the proletariat that have carried forward and guarantee the socialist construction of our country.

At the 8th Congress of the Party, making a penetrating analysis of the causes of the emergence of revisionism and the capitalist degeneration in the Soviet Union, Comrade Enver Hoxha stressed that right from the start the Khrushchev group set itself as its main task to usurp power in the party and to liquidate the dictatorship of the proletariat. Here began the undermining of the foundations of the socialist society.

Therefore, the profound knowledge and consistent implementation of the Marxist-Leninist line and policy of the Party by our working people and cadres, in the field of the relations of production, just as in every other field, are essential for them to proceed on the correct road and to protect themselves against the danger of bourgeois-revisionist degeneration. In this aspect, the struggle of the Party against manifestations of bureaucracy, liberalism, and technocratism, the waging of the class struggle on all fronts correctly, have always had special importance. In the field of the management of the economy, among other things, this requires a still more powerful reliance on the broad working masses, their creative thinking, knowledge in depth of and greater consideration for the general laws of the socialist construction and the requirements of the objective economic laws, so as to treat and

solve the concrete problems of every branch and sector of the economy always in conformity with the principles and laws which lie at the foundation of our society.

Second, the preservation and strengthening of the socialist character of ownership, which constitutes the foundation of economic relations and social equality among working people, must be followed up closely and always carried forward. We are well aware of the great work done and the fierce class struggle waged for the establishment of the socialist ownership in town and countryside, and for bringing cooperativist ownership closer to the ownership of the entire people. In all this revolutionary process the Party has not withdrawn in face of difficulties and obstacles, because it relied on the people and marched ahead with clear perspectives, always with the aim of serving the fundamental interests of the broad working masses. That is why the masses have followed and supported the Party. Quite the opposite happened in the revisionist countries, where the former communist parties, corrupted by opportunism and liberalism, abandoned halfway the processes of the transformation of ownership on the socialist road, and this became a breeding ground for stagnation, degeneration and return to capitalism. Hence emerges once again the need for a thorough understanding of the orientations of the Party and the teachings of Comrade Enver Hoxha that socialist ownership should be conceived and realized as a process in development, that group ownership should be brought closer to and gradually transformed into ownership of the entire people and that state ownership should be increased and used with the highest possible economic and social efficiency.

Third, special attention must be devoted to preserving the purity of the aim of the socialist production, which is the ever better fulfilment of the growing needs of the entire society. Our Party has conceived and implemented this principle in a broad context, on the basis of the teachings of Marxism-Leninism, thereby ensuring the harmonious and complex development of the economy, the development of industry together with agriculture, of the town together with the countryside, ensuring the stability and independence of the economy, the continuous uplift of the well-being and the strengthening of the defence capacity of the Homeland.

These aims of the development of production must be borne in mind well in the drafting and implementation of plans of distribution and use of the human, material and financial resources of the society according to the correct Marxist-Leninist conception of the efficiency of the economy and profitability of production. In this sense, globalism, the production of goods with a slow turnover, narrow-mindedness in cooperation, in the observance of contracts and in other directions, which hamper fulfilment of the aim of socialist production, must be combated more efficiently.

Our Party has exposed and rejected the revisionist conception of placing capitalist profit in command, above everything: production, distribution, the socio-cultural activities and any other sector. The economic «reforms» of the Khrushchevite revisionists and those who succeeded them, and the so-called workers' self-administration of the Titoites are merely unbriddled demagogy about the so-called efficiency and dynamic of the economy. In fact they failed,

the clearest evidence of this is the deep crisis into which they have landed.

Fourth, a correct line about the place, the role and the roads of perfecting the commodity-money relationships and the operation of the law of value has been followed in our country, both in theory and in practice. The Party has always demanded that they be used and applied in the context of the unified state plan and serve the aim of socialist production, without loosing sight of the perspective of the gradual narrowing of the sphere of commodity production, This is one of the most delicate fields of economic relations, one on which the revisionists focussed their attacks right from the beginning in order to denigrate the Marxist-Leninist economic theory. At the 8th Congress of the Party Comrade Enver Hoxha pointed out, «In order to open the way to the re-establishment of capitalism, the Khrushchevite revisionists attacked the fundamental theses of the Marxist-Leninist theory about commodity production and the operation of the law of value in socialism. In theory and practice they identified socialist commodity production with capitalist production. On this basis, they reformed the whole economic mechanism.»[1] The role of such categories as cost and prices, state financing and credit, the role of the bank and finance should be further enlivened in order to strengthen financial control and to open the road to new products, to the efficiency of the economy, to the strengthening of relations between production and consumption.

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 241, Eng. ed.

Fifth, the consistent implementation of the line of narrowing the distinctions in the level of income and the way of life between social classes and groups, the gradual narrowing of the sphere of operation of the «bourgeois right» in distribution, has been and still is another question of major theoretical and practical importance for the destinies of socialism. Our Party has always taken into account the Leninist teaching and our own revolutionary experience that private ownership begets capitalism everyday, and that allowing great distinctions in the distribution of the product for oneself in other directions fosters the desire and creates the material conditions for making larger profit and becoming bourgeoisified.[1] Therefore, we must continue to delve deep into the significance of the party line and policy of the construction and implementation of the relations of distribution according to work, the roads to raising the well-being of the people in our country and the harmonization of the material incentives with the moral incentives, giving priority to the latter. The correct implementation and perfecting in the revolutionary road of these relations must serve still better the mobilization of the working people in their creative activity in every field of life. in strengthening their class education.

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All these fundamental questions have capital importance for the establishment and correct

1 See Enver Hoxha, «Reports and Speeches 1974-1975», p. 141, Alb. ed. CAP.

application of the system of socialist relations of production, but they are vital also for their further perfecting, for the complete construction of socialist society.

The road on which the Party with Comrade Enver Hoxha at the head have led and are leading us for the establishment, implementation and perfecting of economic relations is a correct Marxist-Leninist road. Clear evidence of this is the height socialism has reached in our country and the secure perspective we have before us. The putting into practice of the directives of the 8th Congress of the Party in this field will become a still more powerful support for the implementation of the 7th Five-year plan, for the promotion of production and the advance of our entire socialist life.

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DEEPENING THE INTENSIFICATION OF AGRICULTURE — THE PERMANENT MAIN ROAD OF THE DEVELOPMENT OF AGRICULTURAL PRODUCTION

As Comrade Enver Hoxha has pointed out, after the triumph of the people's revolution, the Party had to solve two fundamental problems simultaneously in the field of agriculture, both the socialist transformation of the countryside and the all-round development of agriculture.[1] In order to attain these objectives the land reform was carried out with success, the small producers of the countryside were gradually collectivized, and the socialist system of agriculture was created. The setting up of the state farms and agricultural cooperatives, the ceaseless improvement of the socialist relations of production on the revolutionary road gave an impulse to the rapid development of the productive forces and

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 28, Eng. ed.

set agriculture on the road of its intensification and modernization.

As a result of the implementation of the Marxist-Leninist line and policy of the Party, in less than four decades the centuries-old backwardness was overcome once and for good and a developed, many-branched complex agriculture was created on strong scientific bases. Agriculture now is in a position to ever better meet the growing needs of the population and of the light and food-processing industries, to contribute to increasing reserves and strengthening the defence potential of the country, to increasing exports, continuously uplifting the well-being of the peasantry and narrowing of distinctions between town and countryside. Self-sufficiency in bread grain, beginning from 1976, is one of the greatest victories achieved in the brilliant epoch of the Party. These main achievements testify to the correctness of the economic line and policy of the Party in agriculture, to the indisputable superiority of the socialist road of development of the countryside.

I. Intensification — an objective imperative for the development of agriculture

The Party and Comrade Enver Hoxha have seen the intensification of agriculture as an objective imperative and treated it scientifically, in unity with the all-round development of the productive forces and the socialist relations of production. It is conceived as **a planned, rational and harmonized development, on scientific bases, of all the factors which condition production and**

ensure its increase for every unity of land and for every head of livestock, with less expenditure for every unit of product.

On the other hand, intensification has been seen as an imperative for the development of agriculture in all zones and districts in all branches and sectors, and in close connection with the overall socio-economic development of the country. The Party has established a scientific order and set the directions in the development of production in branches, zones and districts. While giving priority to the intensification of agriculture in the plains, the need for its intensive development in the hilly-mountainous zones has also been stressed; while giving priority to intensification in the state sector, measures have also been adopted to carry it in depth in the cooperativist sector; while giving priority to the higher-type cooperatives, the other cooperatives have not been neglected; while giving priority to production of bread grain work has continued at the same time for the intensive, complex and harmonized development of agricultural production on all fronts.

The intensification of agriculture has been treated in close and constant connection with the process of perfecting the socialist relations of ownership, of exchange and distribution, and of management and organization.

At the 8th Congress of the Party Comrade Enver Hoxha pointed out: «The fulfilment of the targets envisaged in the 7th five-year Plan for agriculture will be achieved, more than ever before, through intensification.»[1] To achieve this,

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 35, Eng. ed.

over 90 per cent of the increase of the overall agricultural production envisaged in this five-year plan is to be ensured from the increase of yields of field crops and productivity of livestock, against 45 to 70 per cent it was in the past five-year plans.

The further intensification of agriculture in this five-year plan and in the future is conditioned by some factors:

First, agriculture is the basic branch of the economy; without its rapid development and intensification the other branches of the economy cannot develop according to forecasts. Largely connected with this is the uplift of the well-being of the working masses of town and countryside, the development of the light and food-processing industries, the increase of exports and reduction of imports, the increase of reserves and the strengthening of the defence potential of the Homeland. In 1981 agricultural and livestock products, both finished and raw, accounted for about nine tenths of the population's consumption, nearly 90 per cent of the primary materials for the light and food-processing industries and about one fourth of all our export.

Second, the further deepening of the intensification of agriculture is dictated also by **the tendency existing in our country towards reduction of the arable acreage per capita of population.** Although opening up new land will continue, the increase rate of the acreage of arable land will be smaller than the growth rate of the population.

Third, the conditions and circumstances of the socialist construction of our country, which relies entirely on its own forces, and of the savage imperialist-revisionist blockade and the

economic and financial world crisis also require the further intensification of agriculture and the increase of its economic efficiency.

As is known the 8th Congress of the Party defined special tasks for the priority intensification of agriculture in the more fertile plains of the country within a ten-year period. The first stage of the intensification will be carried out during the 7th Five-year Plan and cover more than 100 thousand hectares of land in the zone of coastal plains of the country.

The priority development of this zone, which takes place in the context of the intensification of agriculture as a whole, completely coincides with the interests of the socialist construction in general. It is aimed at making all the existing sources and reserves available for the rapid increase of the agricultural and livestock production, for the increase of the effectiveness of investments, fundamental funds and expenditure of production, as well as the rapid increase of the income, accumulation, etc. At the same time, it is an important factor for perfecting the socialist relations of ownership in agriculture, for the gradual transformation of group ownership into ownership of the entire people. The priority, which is given to this process, is not and cannot possibly be circumscribed within the interests of the plains and coastal zone. In connection with this Comrade Enver Hoxha points out that, «...it should by no means be imagined that the problem of intensification now is raised only for this zone».[1] On the contrary this zone will develop more rapidly in the conditions of the deep inten-

1 Enver Hoxha, «On the 7th Five-year Plan», p. 622, Alb. ed.

sification of all the territory of the country and integrated with it.

The intensification of agriculture in our country is the opposite of the same process in the bourgeois-revisionist countries. In these countries intensification is hampered by many contradictions and difficulties and characterized by the unequal development of different zones and branches, the mass depopulation of the countryside, the uninterrupted ruination of the small producers, the barbarous exploitation of the fertility of the soil and the capitalist oppression and exploitation of the working people of town and countryside, agrarian crises and constant price rises, which are rife in all the capitalist and revisionist countries today. In the last ten years (1970-1979) in three member countries of the European Common Market (France, Italy and Germany) another 7.3 million farmers were forced to abandon the land and swell the ranks of the army of unemployed. As for the revisionist Soviet Union, the proportions of this «erosion» are catastrophic with over 17 million people having abandoned the countryside there within the same period.

The practice of socialist construction in our country proves the opposite. In 1982 compared with 1980, overall agricultural production increased 9 per cent, bread grain 8 per cent, vegetables 8.4 per cent, fruit 19 per cent, production of milk in state farms and agricultural cooperatives 24 per cent, etc. And of all this increase over 88 per cent is due to the increase of yields.

However, for the fulfilment to the letter and in all directions of the present and future tasks in agriculture, a series of problems which have to do with the deepening of intensification,

the harmonization of the factors of production, the perfecting of concentration and specialization, the carrying out of scientific studies and the application of their results in production, the raising of the degree of efficiency of agricultural production and in other directions, should be taken up and solved in the most correct possible manner.

II. Intensification demands a high degree of harmonization of factors conditioning agricultural and livestock production

The state farms and the agricultural cooperatives of our country are supported by a powerful material-technical base which grows and is perfected continuously: Investments in the land, fruit-growing, animal husbandry, irrigation works, mechanization, seeds selection, breed improvement, etc., have increased. In the current five-year plan the development of agriculture will absorb 29 per cent of all fundamental investments of the economy. But, as Comrade Enver Hoxha, points out, «a better harmonization, based on scientific criteria, of all the human, material, agro-technical and natural factors which condition agricultural production,»[1] is a major problem which has to do with the further intensification of agriculture. There is no zone, district, agricultural economy or brigade in our country which has not its specific tasks for the increase of yields. In this sense, the harmonization of these factors is an important question

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 35, Eng. ed.

for all the specialists, cadres and working people, for all the scientific-research institutes and other economic and planning bodies.

The best example in this field is provided by the advanced economies, which are outstanding for high yields. Such are the higher type cooperatives of Plasa and the state farm of Maliq, which have taken respectively 63 and 57 quintals of wheat per hectare, the higher-type cooperative of Dajç and the state farm of Vrina which have taken respectively 90.5 and 87 quintals of maize per hectare, the higher-type cooperative of Lapardha with 22 quintals of cotton per hectare, the livestock raising complex of the state farm of Kamza with over 4,000 liters of milk per cow, the poultry raising enterprises in Tirana, Vlora, etc., which take 200-220 eggs per laying hen a year, etc. Many are the cooperatives and state farms which closely follow in the example of the advanced. In some sectors and brigades results are still higher, as is the first brigade of the Drithas sector in Maliq which took a record of 117 quintals of wheat per hectare in an acreage of 5 hectares, etc.

These agricultural units **provide a synthesized example of the high degree of harmonization of all the factors of production,** e.g. the strains of crops and breeds of animals with the natural and weather conditions, concentration, specialization and agricultural rotations, scientific management, organization and planning. The thorough study of the advanced experience, its scientific summing up and dissemination are a great objective of work in agriculture from which emerges a series of tasks for the specialists, cadres, and all the working people of agriculture.

The scientific conception of the problems of

harmonization of the factors of production has special importance for today and for the future. This is linked up with the **new proportions** which our production in the conditions of intensification has assumed. The tasks of this five-year plan to take over 48 quintals per hectare in all the acreage of the country sown to maize, or to take in over 75 quintals of maize and over 45 quintals of wheat, etc., in the zone with priority intensification in 1985, require **that all the factors should make their contribution and be correctly harmonized.**

Scientific studies and the application of new advanced technologies in the production of maize, vegetables, milk and meat cattle, poultry, etc., prove that, when even one single factor does not operate to the required degree and in the appropriate time the operation of other factors is negatively influenced and restricted. Experience until today reveals on the one hand, the great possibilities and reserves which advanced technologies have for the harmonization of the factors of production and, on the other hand, the need to extend and introduce them at more rapid rates and in larger proportions into the cultivation of field crops, fruit-growing and animal husbandry. Simultaneously, the dissemination of advanced technologies necessitates a proper support from the material base, the perfecting of organization, management and the further qualification of the working people and cadres, etc.

Here we will dwell on some main questions connected with the better harmonization of the factors of production and the fulfilment of the planned tasks in agriculture.

1. The first important problem is the **hus-**

banding and further increase of the fertility of the land, with its systematization and drainage. Although the fertility of the land is improved continuously, the rates of its increase must be stepped up. Tracts of land of low fertility account for a great part of the total acreage.

The raising of fertility is connected with the drainage, the systematization and re-systematization of the top soil. Our experience shows that **in poorly systematized land, crop yields fall 10-15 per cent.** However, the solution of this problem should not be reduced to the use of graders only. In the first place, the solution should be sought in the repeated ploughing and other operations which are done continuously.

Another big reserve is the top-soil systematization combined with the improvement of the deep-water regime by means of drain-pipes. As the experience of the state farm of Levan shows, this method advances spring ploughing by 2-3 weeks, saves fuel, and increases the coefficient of use of fertilizers and manure.

Among the many problems of agriculture, in our opinion, the problem of **husbanding the land** calls for special attention. Despite the measures taken and the many investments made, there are losses of the fund of land due to erosion by rivers and torrents in the plains and in the hilly and mountainous areas as well as due to constructions and investments. For these phenomena to be avoided, the workers of agriculture must, in the first place, do more for the systematization and protection of the land, especially in the hilly and mountainous zones. Our complex studies must be more profound and our plans of investments more accurate; collaboration with other departments, and especially

with those of building construction, industry, and communications, etc. must be improved further.

2. The rapid rates of intensification bring into evidence more and more each year **another important problem, that of the fulfilment of the needs of field crops for water ever better.** Thanks to the farsighted policy of the Party and the implementation of the teachings of Comrade Enver Hoxha in the field of investments, our country now can not only avoid catastrophe years of extraordinary drought like that of 1982, unlike the bourgeois-revisionist countries, but even take in yields higher than in all previous years. Nevertheless in this context some main questions attract our attention:

First, there must be a more scientific conception and planning of the water balance for the needs of crops in harmony with the planned yields and varieties of crops. Even the areas considered to be under irrigation, have varying, sometimes insufficient, irrigation capacities. This is so even in the zone of priority intensification.

Thus, for example, whereas the Vjosa-Levan-Fier canal has a flow of 4200 cubic metres per hectare in the zone it covers, the big reservoir of Thana in Lushnja supplies only 2600 cubic meters of water per hectare in its respective zone. The introduction of hybrids into all the acreage sown to maize, higher yields of forage crops and vegetables, the irrigation of wheat fields, vineyards, fruit trees, etc., call for placing designing and execution of new irrigation works on more thoroughly studied criteria. Along with this, it is necessary to examine the possibility of reconstructing the existing irrigation works, cannals,

reservoirs, dams, water pumping-stations, etc., and increasing their capacity.

Special concern must be shown for the increase of the irrigable area, especially in the hilly and mountainous zones, through a more rational utilization of water reserves, the building of small and simple irrigation works which require small investments.

Second, for the effectivity of the use of water to increase at more rapid rates, **new and more rational methods and techniques of irrigation at low norms must be introduced.** For this, along with the better implementation of other methods, it is necessary to extend more rapidly the irrigation in the form of rain and sprinkling. Likewise, better work must be done to disseminate the experience gained in the construction of complex irrigation systems in the blocks of fruit-trees at Lukova, Jonufri, Kurora e Tiranës, etc.

Third, recent studies have brought into evidence a new problem common to all the districts of the country, **that of filling up reservoirs to protect them against solid deposits and erosion.** This phenomenon is responsible for the fall in the irrigation capacity of the reservoirs by several hundred hectares every year. Urgent measures, must be taken to slow down and gradually reduce to a minimum this negative factor.

3. A group of questions apart **is the quantitative increase of fertilizers and, especially, their rational use.** Advanced experience and scientific experimentation reveal both the need and the great possibilities, which exist in all the agricultural economies of the country for extending the use of organic fertilizers. Their accumulation, scientific treatment and use constitute a great

and irreplaceable source for increasing the fertility of the land and the yields of field crops. On the other hand, the correct combination of organic fertilizers with mineral fertilizers, the perfecting of the methods of their use, their spread on the basis of a plan and on scientific agronomical and pedological bases are the key links to the increase of the coefficient of the fruitful utilization of fertilizers in general.

4. **Introduction of seeds producing heavy crops provides greater support for the fulfilment of the tasks of intensification.** With their results, the more advanced economies of the country, are making their contribution to the reduction to a minimum of the gap between the biological productive capacity and the factual yields. The aim is that, along with a higher productive capacity, the new seeds should also have a higher degree of adaptability to the concrete ecological zones, better resistance to disease, pests, drought, etc.; they must also have good chemical and technological qualities for industrial processing. Along with our known centres of the Institute of Agricultural Research in Lushnja and the Higher Agricultural Institute of Tirana, the other scientific centres in this field should also have their say more rapidly and with greater competence.

5. The next important problem is that **of the further raising of the dregee of mechanization of work in agriculture.** The needs for mechanization have increased both in order to cope with the greater volume of work because of the increased production, and in order to improve the ratio between mechanized and unmechanized work. During the current five-year plan and in the years to come, along with a more rational exploitation of the existing draught power, a bet-

ter studied work should be done to introduce more modern means of work into production, to improve the structure of the draught power (through increasing the number of powerful tractors), to use new means, as well as complex and combined machines, such as precise sowing machines, on a broader scale.

Priority must be given to **raising the degree of mechanization during peak periods of work for extensive cultures.** This covers the work for sowing, harvesting, and threshing, for ensilaging feed for animals and other processes of work in livestock farming, for draining and irrigation, services for fruit-trees, etc. In this context, special tasks emerge for the engineering industry, which must produce machines and spare parts more rapidly, in greater quantity and of better quality.

A higher degree of mechanization is closely connected with the ability to cope better with the needs of the state farms and agricultural cooperatives for transport. As the Party has orientated, for these problems to be solved production must be expanded, all kinds of internal transport — beginning from simple means to vehicles and cable-ways — should be organized and put to better use.

6. **In livestock-farming the effect of the harmonization of the productive factors is still more noticeable.** In this branch there are a series of general and special relationships, which must be better coordinated with one another — relationships between climatic conditions, breed, feeding, and ways of livestock management.

In the conditions of the intensive livestock-farming, as the Party has stressed, **the work to ensure the feeding base assumes special importance.** Despite the achievements of the first 2

years of this five-year plan in the field of forage crop production, the tasks for yields to increase 2-3 fold still remains an objective to be attained in the coming years. The quantity and quality of production of forage crops in every season of the year and their efficient use demand the perfecting of their structure, the establishment of more correct ratios in the feeding of animals both with green, dry and concentrated foods and with fresh, ensilaged and processed foods; a balanced energy and protein diet, as well as a more rational co-ordination of the above mentioned ratios with the rhythmical and constant supply of all kinds of foods; the ensuring of the necessary capacities of transport and storing. These problems become even more evident against the large-scale concentration of livestock-farming, the introduction of advanced technologies, etc.

Pastures are a great reserve, though exploited under their possibilities. They represent a great national asset, which must be estimated and treated more seriously, in order to ensure the feeding base for animals. The work begun must be extended over larger areas, and measures must be taken to intensify their productivity. A good initiative in this direction is that taken by the agricultural cooperative of Peza of Tirana district, for the creation, with state contribution, of cultivated pastures on large tracts of hilly land.

More careful work, based on scientific conceptions, must be done for the preparation of the **reproduction stock** in livestock-farming not only to ensure the increase of numbers of cattle, pigs, goats, sheep, fowl, etc, and their suitable age structure, but also to further improve breeds and productivity.

7. **The harmonization of production factors must be seen in close connection with the active participation of human forces.** The modernization of agriculture, Comrade Enver Hoxha teaches us, will make progress, but this should in no way lead us to undervaluing the work forces. On the contrary, «...it must be always considered as the decisive factor for the development and modernization of agriculture».[1]

III. Concentration, specialization and agricultural rotation — imperative for the intensive development of production

The dynamic process of development of agriculture requires that the scientific level of management and organization of production be further raised. In the present state of the intensification of agriculture, along with all the elements of management and organization, the further perfecting of concentration, specialization, cooperation and agricultural rotation assumes special importance.

Comrade Enver Hoxha points out, «Better studied work is required for a more appropriate distribution of agricultural crops, animal husbandry, and fruit-growing among the districts, regions and agricultural economies, and greater concentration and specialization of agricultural production.»[2] In recent years the extension of the

1 Enver Hoxha, «On the 7th Five-year Plan», p. 105, Alb. ed.

2 Enver Hoxha, Report to the 7th Congress of the PLA, pp. 55-56, Eng. ed.

complex experienoe of the higher-type cooperative of Plasa has been placed at the foundation of this work.

Focussing on the attainment of the fundamental task — the further consolidation of the production of bread grain, basic cooperation between the two main branches, agriculture and animal husbandry, has been further strengthened, and the distribution of agricultural crops, fruit-growing, animal husbandry, etc., perfected. Plans have been drafted and work has begun for the concentration and better regionalization of cereals in accord with ecological conditions and the material-technical base available. The whole surface sown to maize has been put under irrigation, while the surface sown twice to wheat has been further reduced. Similarly, the creation of new blocks of fruit-trees, the setting up of livestock complexes in many zones and districts, and the priority increase of small livestock in the hilly and mountainous zones contribute to improving the distribution of production and the further extension of cooperation between agriculture and animal husbandry.

a) Along with a better distribution of crops there is **more and better concentration and specialization of agricultural and livestock production** in districts and zones. The production of cotton is concentrated in four districts, of rice in 5 districts, against 8 districts in the past, and tobacco in 13 districts against 20 in the past. Improvements have also been made for sugar beet, potato, soya, etc.

Concentration and specialization are becoming ever more important in the economies of every district and in the sectors and brigades of each economy. This has been achieved in

struggle against a «mosaic» conception of agriculture according to which «everything must be produced within the brigade and the sector».

The work to further deepen concentration and specialization, and especially to spread the experience of the higher-type cooperative of Plasa, came up against the hostile activity of the multiple agent Mehmet Shehu, who, in various forms and ways, tried for years on end to impede the rapid dissemination of this experience.

b) Practice has confirmed that the increase of the efficiency of concentration and specialization of field crops is closely connected with **agricultural rotation.** All the agricultural economies, organs and institutions must have a more rigorous conception of and work with a higher scientific level for the planning and application of agricultural rotation in all the country and, especially, in the priority development zone during this 10-years period. The problem is to choose such schemes and types of rotation as are better adapted to the management, to concentration and specialization of production, the weather and natural conditions of every economy and sector. On the other hand, experience shows that agricultural rotation is a problem which cannot be solved off-handedly, because it takes a long time to be mastered fully. It comes up against inhibiting concepts and difficulties, which can be overcome with success only when the cadres and specialists work persistently, master science well and base their actions on serious studies.

Despite the positive trends that are noticed, there is still room for more improvements in the structure of field crops, especially in the ratio between intertilled and un-intertilled crops in favour of the former, between ameliorating

crops and other crops in favour of the **former,** and between first crops and second crops.

c) In the context of the intensvie development of agriculture in the whole country, the Party calls for greater concern about a more rapid socio-economic development of **the hilly and mountainous zones.** The experience hitherto has raised the need for the re-examination of the problems connected with the improvement of the management of the state farms and agricultural cooperatives in these zones, of the structure of field crops, fruit-growing and animal breeds, for better study and the solution of problems of internal transport, etc.

According to the studies carried out, this year work will begin on the specialization of 29 agricultural cooperatives of the hilly and mountainous areas in livestock farming. Along with the increase of their meat cattle herds, these cooperatives also will increase 65 per cent the numbers of their sheep and goats until 1986. Milk and meat production and the income from it will also increase at high rates, etc. The specialization of 29 cooperatives in livestock-farming will also serve as an example to extend this experience to the other cooperatives of these areas.

d) Increased efficiency in concentration, specialization, cooperation and crop rotation calls for the realization at a higher level of **all the other elements of the scientific management and organization of production and work.** In the first place, the scientific level of planning should be raised in all links and at all levels of management of agricultural cooperatives, and the role of the cadres and specialists enhanced in strengthening discipline of the plan, technical and technolo-

gical discipline, as well as discipline at work, while further strengthening control on the implementation of tasks, perfecting the small-scale organization of work in every organizational unit up to brigade level, etc.

In the concentration and specialization of production and crop rotation **the role of the brigade** as the basic unit of production gains even greater importance. However, other problems have also emerged in connection with the brigade, which have to do with the way it should be conceived in the new conditions and its size for different kinds of work in the plains, the hills or the mountains. Should the brigade work always on the same area of land or should it tend crops according to their rotation? It is for the economists and specialists and other cadres of agriculture to carry out broader studies so as to express their opinions more competently, while always seeing to it that they lose no time in the process.

IV. The intensification of agriculture requires the further deepening of scientific work and the application of its achievements in production

The fruit of scientific thinking and work can be seen today concretely in every branch and sector of agriculture. The results of our vanguard economies, which are known all over the country, are convincing evidence of the achievements of the Albanian agricultural science. However, «The many problems related to the intensification of agriculture,» said Comrade Enver Hoxha at the 8th Congress of the Party,

«can be successfully solved only by placing agricultural production on rigorously scientific foundations.»[1]

Our country now has the necessary material base and intellectual forces to cope with this task successfully. Nowadays 6 institutes, 10 scientific research stations, and over 30 university chairs work for the development of our agriculture. Besides them, thousands of specialists and production workers are actively engaged in scientific research, with great maturity. With the development of our agricultural science great possibilities for studies, experiments, designs and applications have been created which, together with the advanced experience of the country in general and the best achievements of world advanced science and technique, enable the solution of many complex problems.

For science to precede our socio-economic development today and in the future, the whole activity of scientific research should be further deepened and improved in several directions.

First, studies of a complex character should be extended and deepened further. The higher yields from the intensification of production will be achieved through the complex and simultaneous operation of all factors (land, fertilizer, water, plant, etc.), hence they should be studied in their dialectical interconnection. This should be done in order to harmonize the various production branches of the agricultural cooperatives not only among themselves, but also with the rest of the people's economy, especially with the

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 36, Eng. ed.

development of the light and food-processing industry, trade, transport, contructions, etc.

A higher scientific level of studies requires application broader, than up to now, of modern methods of research, as well as of the achievements of biological, mathematical, computational and other techniques.

Second, economic, financial and organizational studies of the effectiveness of the new methods of production must be strengthened and deepend further. It is a fact that when new technical measures are accompanied with economic and financial ones, their positive influence is greater. So, for example, an accurate prognosis of land pests reduces to 30-35 per cent the treatment of the land with pesticides and other chemicals. This saves millions of leks and, at the same time, defends the natural environment against pollution.

Third, the time between the completion of studies and their full application in production should be further reduced. At present this is among the biggest reserves for raising the efficiency of scientific work. It is of fundamental importance that what is studied and experimented with positive results should become immediately accessible to large-scale production. This requires timely planning, co-ordination and application of a number of organization, technical and propaganda measures. Some studies can be applied in production immediately, especially those connected with land improvement, particularly, of acid and salt soils. In the selection of seeds methods should be applied to ensure their rapid and high coefficient of multiplication and production in protected environments as well as the rational utilization of geographic conditions to take in two or more generations each year.

Fourth, better work should be done for the organization of **forecast studies.** The ceaseless increase of agricultural production, its complex and long-term character, the greater interconnection of the economic reproduction with the natural reproduction call for better co-ordination of five-year development plans with forecast studies. These long-term studies will open up new horizons for the development of the productive forces, forecasting the increase of yields of crops and livestock, the development of individual elements of the material-technical base, the development of demographic processes in the countryside, etc. Forecast studies in the countryside should be carried out at all levels: on a republic, district, zone and individual economy level, and combined with studies carried out in the other branches of the economy.

The work of our sciences, especially the socio-economic ones, must be more comprehensive and respond better to the objectives of the economic policy of the Party in the field of agriculture, by increasing the volume of preparatory studies and raising their level. The implementation of the directives of the Party and the teachings of Comrade Enver Hoxha on the study of socio-economic processes and the perfecting of the forms of organization and management of the economy, and on the raising of the degree of socialization of socialist property pose a great number of problems which must be resolved in the process of our advance in the road of our socialist construction.

V. The increase of the efficiency of production — a component part of the intensification of agriculture

The fulfilment of the major tasks our agriculture is faced with under the 7th Five-year Plan, as Comrade Enver Hoxha points out, calls for «...the highest possible efficiency in the utilization of the land and the relatively powerful and diversified material-technical base which has been created with the aim of getting the maximum agricultural and livestock products with the least possible expenditure.»[1]

The tasks the Party has set to ensure the utilization of the material-technical base and live work in agriculture rationally and with greater efficiency **do not mean in the least a reduction of production expenditure.** The Marxist-Leninist conception of the efficiency of production, of economic profitability and productivity of social labour underlies the foundation of the economic policy of the Party.

The experience of many agricultural economies in our country shows that the factors increasing production such as the rational utilization of labour sources, the efficient use of the material-technical base, the increased effectiveness of investments, etc., **ensure the increase of economic effectiveness as well.** What has been achieved up to now proves this. In 1982 as against 1975 total agricultural production has increased 28 per cent in the state sector, and in the cooperativist sector the income per cooperative member has gone up together with accumulation and well-being of the cooperativist in general.

Nevertheless, the further intensification of agriculture creates some new problems in the field of effectiveness.

1. First of all, **the economic efficiency of the utilization of basic funds and investments should be raised to a higher level.** The state and the cooperatives themselves are increasing their investments in every field of agricultural production. Here the problem is to combine the different kinds of investments better with each other so as to increase their efficiency. Many agricultural economies and production branches have a valuable experience in this direction. The agricultural enterprise of Lukova, working on scientific bases, has increased the efficiency of its investments in fruit-growing by reducing the term of their amortization to about one third of the planned time. On this road go many other agricultural enterprises such as those of Dibra, Korça, Pogradec, Tirana, etc., as well as the livestock-raising complexes of the «29 Nëntori» enterprise of Lushnja, of the «17 Nëntori» enterprise of Tirana, etc.

Nevertheles, the existing experience indicates that **not everywhere the increase rate of basic funds and investments is accompanied with the corresponding rate of increase of production.** Therefore, the scientific level of planning, estimating and applying basic investments should be raised to a higher level. According to the different branches of agricultural economies, investments should be concentrated on the more profitable sectors and given better support from the material-technical base. Practice shows that there are disproportions here and there. In some

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 35, Eng. ed.

cases, new plots of fruit-trees are introduced into the production cycle with delay, or without the planned number of plants. The rebuilding of old plots is not always combined with the creation of new plots and the production on time of saplings of the necessary quantity and quality. The large-scale use of header-threshers in the zone of priority intensification calls for more dryers, threshing grounds and storage facilities. So the order, volume and direction of investments in agriculture should be better adapted to the climatic and land conditions, the structure of production, the economic direction and the level of intensification of production in every district and agricultural economy.

2. The problems having to do with **raising the economic efficiency of production expenditure are important.**

First, there are economies in which **the rate of increase of expenditure per hectare is not accompanied with the corresponding increase rate of crop yields.**

Second, increased efficiency of production expenditure requires the establishment and application of correct ratios between material expenditure and live work.

There are also discrepancies in the distribution of the material base among field crops. Thus, for example, in some economies material expenditure for wheat accounts for up to 37 per cent of all expenditure, while it is only 22 per cent for cotton. The distribution of the material-technical base should be done according to more scientific criteria and applying the methods of balanced norming on a broader scale.

Third, in a number of sectors and economies of livestock farming **production costs are still too high,** which is explained mainly with shortcomings in the procurement and utilization of the feeding base and, especially, with the high cost of green fodder. There are still agricultural economies which produce green fodder at a high cost. On the other hand, the effectiveness of use of fodder in some economies is still low. Thus, the agricultural enterprise of Bushat uses 1.7 quintal of food units per every quital of milk as against the average of 1.2 used in the cattle-farm complex of the agricultural enterprise of Kamza, etc.

Problems of raising the efficiency of production exist in all fields of agriculture and livestock farming. In the future, this problem should be delved deeper into and paid more attention on the part of the cadres and specialists of production and scientific research institutions.

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According to the Marxist-Leninist theory, the teachings of our Party and Comrade Enver Hoxha, the intensification of agriculture is a process that develops in depth. The fulfilment of the objectives of the 8th Congress of the Party for the all-round development and intensification of agriculture is a powerful base to meet the growing needs of the country for agricultural and livestock products, to correctly solve the problems emerging from the development of the life in the countryside and the complete construction of the socialist society in our country in general.

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INCREASING THE EFFICIENCY OF THE ECONOMY — FIRST-RATE FACTOR FOR FULFILLING THE PLANNED TASKS AND FOR THE CORRECT DEVELOPMENT OF ECONOMIC PROCESSES

The Marxist-Leninist economic science has worked out a correct and coherent concept, valuable both in theory and in practice of the efficiency of the economy in general and its individual branches and enterprises in socialism. Hence the discovery of the factors on which the efficiency of the economy depends, has been made possible.

For our concept of the efficiency of the economy to be developed to this stage we had to enrich constantly, step by step, our theory and practice of the functioning of a genuine socialist economy in fierce and ceaseless struggle with capitalist, bourgeois and revisionist theories and practices, relying always on Marxism-Leninism. The contribution of the theoretical thought of the PLA, the teachings of Comrade Enver Hoxha and our historical reality to this is a component part of this process.

1

Our experience over many years convinces us that the **problem of the efficiency of the socialist economy cannot be posed, even less solved correctly, separated from the aim of social production.** That is why the ever better fulfilment of the needs of the whole society lies at the foundation of the Marxist-Leninist concept of the efficiency of the socialist economy.

However, that is not enough. As long as it is proved and accepted that the state plan expresses the interests and the needs of society, the needs both of (production and individual or social consumption) for every given period of time (of one or five years), as well as the resources and possibilities of society for their fulfilment, then **the most natural, the most precise and adequate criterium to assess the efficiency of the economy as a whole is that which reflects the drafting and implementation of the plan in its totality with the least possible expenditure of live and materialized work.**

On this basis to any increase of the social product and national income, accompanied with the increase of accumulation with absolute priority, as well as with the maintaining and systematic improvement of the well-being of the people corresponds an enhancement of the efficiency of the economy as a whole. This logic leads inevitably to the conclusion that the efficiency of every individual branch, enterprise or cooperative must necessarily be measured and assessed with the degree of fulfilment of the tasks of the state plan and of the expenditure made for their implementation.

This criterion for the measurement, assessment and expression of the efficiency of every link in the economy, that is, comparing the output with expenditure, is a correct and truly socialist criterion from every standpoint — political, economic or social. Our planned socialist economy strives to attain and ensure the greatest efficiency while developing at steady rates and with stability. This, in turn, ensures the uninterrupted and high-rate development of the socialist economy, the increase of accumulation, the improvement of the well-being of the people and the strengthening of the political and economic independence of the country.

Our Marxist-Leninist concept of the efficiency of the economy is essentially different from and contrary to the capitalist, bourgeois or revisionist, concepts and practices of economism and profit. Both in principle and in practice the modern revisionists place maximum profit at the foundation of the efficiency of social production. This is typically capitalist efficiency, because it proclaims profit as the highest aim of any economic and financial activity for the whole economy or for everyone of its individual branches and enterprises, through the exploitation of the toil of workers and peasants. This is why, as Comrade Enver Hoxha says, «the modern revisionists indulged in unrestrained demagogy when they demolished the socialist economy with their economic 'reforms' under the slogan of increasing the efficiency of production»[1].

Nearly four decades of socialist construction are time enough for us to admit that the ceaseless relative and absolute increase of the total social product and the national income has been

1 Enver Hoxha, «On the 7th Five-year Plan», p. 79, Alb. ed.

one of the major features of the historical development of the forces of production in the epoch of the Party. This dynamic trend has ensured the attainment of forecast results in the strategic plane for the construction and defence of socialism on the basis of self-reliance.

In order to see that the question here is not merely about an abstract or academic affirmation, but a concrete reality, we will bring only some of the main figures which enable us to assess both the quantitative development of the forces of production and the efficiency this development brings about. In 1980 as against 1950, the total social product increased 11.4 fold and 5.2 times over per head of population. During the same period the overall industrial product increased 33 fold and 15.2 fold respectively, and this at a time when the population grew 2.2. times over. In the years 1981-1982 the social product and national income attained the highest increases ever reached in the last years of the preceding period. Today the number of people working in the various branches of the economy is larger than the total population of the country before Liberation.

Those are some of the summary indices which show the high and historically new efficiency of our socialist system of economy. This efficiency is unimaginable under the capitalist, bourgeois or revisionist, system of economy. That explains why our socialist economy is immune to such problems as crises, unemployment, stagnation, constant price rises, inflation, internal and foreign debts which have become chronic ulcers of the capitalist, bourgeois or revisionist, world today. Like the evils that sprang from Pandora's box, these problems are rife in every country of

this world, big or small, more or less developed industrially.

The present deep crisis of the capitalist world has revealed the ineffectiveness of the «economic reforms» carried out in the Soviet Union and the other revisionist countries, as well as the bankruptcy of the so-called «workers' self-administration» of the Titoites. Neither the social bourgeois demagogy of the revisionists nor the «blessings» of the representatives of the «divine power» can cover up the facts of this crisis.

2

The raising of the efficiency of production remains an unalterable feature of our socialist system of the economy. That is why in the fundamental economic task adopted by the 8th Congress of the PLA for the 7th Five-year Plan the increase of the efficiency of the economy is considered one of the decisive links for the successful implementation of the planned tasks and the correct development of economic processes.

The ever greater importance of efficiency, which is a major factor for the development of our economy in the 7th Five-year Plan and in the future, is based on a number of objective conditions. Let us mention the main ones:

1. Analysis of all factors of economic development indicates that not only in the 7th Five-year Plan, but also in the future **our economy has all the possibilities to continue its steady development at relatively high rates relying completely on its own forces**, on its inner material, financial, monetary and labour sources.

The increase of the efficiency of the economy is and should become ever more one of the main factors of this development.

2. The absolute increase of the total social product and the accentuation of its complex character **lead inevitably to the absolute increase of material expenditure.** The problem posed here is that this trend should absolutely be accompanied by a relative reduction of the consumption of primary materials and energy for the total social product and the reduction of expenditure per unit of product; that the increase of the total social product should be ensured, in the first place and above all, through raising the productivity of social labour; that the national income should grow at rates quicker than the increase of the total social product; that the norms of productive accumulation should be maintained at a relatively high level.

3. Another factor which underlines the importance of raising efficiency in the 7th Five-year Plan is the **introduction of ever more natural resources of the country into economic circulation.** During the 7th Five-year Plan twice as much useful minerals as in the 6th Five-year Plan, without mentioning other assets, will be produced. This calls for a higher degree of efficiency in their utilization, as most of them are unregenerable resources and, as such, do not belong to this generation alone, but also to the coming generations.

4. The Party has correctly and constantly stressed that **the high growth rate of the population in our country** (one of the highest in Europe beginning from the 1950's) is a phenomenon which shows the vitality of the socialist system of economy and the superiority of socialism over

capitalism. It is accompanied with the full employment of the whole active population, which, in turn, is one of the major factors for the increase of the total social product and the national income, as well as for the systematic raising of the standard of living of the population.

There is no doubt that the demographic trend that has characterized the construction of socialism in our country up to now, will make itself felt in the future too, and raise problems with which our socialist economy has all the possibilities to cope successfully. However, it is evident that both full employment and the raising of the standard of living of the working masses calls for greater struggle and efforts, tireless work and innovative and creative thinking in order to increase our natural resources and introduce them into economic circulation with ever higher efficiency, to create new jobs, to raise productivity, to steadily increase accumulation and capital investments.

3

The Marxist-Leninist theory and practice prove beyond any doubt that the **efficiency of our economy is the result of the fulfilment of the planned tasks as a whole, and of the attainment of all its economic and financial indices.** The figures of the first two years of the 7th Five-year Plan clearly indicate that all the branches and sectors of the economy, all the enterprises and cooperatives that have fulfilled the planned tasks in quantity and quality, that have implemented the tasks for the increase of productivity and profitability and the lowering of costs have also reached high a degree of efficien-

cy as a whole. The forceful conclusion from all this is that without attaining all economic and financial indices according to the planned tasks there can be no high efficiency, because the degree of fulfilment of the planned tasks as a whole conditions the degree of efficiency as well. The socialist concept of efficiency admits no other logic, nor do the principles and economic laws of socialism provide an alternative.

Now that our economy is developing in the conditions when the intensive factors of production are coming more and more to the fore, **higher productivity of labour represents the main factor for the increase of both the social production and its efficiency.** «The decisive factor to ensure the rise in the efficiency of production and to carry forward the whole economy is people working with high quality and productivity.»[1] Comrade Enver Hoxha, teaches us. That is why the 7th Five-year Plan foresees that about half the increase of the total industrial product will be achieved through higher productivity of labour, and about 90 per cent of the increase of agricultural production will come about as a result of higher yields from crops and livestock. This is a major task the fulfilment of which calls for our all-out mobilization.

Despite the great stress laid on this problem in the 7th Five-year Plan, the tasks set for the increase of the productivity of labour for the first two years of the 7th Five-year Plan were not fully achieved in some branches and sectors of the economy, in agriculture in particular.

Studies and forecast assessments clearly indicate that **the further raising of the degree of mechanization, automation and modernization of technological processes is a great reserve for increasing the productivity of labour in our economy in general and in every enterprise and cooperative in particular.** Without taking due account of this important material factor, a steady and perceptible increase of the productivity of labour is unconceivable and unattainable. Hence, all the tasks and measures provided for in the 7th Five-year Plan for the reconstruction and modernization of the existing productive capacities, the mechanization of the more toilsome work processes, and the introduction of new technological processes should be seen and assessed in this light. From this standpoint should also be seen the irreplaceable role our engineering industry with its powerful material-technical base, the whole potential of our creative and innovative scientific, economic, engineering and technical thought, all the specialized institutions of scientific research which cover the main directions of development of the productive forces, have to play in deepening the technical-scientific revolution.

The figures of the first two years of the 7th Five-year Plan indicate that there is a certain lag in the fulfilment of the tasks in reconstruction, modernization and mechanization, and in the introduction of new technological processes, which should be overcome as soon as possible. Any lag in this direction leads to the creation of difficulties in achieving the planned increase of the social product and the productivity of labour.

Man is a very important factor for raising the productivity of labour in our economy. The figures of the last two years of the 7th Five-

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 63, Eng. ed.

year Plan show that the stress should be laid, in the first place, on work norming and better work discipline. It is important to emphasize, in particular, that in this case this can be achieved without additional expenditure on the part of society; hence any rise in the productivity of labour will be reflected immediately in an increase of the profitability of the enterprise or cooperative.

For all the workers to fulfil and overfulfil their work norms, as the Party demands, along with measures to further improve the small-scale organization of work and to ensure uninterrupted material-technical supply, it is also necessary to raise the whole work done for the qualification of workers, especially younger workers, to a higher degree.

Considering that at present only 71.4 per cent of working time is spent on work according to technical norms, it is important **to bring to accord what these norms are called with what they really stand for, on sounder scientific bases.**

Although all the factors determining the increase of the productivity of labour are known long ago in the theoretical plane, in practice, both in the central departments of the economy and at the base there are not infrequent cases when the productivity of labour is planned «globally», not differentiated properly according to the enterprises or the factors which condition it. This state of things which has often been raised into a routine, must be done away with as quickly as possible. That is why measures should be taken to work out in detail methods of more precise calculation and planning for a set period of time (one or five years) of the increase of the productivity of labour differentiated according to

factors. This will create more real possibilities to correctly determine the practical measures to be taken at branch or enterprise level to fulfil the planned task for a rise in the productivity of labour.

Along with this, the organs of the state and the economy should be more careful in calculating and planning the raising of the productivity of labour and following up its implementation in practice, wherever the question is about homogenous production which can be expressed and calculated in kind. Here too, the task of our economic thinking is to work out simple practical methods excluding the influence of side factors such as changes in the structure of production, etc.

It is not superfluous to stress also that raising of the productivity of labour is not a problem of the 7th Five-year Plan alone, but represents a constant trend stemming from the economic laws of socialism and the economic policy followed by the Party for the complete construction of socialism. As a consequence, concern, studies and measures to raise the productivity of labour should be permanent, not «transient» tasks of a campaign. which flare up and die away before they are started.

4

It is known that the intensification of production envisaged in the 7th Five-year Plan **must necessarily be accompanied by and lead to the reduction of the live work put in, of the primary materials and energy consumed, that is, expenditure per unit of product.** Only in this way can the national income increase at rates

higher than the material expenditure made for its production, which is a synthesized expression of the correct development of the increase of the efficiency of the economy according to the tasks envisaged in the 7th Five-year Plan.

The main road to the achievement of these objectives is known. It goes through the systematic lowering of production costs for products of the existing or new structures. In this manner, on the basis of this factor, the 7th Five-year Plan envisages to ensure most of the accumulation to finance the general development of the economy, to ensure the stability of retail-trade prices, to increase reserves, to meet the needs of the non-productive sphere, of the strengthening of the defence potential, etc. We mention all these things to emphasize the key idea that **without implementing the plan of cost neither the financial accumulation nor the efficiency envisaged to be achieved in 1983 and in the coming years of the 7th Five-year Plan can be guaranteed.**

The analysis of the figures for the first two years of the 7th Five-year Plan shows that production costs were reduced by another 100 million leks above plan. However, in determining production costs some enterprises, agricultural cooperatives, districts and central departments have a tendency to «rough» planning in order to be «on the safe side». This tendency and especially, some cases in which the opinion of the masses is asked only formally accounts for the occasional phenomenon when the increase of material expenditure is not accompanied with the corresponding increase of the national income or the reduction of costs per unit of product.

It is of decisive value to find the ways and take the necessary technical, economic and organizational measures to reduce costs, that is, of materials, energy and fuel consumed per unit of production. The significance of the reduction of cost becomes clearer if we consider that material expenditure accounts for nearly 60 per cent of the value of the total social product and that one per cent reduction of material expenditure represents an absolute increase of hundreds of millions of leks in national income. In this connection Comrade Enver Hoxha teaches us that «If there is proper concern about and check up on this expenditure and work remuneration, then we can say that the question of cost is put in order».[1]

At present the more urgent problem about cost reduction is **to extend the norms of material consumption to all the branches of the economy, maintaining the planned norms of expenditure unifying them within the same branches for identical or similar conditions of production establishing technical norms and lowering them further.** From some studies carried out in 1982 it emerged that in some enterprises of industry, agriculture and communications 25-31 per cent of the consumption of primary materials, which, of course, has a great incidence in production costs, was left unnormed. Consumption norms for such items as electric power, fuel, coal, steel, etc. are exceeded although there are no slight possibilities to reduce them. During 1982 alone, 17 550 norms were reviewed, which must have its effect in the process of fulfilment of the 1983 plan. All this shows how topical and important is Comrade Enver Hoxha's instruction that «the consumption of primary materials not according to rigorously

1 Enver Hoxha, «On the 7th Five-year Plan», p. 131-132, Alb. ed.

precise criteria cannot be allowed to continue; it must be considered a crime against our socialist society.»[1]

The present level of the cost of some industrially processed food-stuffs is inevitably influenced by external factors, too. To ensure that production costs are lowered, the negative influence of external factors must be reduced, too. For this purpose measures to increase the percentage of oil extraction from sunflower, of sugar from sugar beet, etc., must be further intensified and more natural primary materials must be replaced with less expensive artificial primary materials, of course, without affecting quality, etc.

Spare parts figure high on the list of material expenditure in all the branches of the economy. It is a great success for our economy that it has succeeded in producing more than 94 per cent of them. However, the quality of these parts still continues to be a problem. Along with a radical improvement of the quality of spare parts, another means of meeting the needs of the economy for them is their extension and large-scale regeneration, for which modern technologies must be broadly applied. The savings achieved thereby are important and reach some dozens of millions of leks for our economy as a whole.

Seen in complex, this issue gives rise to some particular problems for the theoretical thinking and the economic practice. Of these problems, those which have to do with improving the methods of reckoning and planning costs, and following them up, must be singled out as the more urgent. The transition from the method

1 Enver Hoxha, «On the 7th Five-year Plan», pp. 131-132, Alb. ed.

of planning costs mainly on the basis of expenditure to planning them for every single product and everyone of its units, apart from working out and improving the relative methods, also demands a new system of accounting and recording, which must necessarily be operative, following up and reflecting expenditure as precisely as possible in the shortest period of time. Otherwise the planning of costs per unit would be meaningless. In the present system of accounting, expenditure for the production of comparable commodities, and even less its units, do not figure separately from expenditure to turn out new products.

The problem of cost entails a broad field of research and activity, not only for our economic thinking, but also for our technical and technological thinking, as well as for all the sciences and specialists that should make their contribution to the expansion of production and the reduction of expenditure made for its realization. Here the entire process of the deepening of the technical-scientific revolution must make itself felt more than hitherto. So, for example, precise and scientifically based norms for the consumption of primary materials, fuels, electric energy etc., estimates for designing and constructions, as well as measures for their application cannot be worked out successfully by the economists alone, without the collaboration, cooperation and active participation of the specialists of technical, technological and natural sciences. Mathematics is expected to make a special contribution in this field of studies with its methods of modelling and programming and a broader use of contemporary computational technique. Only if the central departments, the managers of enterprises and cooperatives work for the integration of all these

forces, listening to and carrying out their proposals, will a sound base be created without which the instruction of Comrade Enver Hoxha that «in the question of cost things should be delved as deep into as possible» cannot be applied constantly and effectively.

5

In our socialist economy **the lowering of costs and the increase of the profitability of the economy are directly linked with and condition the financial possibilities to increase accumulation.** As such they represent the origin of the process of accumulation based mainly on self-reliance.

The fact that one of the distinctive characteristics of the 7th Five-year Plan is the further increase of the fund of accumulation, in relative and absolute figures, is already known. Compared with the 6th Five-year Plan, the fund of accumulation is expected to increase 30.8 per cent in the 7th Five-year Plan for the five years. In this way the norm of accumulation in the utilization of the national income will reach 32.8 percent as against nearly 30 per cent in the 6th Five-year Plan.

The practice of nearly four decades of the planned development of our socialist economy has proved that, after ensuring the volume of accumulation required, a very important problem remains: that of its utilization with as high economic efficiency as possible and, especially, the utilization of that part of accumulation intended for productive investments. Here many problems of a principled character have already been clarified and correctly resolved by the Marxist-Leninist economic thinking. Proceeding from these solutions, which reflect the objective laws of socialist economics, it is envisaged that in 1985 as against 1980, every 1 000 leks increase of productive investments must result in an increase in the national income 2.2 times as large as the increase which resulted from the same amount of investments in the period of the 6th Five-year Plan.

Most of the productive investments envisaged in the 7th Five-year Plan will be utilized to create new productive capacities or to extend and modernize the existing ones. Hence, the completion and coming into production of the capacities in time and according to plan and, then, their full utilization according to the parametres designed, constitute a key problem to guaranteeing the efficiency expected from new productive investments, whether of the extensive type, that is, based on the existing technique, or of the intensive type, that is, with important changes in technique and technological processes. Otherwise, the expected efficiency is at risk, and this cannot but have a negative influence on the proportionate development of extended reproduction.

A problem which should attract more attention in achieving the efficiency planned for productive investments, is **that of the precise estimate of the cost of projects and the term of their completion, and strict observance of this cost.** We emphasize this, because in the practice of the years 1981-1982, too, not infrequently the estimated cost of projects was exceeded. This can be explained only with hasty and superficial work in the stage of the study and design of them. Hence, the evil should be combated at the root.

Other problems related to investments have

to do with the utilization of investments as efficiently as possible. Naturally, they are not problems of a normative character, and, as such should be studied at any time (every time a five-year or one-year plan is drafted) in order to achieve maximum economic efficiency. Amid them, there are such problems as the establishment of correct proportions in the distribution of investments among the different spheres, enterprises and branches of the economy; the establishment of correct proportions in the utilization of investments to create new productive capacities, to reconstruct and modernize the existing ones, in the utilization of investments to achieve the complex solution of a given problem, etc. To the solution of these and other problems the economists and the other specialists are expected to make a greater contribution than up to now to reviewing the existing methods of work or working out new methods to calculate the economic efficiency of fundamental investments, the term of their amortization, etc.

The idea of higher efficiency in the utilization of productive accumulation would be incomplete **if the problem of the means of circulation were not considered.** It is true that here too, improvements have been made, which find their expression in a more rapid turnover of the means of circulation, which makes for higher efficiency in their utilization.

However, here, too, improper methods of work are still noticed and must be overcome. And here, **the global methods in assigning and planning the means of circulation** come foremost. In order to do away with them day norms must be set for the material reserves of everyone of their elements, and they should be co-ordinated with the

needs of the technology of production, of the distribution and circulation of the means of production and consumer goods. This is the scientific foundation bringing into accord the financial aspect wth the economic aspect in planning the material reserves of production. It also enables the current detection of redundant reserves.

The importance of the norming of the means of circulation being as close as possible to the reality, becomes clear if we only keep in mind that if the total volume of the material means of circulation utilized today were reduced 1 per cent, this would give our economy a net profit of large financial means, in terms of primary and other materials, which would then be used in those branches and sectors of the economy which need them more.

A more precise norming and a more effective utilization of the means of circulation calls for the **strengthening and further perfection of the whole mechanism of control through the lek by the State Bank and the other financial organs,** so that this mechanism assumes more of an active and preventive character. Time has come to review the criteria applied in assigning the means of circulation. This would enhance the role and increase the weight of bank credits as against the means owned by the enterprises. and the additional means of circulation would be distributed evenly and gradually over the whole year. The active and preventive character of the control mechanism through the lek should be strengthened and perfected, covering all problems which have to do with the realization of investments in the different branches and sectors of the economy and as well as in the non-productive sphere.

6

Our concept of a higher efficiency of the economy would be incomplete were it not integrated with **one of its major aspects — efficiency in foreign trade.**

The unalterable aim of our foreign trade is expressed in the objectives set in the 7th Five-year Plan. Hence, its efficiency cannot be assessed otherwise than by taking account of the very important role it is expected to play in the fulfilment of this plan.

According to the directives issued by the 8th Congress of the PLA, the main task of our foreign trade under the 7th Five-year Plan is for exports to be almost double the increase of the total social product, and ensure the complete coverage of imports with the income from exports. The raising of the efficiency of foreign trade and the enhancement of the great role it is expected to play in the fulfilment of the 7th Five-year Plan are linked with the fulfilment of this task.

However, the figures of the first two years of this five-year plan show that in some cases exports have not increased as planned. Thus, an acute and urgent problem is **to raise our exports as quickly as possible to the planned level.**

The range of exports of our economy enables it to increase its competitiveness and strengthen its positions on its traditional markets, as well as to penetrate into new markets. This, however, should be done always without causing internal losses for our economy or lowering the degree of profitability of our exports. Therefore, our exports must be better and more quickly adapted to the fluctuations of offer and demand on the

foreign markets and, in particular, meet the requirements of these markets for goods of ever better quality and presentation especially in the conditions of the grave crisis they are going through today.

The prompt and active response to the increasing competition and other difficulties created by the economic and monetary crisis on foreign markets for buying goods at prices and in conditions more convenient for our economy remains a field always open, in which our foreign trade must operate. Particular efforts must be made in this direction, especially in order to make a more adroit use than heretofore of the changing prices for some import goods whose production and sale has a seasonal character.

In the field of export and import, the proper solution of the problem of the prices and costs of the goods produced within the country is among the key factors for the increase of the profitability of our foreign trade. Prices for our export goods are perceptibly influenced by our internal conditions, although they do not depend entirely on them. Our country does not dictate its prices on the foreign market, but, on the other hand, the cost of the goods we export depends wholly on our work. On the internal factor also depend the quality and quantity of the exported goods, the possibility of creating reserves and utilizing them in order to make the best possible exploitation of the fluctuations of prices for import and export goods on the world market.

7

The improvement of the quality of our social product is particularly important in raising its efficiency, regarding it as a complex of physical, chemical, economic, technical and, why not, aesthetical elements. This is a requirement of equal importance both for the products and goods which have already become traditional in the present structure of production and the new products and goods.

It is superfluous to dwell here on the importance of quality and the priority that should be given to it. Quality in many cases is equivalent to the increase of quantity or the achievement of a set amount of economy. In this direction, our economists and specialists are faced with the task of putting on sounder scientific economic and technical-technological basis the definition, assessment, control and planning of the quality of production, as well as the definition of the factors which condition its improvement. This will enable us to re-examine in detail some existing standards, which have already become obsolete, and to work out new ones.

Seen in this light, the problem of quality can and should be resolved, first of all, through the utilization of the existing technical means and the new ones that will be made available during the 7th Five-year Plan, in some cases even aiming to reach advanced world levels. For individual products or goods the improvement of quality might be made even through some reduction, either instant or gradual, of their quantity when this does not affect the meeting of needs, but ensures a higher economic efficiency.

8

The problems of raising the efficiency of production and fundamental investments, as well as the efficiency of our economy as a whole, demand that **the state and economic organs, and specialists of production, make their work more active and resilient in struggle against procrastination and bureaucracy.**

The scientific, engineering, technical and organizational potential, which the Party has created with patience and persistence, should be utilized better to increase the efficiency of the economy. The efficient work of cadres and specialists, the efficiency of studies and scientific work must be assessed and measured not «globally» but concretely, in so far as they are linked with the problems they have to solve and affect the efficiency of the enterprise, the cooperative, this or that branch and sector of the economy.

For the role of the specialists in raising the efficiency of the economy to be enhanced it is important that everyone of them, proceeding from the political and ideological line of the Party, fulfils the tasks he takes upon himself in time and with good quality, studies modern science, thinks and creates to carry forward production and raises his sense of responsibility for improving the qualitative indices of the branch, sector, enterprise, or cooperative in which he works or leads.

For their part, the directors of enterprises and cooperatives, the cadres of the executive committees and the party committees in the districts, as well as the ministries should give more importance to the problems of the economic and financial aspect of production, to enhance

the role of specialists in problems of efficiency of the economy.

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These were some of the main problems connected with the raising of efficiency in the 7th Five-year Plan and later, on which at this conference we intended to attract the attention of the workers and specialists who directly or indirectly have to do with the problems of production and the economy.

PAPERS

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THE DEVELOPMENT OF DEMOGRAPHIC PROCESSES AND THE SOCIO-ECONOMIC PROBLEMS WHICH EMERGE

The demographic development in our country is a result of the deep socio-economic transformations accomplished under the leadership of the Party. The development of the productive forces, the perfecting of the socialist relations in production and the policy of the Party for raising the material and cultural well-being of the people have been decisive factors for the high rates of increase in the population.

During the 12-year period 1971-1982 the population of Albania has increased each year by an average of 54 thousand people, or an annual rate of 2.2 per cent. This average annual rate of increase is several times higher than that achieved in the other countries of Europe. During this period, the urban population has increased by 22 thousand people and the rural population by 32 thousand per year. The rapid increase of the rural population, the correct territorial distribution of the productive forces and the

organized management of the physical movement of the work force have brought about that today 2/3 of the population live in the countryside, the majority engaged in agriculture. This is the diametrical opposite of the situation in the bourgeois-revisionist countries where agriculture is degenerating and the countryside is being abandoned making the problems of life in the big cities even more ominous and increasing the ranks of the unemployed.

The high birth-rates have brought about that the population of Albania is outstanding for a structure in which the younger ages prevail. Of the total population 37 per cent is under 15 years of age, at a time when this age-group makes up only 21-27 per cent of the population in the other countries of Europe.

Despite the dynamic increase in the total population and that of working age, the number of working people has increased at an average annual rate higher than that of the increase in total population. Thus, during the period 1971-1982, at a time when the average rate of increase in the population was 2.2 per cent, that of the increase in the number of working people was 4.1 per cent.

All these facts show that **the fundamental feature of the demographic development of socialist Albania is the increase of the population at high rates, while preserving a structure which permits the forces capable of work to continue to increase more rapidly than the total population.**

Being of a complex nature, however, the demographic processes present problems which are not amenable to short-term solutions. The effects of demographic processes show up in

socio-economic life even 15-20 years later. Therefore, deep and continuous studies of them are required.

Study of the trends of the rates of increase in the population during these last 20 years allows us to draw conclusions, to forecast and guide a series of other demographic phenomena which are connected with our socio-economic development in the future.

The Party has instructed that all measures be taken to ensure **that the rates of the increase of the population are not reduced below those of 1980, and, indeed are somewhat increased.** Otherwise, as Comrade Enver Hoxha stresses, «If we allow any further decline in the rates of increase of the population, then sooner or later, we shall have to accept the aging of the population of our country, a phenomenon which has become threatening today in all the capitalist and revisionist countries.»[1]

The decisive factors for maintaining stable rates of increase in the population are the increase of the number of births and the reduction of deaths among children under one year of age.

In our country the social basis of big patriarchal families has been done away with. In the past, every woman gave birth to the maximum number of children, with the aim of ensuring that the family could cope with the high mortality rate among children from 0-4 years of age (at that time there was one death for every 2 births), as well as to cope with the economic difficulties during the lifetime and old age of the parents.

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1 Enver Hoxha, «On the 7th Five-year Plan», p. 160, Alb. ed.

Despite the large number of births, under the anti-popular regime of Zog the natural increase in the population was low, because the total number of deaths, and, child deaths in particular, was high. During the period 1923-1938 the population increased at an average of 1.7 per cent. At that time, the total number of deaths was about 18 per thousand inhabitants, or three times higher than the level in 1976-1982.

In the present conditions, when every able-bodied member of the family has a guaranteed job, hence wages and a pension, the birth of children is connected with aims quite different from those of the past. Now the general interests of society, the joy of life in each family, the all-round educational work of the Party and its levers, the guarantee of the present and the great and secure prospects which have been opened in all fields of life, are the main factors. In our country the entire society is interested in increasing the population. The Party and the state pay special attention to this problem, and have consistently taken measures to ensure the necessary material and social conditions. The measures in favour of mother and child, which were taken in 1981 have had a great effect in recent years. The extension of maternity leave is one of the important factors which is exerting a great influence, both on the increase of births and on reducing infantile mortality. Whereas during 1978-1981 the average number of births per year was 71.4 thousand (varying from 70.6 to 72.2 thousand), in 1982 the number of births reached 77.3 thousand, or about 6 thousand more children born. In 1982 a reduction of 18 per cent in infantile deaths, compared with the average of the years 1980-1981, was recorded. This

was especially among babies 2-5 months old, the period when, with the extension of maternity leave, the mother has stayed at home with the baby.

However, many other factors, such as housing conditions, the communal and health services, the institutions for bringing up children, such as crèches, kindergartens, etc. have also exerted their influence on the maintenance of a good level of births. It is necessary that these should be further improved in the future, by increasing the investments for housing, for services and for the extension of crèches and kindergartens, to attract the maximum number of children to them, and to create the best possible conditions, especially in the countryside. It is also necessary to further enhance the care for mothers, for the upbringing of children, etc. Within the economic-financial possibilities, the taking of certain measures to stimulate increased births, by increasing the social security payment for each child born, by adding differentiated supplements to wages according to the number of children in those families which have more than three children under working age, increasing the level of subsidies paid by the state for the crèches and kindergartens where food is provided for the children, especially in the countryside, etc., could be considered in future five-year plans.

For the preservation of the present rates of increase in the population the work of explanation and persuasion done by the organizations of the masses, especially with the young people and new families, to inculcate socialist concepts on life and the family among the masses are important.

The improvement in health education and the creation of appropriate working conditions for pregnant women has no small influence on increasing the number of births.

The reduction in the death-rate, especially among babies under one year of age, is another important factor for the increase of the population. In our country the death-rate per thousand inhabitants is 40 per cent lower than that in the other countries of Europe.

The children born here are healthy. The average weight of newly born children is good. The death-rate among children up to 28 days old is relatively low, at the same level or even lower than that of many developed countries of Europe, while the infantile death-rate is relatively high after the first month, and the majority of these deaths come about from external causes.

The set objective for further reduction in the number of deaths among children under 1 year of age raises many important tasks, both for the health organs, for the improvement of hygiene, for the strengthening of preventive measures, for increasing the care for mother and child, and for the organs of local government and the organizations of the masses to further improve the educational work with the mothers.

If the present level of births is maintained and a struggle is waged to further reduce the deaths among babies under one year of age, it is calculated that the population of Albania will reach 4 million in the year 2000. Thus, the population will continue to increase at a rate 2.2 per cent per year and the mean age of the population in the year 2000 will be about 28 years from 26 it is today. Hence, our country will

continue in the future to have a population with a young mean age and a dynamic structure.

The processes of the development of the population and especially of its territorial distribution depend not only on the natural movement but also on the physical movement of the population. The industrialization of the country required the drawing of manpower from the countryside to the town and to new work centres, especially during the period 1950-1965. This physical movement from the countryside to the town has always been controlled and directed. During the last 10 years this has gradually slowed down and now amounts to about 6-7 thousand persons a year.

The departure of girls from the mountainous zones to the towns or to the villages of state farms and cooperatives on the plains, has also created social problems, such as the disproportion of the population from 15-49 years of age, according to the sex, reduction in the number of marriages and the rates of the increase of the population in those regions. For example, in some mountainous zones, such as Çermenika, Progonat, Martanesh, Mokra, etc., there are differences between the ratio of unmarried males to females in the 15-49 years age group.

On the basis of studies carried out on the perspective development of the population, envisaging a physical movement from the countryside to the town at the average level of recent years, it is forecast that during the 18 year period 1982-2000, the rural population will increase by 830 thousand people and the urban population by more than 380 thousand people.

From the structure of the population of 1982 and the physical movement envisaged, it is

calculated that during the next 15 years (up till 1997) the work force in the countryside will increase about 60 per cent above the number the cooperatives and state farms have today (from the rural population). Therefore it is necessary to deepen the studies in connection with the work force needed in the sector of agriculture, keeping in mind its further intensification, the extension of the planned areas, the increase of the level of mechanization, as well as the change of the structure of crops. For this we think it is necessary to increase the area planted with crops which require more man-power per hectare, but which also give higher yields and have greater effectiveness, while more work should be invested for land systemization, for the radical improvement of natural pastures, for the creation of cultivated pastures in the hilly zones, for increasing the area planted to fruit trees, olive groves, etc. For example the area planted to maize would be extended on the plains, on the areas under irrigation (with the exception of the district of Korça) where yields of 70-80 quintals per hectare of maize should be got while reducing the corresponding area of wheat which gives lower yields on the plains (40-50 quintals per hectare). Likewise the area planted to tobacco, which is an important export article, could be expanded.

The policy of the Party, to achieve the harmonization of industry with agriculture and for the territorial distribution of the productive forces to all districts, has enabled about 120 thousand people to be employed in industrial activity and in other branches of the economy and culture, without leaving their homes in the village, over most of the rural territory. In our

country there is no district without workers who live in the countryside. This combination of industry with agriculture is also one of the factors in the gradual reduction of the differences in per capita income between town and countryside. This has exerted an influence in further strengthening the alliance of the working class with the cooperativist peasantry and in the social and cultural progress of the countryside.

For the next and subsequent five-year periods the need emerges for some of the manpower of the countryside, apart from that employed in the mines, timber mills, geology, oil drilling, land reclamation etc., to be employed in other productive activities in the countryside. Therefore the problem of the extension of industrial activities in the countryside with the raw material produced there must be studied. Measures must be taken to process vegetables, fruit, milk, etc., in the countryside.

On the basis of the projections of demographic processes and the structure of the active population during the period 1986-2000, the need emerges for deeper studies in connection with the provision of pensions, the proportion they will take in the future in the re-distribution of the product for society, the changes in the ratio between the numbers of working people and of pensioners, because the number of pensioners is projected to increase about 65 per cent above the present number, in the year 2000.

At the 8th Congress of the Party, Comrade Enver Hoxha pointed out that, «In the development of production and all the other social acti-

1 Enver Hoxha, Report to the 8th Congress of the Party.

vities, the Party has always had the working people, the fulfilment of their material and cultural demands at the centre of its attention.»[1]

Therefore in this direction the study of the development of the population, the changes in age groups, the composition of the family, the physical movement of the population for the period 1986-2000 assumes special importance.

Only on the basis of profound knowledge of these problems can studied plans be made on supplies of consumer goods for the people, the extension and specialization of the trade network, the development of the light and foodstuffs industry, the volume of housing construction and the size of apartments, the construction and extension of water supplies, the distribution and expansion of communal services, the development of urban and interurban passenger transport, etc. In this manner, demographic problems will be «placed more firmly in the centre of our plans, the work of the Party and other state and social organisms.»[2]

1 Enver Hoxha, Report to the 8th Congress of the Party.

2 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, p. 172, Alb. ed.

Thanas Dede

Doc. Tomor Cerova

PROBLEMS OF THE EXTENSION OF THE BASIS OF MINERAL RAW MATERIALS AND THEIR COMPLEX EXPLOITATION

The further development of the existing branches of the economy and the creation of new branches, are directly linked with the securing of raw materials in the required variety, quantity and quality. They make up 45 to 95 per cent of the cost structure of industrial products. About two thirds of the country's total work forces are engaged in the mining industry and agriculture, along with about four fifths of the means of transport, for the discovery, preparation, exploitation and cultivation of them. In this context, mineral raw materials play the main role because they are what the heavy processing industry works on and as exports they bring the country the greatest income in foreign currency.

Basing itself on the Marxist-Leninist theory, the Party of Labour of Albania has always correctly evaluated the role of mineral assets. Among all the branches of the economy, the

extracting industry has been given priority, both in the allocation of investments and technical equipment, and in the training of cadres. This farsighted policy, the conditions created, and the mobilization of the working people of geology and mining have resulted in the fact that during the post-liberation years more than 40 useful minerals have been discovered, and 76.7 per cent of them have been brought into full or partial economic circulation. Considerable reserves have been discovered and prepared, guaranteeing the levels achieved and the further development of production at high rates. The great underground assets which have been discovered and put into production «...are the fundamental base for the development of industry and the entire economy of the country»,[1] as Comrade Enver Hoxha stresses.

Alongside the great achievements, however, the process of development has brought out, and will continue to bring out, problems of a technical, technological, economic and methodic character, **which are connected with the extension of the raw materials base through the complex exploitation of these materials, increasing the effectiveness of investments and reducing costs.**

The solution in complex of the above mentioned problems on a more scientific basis is of great economic importance. It is directly connected with the directive of the 8th Congress of the PLA «...for a more complex and integral exploitation of all the useful components of the raw materials, for the lowest possible cost and

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 146, Alb. ed.

highest possible quality of the product.»[1] To put this directive into practice requires greater and better quality work, sound collaboration of the forces of the mining industry with the working people of the scientific institutions, the metallurgical industry, the engineering industry etc.

The economic development at present and in the future makes essential **the compiling of a balance of the requirements for mineral materials which the economy has and will have in the future on the soundest possible scientific basis.** The requirements must be compared better to the state of the reserves discovered and prepared, and calculation made on the extent to which the requirements for raw material for local use and export are covered. This balance is a basis not only to improve the planning on a national scale, but also to determine the volume and rates of geological-mining work. The more scientific balance of the mineral raw materials requires more profound study of the quantity, quality and variety of minerals; the rates of their extraction and processing over several five-year periods, in conformity with the rate of development of the entire economy; the methods of utilising minerals, hence the rate at which they are consumed, and consequently the quantitative and qualitative increase of the mineral reserves required from prospecting and discovery by the geological service can be determined.

The problems of the extraction and comlex exploitation of mineral raw materials must **be studied and solved from both the technical-technological and the economic standpoints.** Among these problems, that **of the proportions which**

1 Enver Hoxha, Report to the 8th Congress of the PLA, pp. 147-148, Alb. ed.

should exist between the quantity of reserves discovered and the quantity of minerals extracted is primary. These proportions are directly connected with the extended socialist reproduction, with the amount of investments and their effectiveness. In his work «On the 7th Five-year Plan» Comrade Enver Hoxha stresses: «The problems of the intensification of geological prospecting, the ratio between production and the increase of industrial reserves, in particular, must be clarified **for the solid mineral and coal-mining industry.»**[1]

At the present time, nearly all the chemical elements are recovered from the mineral raw materials, therefore **it becomes essential that the quantities of minerals which are discovered should be calculated according to the percentage of the metal, too, so that this index may be a basis in planning,** because the perspective of the extension of raw materials is more soundly and accurately based. The state balances for minerals should also be calculated according to the quantities of metals they contain. Prospecting and discovery work should be orientated and the priorities defined on this basis. The extension of the mineral raw materials base is directly linked with the problem of freeing the economy from the major expenditure in foreign currency which is used to import some minerals and chemicals such as coking coal, phosphorites with more than 28-32 per cent P_2O_5, iron without nickel, asbesto, fluorite, manganite, barite, glass sands, etc.

Apart from the increase of mineral reserves

1 Enver Hoxha, «On the 7th Five year Plan», p. 5, Alb. ed.

by geological work, great resources for the extension of the base of mineral raw materials exist in the mines, the enrichment factories and the processing plants. These present themselves, **first,** in the further reduction in the losses and impoverishment of minerals, **second,** in raising the level of the technological indices of the recovery of useful elements in the enrichment factories and the processing plants, in raising the quality of the product (concentrates) etc.; **third,** in the extraction of the maximum number of useful minerals treated, and **fourth,** in putting low-grade minerals into circulation through the technological solution of enrichment and processing. The main problem which must be solved to achieve these objectives is **to overcome the relative backwardness in the level of technology,** which must respond better to the economic requirements.

As the Party instructs us, the resources mentioned must always be treated and studied in combination and unity, avoiding onesidedness at all stages through which the raw material passes. The technical-scientific and economic-financial problems must be viewed as a complex: extraction-enrichment-processing, giving priority both to the economic effectiveness of investments and to the rational exploitation of minerals. Hence we must recover the last gram of the mineral or metal with the lowest possible expenditure and the highest economic gain.

In order to attain these objectives, a more all-sided view of the problem and clearer technical-economic concepts are required, because in some cases narrow sectorial stands and tendencies are encountered in practice. The supplementary measures taken by the mining enterprises to

enhance the content of useful elements in the minerals are accompanied by expenditure of living and materialized labour and are reflected in increased cost per unit.

The reduction of losses and impoverishment is another main direction for the rational exploitation of minerals which extends the basis of the raw materials.

There are two ways to reduce losses and impoverishment: through methods of enrichment and selection, by improving the system of exploitation and by mechanizing them to a higher level. The economic aspect of these two particularly important ways must be examined, because the technical possibilities to apply them, relying on our own forces, exist.

In the enrichment factories and the plants processing minerals and their concentrates, **increasing the coefficients of the recovery of the metal and the quality of the concentrate are another source for the extension and more complete utilization of quantities of raw materials.** This conclusion is confirmed by the following facts: the enrichment factory at Reps has a recovery rate nearly 15 per cent higher than the other factories and plants. If the recovery rates are increased just a few per cent, than the productive capacities of the factories and plants are increased from 5 to 30 per cent or even more, with the same amount of raw material. Hence by exploiting the raw materials in rational ways the increase of production of semi-finished and finished products is ensured.

The 8th Congress of the PLA set the task of expanding **the extraction and enrichment of the other minerals to put more natural resources into economic circulation.** Analysing the balance

of minerals in quantity and quality, it emerges that some of them, of which there are great reserves, are still on waiting, or have been put into economic circulation on a small scale only (both for local processing and export). This can be said of the phosphorites, bauxites, titano-magnetites, nickel-silicate, asbesto, talc, bentonite clays, quartzite, rock salt, etc. The possibilities exist to set up new branches of industry and further strengthen the economy, on the basis of extracting and processing them. They have great potential for the future. The studies carried out during the past five-year plan and during these last two years show that the technological aspect of recovering them is being solved and their introduction into economic circulation can be accelerated.

The problems of raising the level of processing must be examined more carefully in connection with exports, with the prices, costs and requirements of the foreign market. The more thoroughly we know these problems the more the effectiveness of investments and production expenditure will be enhanced. From the processing of the chromite ore and the production of carbonic iron-nickel, the value is increased more than three fold. **The processing of our minerals to a higher level is a perspective linked with the conditions of the world market.**

Implementing the directives of the 8th Congress of the Party for the extension of the base of mineral raw materials and complex exploitation of them will be a powerful support for the development and strengthening of the whole economy and new prospects will be opened for the development of industry and the construction of the material-technical base of socialism in our country.

Agron Çuedari

Doc. Veli Mullaraj

PROBLEMS OF THE DEVELOPMENT OF THE ENERGY BASE AND ITS RATIONAL USE

The allround development of industry relying on our own forces, on the raw materials and the energy resources of our country, is one of the monumental works of our Party and one of the greatest victories of our people. In the framework of this development, creatively implementing the teachings of the classics of Marxism-Leninism on the socialist industrialization, **our Party has always given priority to the energy system, to the extraction and processing of oil, gas and coal, the production of electric power, as a reliable basis for the allround development of our economy.**

Throughout the post-liberation period, and especially during the last decade, in the conditions of the relentless deepening of the world economic crisis, the energy industry of our country has been further strengthened, the average annual rate of increase of production in the energy branches has been planned and resulted higher than the rate of increase of social product and industrial production. Thus the direc-

tives of the Party for the priority development of the energy industry have been put into practice, the increasing demands for liquid fuels, for all fuels and electric power have been met better, and large amounts of foreign currency secured by exporting the surplus energy produced.

However, as Comrade Enver Hoxha stressed at the 8th Congress of the Party, these victories, must be consolidated and further advanced. This is dictated by the needs of the economy and the defence of the country, the situations and conditions in which we are building socialism, and the development of events in the world which the Party makes clear to us day by day.

The 8th Congress of the Party set big tasks for the development of the energy industry during the 7th Five-year Plan. In 1985 compared to 1980, oil extraction will increase 58-60 per cent, coal 48 per cent and the production of electricity 16 per cent. The plan of this five-year period has been worked out relying on a more powerful material basis. The achievements of the first two years of this five-year plan, which in general have been good, demonstrate this. The targets have been overfulfilled in the extraction of gas and coal and the production of electric power. With the results achieved in the geological prospecting and development work during recent years, a series of important resources which ensure the fulfilment of the plan for the extraction of oil, gas and coal have been discovered and brought into production and perspectives have been opened for the future. However the negative results in certain wells and structures, the delays in the mapping and the handing over of resources discovered for production etc., raise

the need **to enhance the mobilization and zeal of the institutions, enterprises, sectors, brigades and every worker in the oil sector to ensure the rhythmical fulfilment of the tasks.**

As everywhere, but especially in **the oil industry,** many obstacles and difficulties have to be overcome to fulfil the targets. In this direction we must draw lessons and inspiration from the major works of Comrade Enver Hoxha, especially from his work «On the 7th Five-year Plan».

In every branch of the economy, but especially in the oil industry highly qualified and profoundly scientific work is required **to enhance the fruitfulness of the work of prospecting and discovery, drilling, extraction, processing and the use of oil and gas. As the Party teaches us, this is indispensable today if we are to accomplish the great tasks which arise from this stage of the development of the economy to put into practice the directives of the 8th Congress of the Party in connection with the oil industry and the tasks laid down by the 8th Plenum of the Central Committee of the Party for scientific work.**

It is necessary to raise the scientific work in the field of oil and gas research to a higher level and to concentrate on the radical improvement of the quality of studies done and interpretations made by the geo-physical institutions and enterprises in collaboration with the oil drilling enterprises. Although they differ from one another, all the methods used in prospecting for and the discovery of oil have the study of the geological structure, the discovery of new oil and gas fields and the extension of the contours of the existing fields, as their objective.

All these institutions, especially their scien-

tific councils, must take pains to explain the materials and the data provided by different methods which are secured by sysmology, gravimetrics, paleontology, petrography, geo-physics, the computer center etc., and to link them as directly as possible with the geological structure and the problems of oil prospecting.

The quality of the study and design work determines the effectiveness of the expenditure made. Avoiding the drilling of one «dry» deep well saves the economy several million leks in basic investments. If we have high quality studies, the guarantee of the effectiveness of investments will be greater and new oil and gas resources will be discovered more quickly. This will raise the coefficient of success and create premises to increase oil and gas extraction.

The negative results from several structures are not connected with the lack of oil and gas reserves in our country, but mainly with the failure to prepare these structures properly. It has already been clearly proved that the territory of our country is oil-bearing and the possibilities for the discovery of new oil resources are great. Therefore the scientific institutions in the oil sector are set the **task of clearly defining the structures with promising data as quickly as possible and extending the oil-bearing area of a number of fields.**

Despite the achievements during the 6th Five-year Plan and the first two years of the present Five-year Plan, in the field of drilling for oil and gas that radical change which is required, especially in the establishment of strict technical and scientific discipline at work, has not been made. Despite the advanced experience of some brigades, the drilling rates required have

not been achieved and this has delayed getting concrete results in the discovery of new resources.

The drilling process is a real science which, apart from other things, demands the improvement of the existing technology and the use of new technologies, without which we cannot attain the rates which we seek to achieve. Therefore it is necessary to raise the level of scientific work in drilling, to generalize the experience gained from each separate well and zone, and to complete the material base better. The engineering plants of the oil sector must improve, strengthen and electrify the existing drilling rigs in order to respond better to the increasing well depths and to establish optimal regimes in drilling, so that the drilling rate is raised to double that achieved during the last Five-year Plan.

Serious all-round preparation must by made for drilling wells in zones with above-normal pressures, which, although they present difficulties, are of special interest because as a rule, powerful oil and gas reserves have been found below these zones. The information from neighbouring countries about gas found in structure similar to ours, encourage our Institute of Oil Technology to take measues both in the direction of choosing suitable constructions and in the direction of discovering the necessary components of the drilling fluid, the way of cementing the casings, the prevention of the corrosion of the equipment, etc.

Raising the level of the scientific study work and the effectiveness of intensification and secondary methods is an indispensable condition for

the fulfilment of the targets in the extraction of oil and gas from old and new fields. The discovery and use of new, more effective methods in the work at the bottom of the well, to ensure a greater activization of the oil bearing strata and the isolation of underground waters, has to do with the rational exploitation of the fields and will raise the coefficient of oil extraction.

With the methods of exploitation which are in use, only part of the known reserves have been extracted. Therefore an increase even 4-5 per cent above the present level of oil extraction would be equivalent to the discovery of two new fields. This raises the task that alongside the studies and prospecting for the discovery of new oil fields, the level of scientific work for the study and design of intensification and secondary methods must be raised. The successful industrial application during 1983 of new methods such as the injection of steam and carbonic gas, the heating of the bottom of the well, the long-stroke pumps for viscous oil etc., will help to fulfil this year's target for the extraction of oil from the existing fields, which has been set at 93 thousand tons above the quota of the five-year plan and the experience gained will also be used in the other fields in the future.

The Party has always paid special attention **to the coal mining industry.** The extraction of coal, especially during the 6th Five-year Plan, has increased at an average annual rate 4 per cent higher than that of the total industrial production of the Republic.

The geological and industrial reserves of coal discovered hitherto provide possibilities to increase coal extraction at even higher rates.

The replacement of liquid and gaseous fuels and meeting the needs for steam require that coal extraction is more than doubled during the next 10 years. In the conditions when the work to open and prepare mines requires a great deal of time, in order to cope with the increasing needs for coal two main roads must be followed: first, the intensification of extraction in the existing mines through improvement in the technology of the cutting and underground transport of coal, raising the level of mechanization, and the use of systems of working the mines with high productivity. It is intended that no less than half the necessary increase should be secured in this way; second, the speeding up of the schedules for the commencement and completion of the work to open and commission deep shafts and the preparation of new mines with modern equipment and technology, so that the other half of the increase of coal extraction is ensured.

The tasks set for raising the efficiency of the use of coal make necessary the further strengthening of measures for raising the quality of the coal in the extraction process; its proper handling during transport and especially its ever greater use in boiler furnaces which burn it pulverized in the bigger industrial zones by means of big-capacity boilders, which can now be produced locally, would further increase the effectiveness of the use of coal, and by the end of the five-year plan could replace about 70 thousand tons of liquid fuel per year, could reduce the rate of consumption of liquid fuel per ton of steam 25-30 per cent, ensure more than 200 million kW/n electricity per year, make the production of steam for third parties profitable, and so on.

During these last two or three years coal has begun to be used ever more widely to replace fire wood, which is in very short supply, for domestic heating and cooking. The further replacement of firewood with coal necessitates acceleration of the reconstruction of briketting factories, and the building of new ones, while for the new blocks of houses it is advantageous to envisage central heating from now on.

Electric power is the branch of the energy system which has been developed more rapidly than all the other branches of industry and the economy as a whole. Applying the special directives of the Party for the priority development of the electric power industry, the industrial production of this branch increased 4,3 fold in 1981 compared to 1970 as against an increase of 2.2 fold in total industrial production.

Thus the production of electric power has led the development of all other branches of the economy and has become a major source of income in foreign currency. In 1980 the income from exports of electric power made up 9.1 per cent of the total exports of the Republic, from 2.9 per cent in 1975.

The fact that the needs of the country were met and surplus electric power was exported even in the conditions of the great drought of last year and the current year, which had very serious consequences for the neighbouring countries, is a great success and fully justifies the investments which have been and are being made in this branch of the energy industry. «It is a fact,» said Comrade Enver Hoxha at Drilon «that the enemies speak against our state and try to minimize our great achievements, but they are obliged to admit that Albania has appreciated the importance of water and electric power correctly and has solved this problem very well».

In the production and use of electricity, however, there are many tasks and problems which have to be studied and solved. Among these we mention the study and design of large and small hydro-power plants, complexes intended not only for the production of electricity, but also for irrigation, studies on the optimal distribution of fluxes, with the aim of reducing the losses of electricity, the problems of the durability and isolation of equipment, lines etc. There is also need to strengthen and deepen the technical-organizational measures for raising the level of the technical readiness of the generating aggregates and the transmission network to guarantee uninterrupted supplies of power to the consumers.

The Party has consistently set important tasks, both for the increase of energy products and for the use of them with strict frugality.

According to the final balances, it turns out that each year the targets have been fulfilled, using less energy than envisaged in the plan. For example, for 1982, 12 per cent less motor fuel, 16 per cent less furnace oil, 6 per cent less coal, etc., were used. These figures show that the targets set for the saving of energy resources are being understood and linked better with the situation, with the energy crisis which the capitalist-revisionist world is experiencing and with the place these resources occupy in our foreign currency balance. But they also show the many possibilities and reserves we have everywhere to save resources of energy.

The tasks which are set for the development of the energy base and for the rational use of

energy, as Comrade Enver Hoxha instructed at the 8th Congress of the Party, must be treated as major tasks and in unity with each other. This instruction must remain at the centre of attention of all the producers and users of energy resources in our country.

Kiço Milo

Llambi Leka

THE PRIORITY DEVELOPMENT AND INTENSIFICATION OF WORK IN RAILWAY TRANSPORT

The progress in the development of the economy of the country during the years of the people's state power is apparent also in the sector of transport, and in railway transport in particular.

In his work on the 7th Five-year Plan, Comrade Enver Hoxha has stressed, «The development of a high productivity economy is inconceivable without the extensive development and progress of the railway network.»[1] The fact that in 1982, of the goods transported by the Ministry of Communications 43 per cent were carried by rail transport is clear evidence of the rapid development of this type of transport, which has great potential and prospects. Railway transport has developed at rates double those of road trasport.

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, p. 433, Alb. ed.

The measures taken especially during 1981 to implement the very important instructions of Comrade Enver Hoxha on the 7th Five-year Plan had a great influence on the intensification of rail transport. In 1981, a tonnage of goods 12 per cent greater than in 1980 was transported by railway, ensuring a considerable reduction in cost. Currently, the average cost per ton-kilometre by rail transport is about one third of the cost by road transport.

Putting into practice the important decisions of the 8th Congress of the Party, a series of measures have been laid down for the 7th Five-year Plan, which are serving the extension of the railway system and the rapid build-up of rail transport in particular.

With the commissioning of the Laç-Shkodra-Hani i Hotit and Fier-Vlora railways and some important sidings, the length of track will be increased to 440 km, as against 350 km today. The utilization of the existing lines will be further intensified, increasing the load to 2.2 million ton/km as against 1.6 million. As a result of the complex measures to be taken for the improvement of the work in rail transport, at the end of the current five-year plan, the proportion of goods carried by rail will increase to 47 per cent of the total goods transportation of the Ministry of Communications as against 24 per cent in 1970.

The complete accomplishment of the tasks to ensure scientific management and the revolutionization of the methods of work, to implant a sound concept about the role of railway transport as a type of transport with great potential which ought to have priority over other types, remains the crucial issue. This calls for the further strengthening of the organization and management of the work in order to exploit the numerous reserves better, for the intensive use of the means available, for continuous investments, for the extension and renewal of the railway network.

According to the targets of the five-year plan, about 80 per cent of the increase in the volume of work by the railways will be met through increasing the intensity of the utilization of lines. This raises the need to take more complete measures to increase the capacity of lines to carry more trains, to increase the avarage speed and weight of trains, to reduce the circulation time per wagon, to improve the signals system, to harmonize the work with other branches of the economy, etc.

The density of the movement of trains in 24 hours requires particular attention. This leads to increased carrying capacity, because, according to calculations and studies, the possibilities exist to increase the movement of trains in 24 hours by more than 50 per cent. The attainment of this objective requires, in the first place, raising the level of the work of the working people of the railway sector and those of the Ministry of Communications, to compile and apply the most rational schedules of the movement of trains, to strengthen their links with the dispatchers and receivers of goods, etc.

In the context of the intensification of the work in railway transport, the all-round efforts **to increase the weight per train** are especially important. The achievements hitherto show that by improving the make-up of trains, many advanced locomotive drivers and railway stations have exceeded the average weight per train by more than 30 per cent. The targets of

the plan require that by 1985 the average weight per train should be increased by not less than 20 per cent. According to the studies and analyses made, this should amount to 950 tons as against about 800 tons today. This will mean savings in locomotives, considerable quantities of fuel, spare parts, etc., calculated to be worth several million leks in foreign currency.

Another task, as important as it is urgent, for the further intensification of work in the railway system is **the struggle and all-round efforts to reduce the circulation time of wagons which today is 2.4 days-nights.** The standing time for wagons of all kinds, and especially open types is still great. This is a major internal reserve, which is not being exploited mainly for subjective reasons. Simply by reducing the circulation time of waggons by 5 per cent, without altering any other index of the productivity of wagons in carrying out the same volume of transport, the economy could save not less than 60 wagons a year. To accomplish this requires, **first, a perfect organization and management, strict technical and scientific discipline, and proletarian discipline at work, second, the introduction of new technologies and methods of charging-discharging and handling goods; and third, the strengthening of stations with sheds, yards, and cargo handling machinary and installations, etc.**

In this context, the complete elimination of the time wagons stand waiting to be loaded or unloaded, as well as the maximum reduction of the time required from these processes at the railway stations, the port of Durrës and the despatchers and receivers of goods, are another

reserve to which the working people of the railways should pay greater attention.

Not only the working people of transport, but those of other sectors, too, have obligations in this direction. In 1982, as against 1981, delays to means were reduced about 35 per cent. The possible savings are equivalent to some tens of railway wagons, some hundred tons of fuel, etc.

Analysis of these delays shows that they were caused mainly by those plants and combines which have large volumes of products. Therefore, the organization of the work to improve the working of wagons requires further strengthening there. Considerable delays occur, also, at certain railway stations and the port of Durrës, where strict technological rules must be applied in receiving and dispatching wagons. Along with other measures, more rational exploitation of loading-unloading mechanisms and the further mechanization of this process, especially at the railway stations and enterprises which dispatch and receive goods, assume special importance. In regard to bulk products, such as minerals, timber, building materials, etc., the possibilities exist to advance more rapidly than hitherto, by making simple constructions, through self-reliance and within the planned investments.

The advanced experience of the railway stations of Lushnja, Durrës, Elbasan, etc., and the vehicle parks of Tirana, Elbasan, Durrës, etc., which have co-ordinated the work better both between themselves and with the enterprises dispatching and receiving goods, should be publicized and spread further and more rapidly than up till now.

For the further development of rail transport and to raise its effectiveness, **railway sid-**

ings, and industrial sidings in particular, are important. They make possible the reduction of transport costs for the movement of 1 ton of goods, reduce the time of delivery of goods by 30 per cent and substantially reduce damage to goods. The economic benefit of railway sidings, in general, and industrial sidings, in particular, stands out more clearly if one bears in mind the fact that about 60 per cent of the volume of products transported by rail move through them. Likewise, about 60-65 per cent of this volume of goods is loaded or unloaded by the producer or user enterprises themselves.

Linking the cement factories of Fushë-Kruja and Elbasan with the railway saves 50 to 60 eight ton trucks, about 300 tons of diesel oil, more than 300 sets of tyres, many spare parts, etc., per year, while from the reduction of the cost of transport the economy saves more than 2 million leks a year. Therefore, it has become more than necessary that the investors and builders increase their concern and efforts to carry out the tasks for the increase and extension of railway sidings, both in the industrial projects due to be built, by including them in the designs, and in the existing industrial and agricultural projects, which have not yet been linked with the railway network. For example the Plastics Plant at Lushnja, the «Misto Mame» Timber Processing Combine in Tirana, etc., could be linked with the main railway lines.

The preliminary study has been carried out and further work is proceeding to put into practice the directives of the Party and the special instructions of Comrade Enver Hoxha about the possibility of electrifying the railway lines. Today we have a powerful independent energy

system, in which hydro stations produce about 80 percent of the power. This constitutes the necessary favourable base for the gradual transition from diesel traction, which our rail transport uses today, to electric traction. According to calculations made, bearing in mind the volume of work envisaged for 1985 a gain of several million leks per year will be made from the change to electric power.

The advantages of the use of electric power in railway transport are even greater if we bear in mind the technical characteristics of electric locomotives. They are more advanced, increase the carrying capacity of the railway lines, especially in those with gradients above 12 per cent as is the case with the Elbasan-Pogradec line, which reaches gradients of 25-40 per cent. The cost per installed horse-power in electric locomotives is 2 to 2.5 times less than that of diesel locomotives. There are advantages, also, in the time required to service electric locomotives which is about half that of diesel locomotives, in maintenance and repairs, which cost two to three times less, and in other directions in the field of investments made in railways.

A very appreciable influence for the more complete exploitation of railway transport is exerted by **the more rational utilization and the building on the basis of economic benefit of depots and yards, at the railway stations and sea ports, and at the enterprises dispatching and receiving goods.** Fulfilment of this task leads to increased stowage capacity and greater speed in the movement of goods. The securing of adequate yards and sheds also provides greater possibilities to increase the level of mechanization of cargo handling and lighten the manual

work, thus increasing the productivity of labour. In this field there are successes and advanced experience, but the present stage raises the necessity of solving this problem at the phase of designing buildings, bearing in mind future requirements.

The management and organization of the work in railway transport with new forms and methods, as well as the constant improvement of the existing methods of management and organization are closely linked with **swift receipt and processing accurate and complete information.** The fruitfulness of the measures mentioned above depends to a large extent on receiving this information and on the way it is used. At the same time this gives great security for the movement of means at any time.

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The implementation of the directives of the Party and the teachings of Comrade Enver Hoxha for the priority development of railway transport and the mobilization of the internal reserves in this sector, will further strengthen our whole transport system in the service of production and all aspects of our socialist life.

Priamo Bollano
Dr. of Economic Sciences

Fari Dari

PROBLEMS OF THE TRANSITION OF THE HIGHER TYPE COOPERATIVES TO STATE FARMS

It has already been proved that the collectivization of agriculture and the ceaseless progress of the cooperativist order is the only way to build socialism in the countryside. The revolutionary transformations and all the material, social and psychological progress which have taken place in our countryside would have been unthinkable without the cooperativist order. As Comrade Enver Hoxha pointed out at the 8th Congress of the Party, they represent one of the greatest victories of the policy of the Party for the construction of socialism.

The completion of collectivization does not mark the end of the process of the socialist transformation of the countryside. The construction of socialism in the countryside is an uninterrupted revolution which includes a series of transformations of a social, economic, ideological, cultural, organizational and technical character. The cooperativist order is «...a process of cea-

seless development and progress towards the complete construction of the socialist society».[1] During this process the level of the socialization of labour and the means of production is raised, the features and characteristics common to the two forms of socialist ownership are strengthened, and the cooperativist property gradually becomes more like and is eventually transformed into property of the whole society.

The transformation of the cooperatives into state farms is the basic condition to further advance the social equality between the cooperativist peasantry and the workers of agriculture, for the complete solution of the agrarian problem in our country. This is a major historical task which is not realized immediately. To solve this problem our socialist revolution has had to traverse unknown paths, new roads. Until recently the theoretical elaboration of the ways and means to accomplish this historical task were lacking in the Marxist-Leninist economic doctrine. The classics merely presented this problem, in general terms. Neither in theory nor in practice did they elaborate the concrete roads which would be followed for the transformation of the property of the group into the property of the whole people. In their time, revolutionary practice had not provided the solution to such a problem. The Soviet Union was unable to create this experience because the construction of socialism in the countryside was interrupted by the revisionist counter-revolution. The re-establishment of capitalism led to the abandonment of the Leninist road of collectivization, to the emergence,

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, p. 332, Alb. ed.

along with the collective capitalism, of purely private capitalist property in the countryside.

An original experience is being created in our country. With its theoretical thinking, the Party of Labour of Albania with Comrade Enver Hoxha at the head is making a very valuable contribution to the advance of the socialist construction of the countryside. The socio-economic processes which have occurred and are being deepened in our countryside; the economic and organizational strengthening of the agricultural cooperatives, the creation of higher type cooperatives, the intensification with priority of the more fertile plains of the country without neglecting the intensification of agriculture in other regions too, the creation of joint herds of the privately owned livestock, the reduction of the cooperativist's private plot, while introducing new social elements etc., are part of that historical experience which the socialist revolution in Albania has elaborated about the ways to bring the cooperativist property closer to, and eventually transform it into the property of the whole society.

The Party had to work out theoretically and apply in practice measures which lead to **the blending of the relations of group ownership with the ownership by the whole people.** At the 8th Congress of the Party, Comrade Enver Hoxha stressed: «This will bring about the gradual narrowing of the sphere of the relations of the cooperativist property, until, at a later period, the latter will be transformed into property of the entire people.»[1]

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 38, Alb. ed.

The transformation of agricultural cooperatives into state enterprises is a process which is carried out in an organized, controlled, and conscious manner, guided by the Party and the socialist state. It is not left to spontaneity, is not accelerated artificially and is not brought about by administrative measures and means. The undue hastening of this process, outside the real conditions and possibilities would compromise the transition of the cooperatives to state enterprises and would saddle society with an unjustified burden. On the other hand, inhibiting this process to maintain the existing situation would become an obstacle to the further intensification of agriculture, to its transition from the lower form to the highest form of socialist property and would cultivate and strengthen the psychology of group ownership to the detriment of the interest of society.

The turning of the agricultural cooperatives into state enterprises is a result of the quantitative and qualitative development of the productive forces and the perfection of the socialist relations in production in the agricultural cooperatives, of the economic, social and ideo-political development of the entire country on the road of socialism. As Comrade Enver Hoxha teaches us: just as our peasant approached the collectivization of agriculture gradually, through conviction, and proceeding on the «economic road», after a long process of development and strengthening he will transform the common property of the group to property of the whole society,[1] likewise through the economic road.

1 Enver Hoxha, «Reports and Speeches», 1970-1971», p. 122, Alb. ed.

Accomplished on the «economic road», this transformation is not carried out either by overthrowing the socialist property of the group or by denying or nationalizing it, as the bourgeois-revisionist propaganda tries to present this process. On the contrary, this is a process which is carried out within the framework of socialist ownership, of the transition from the lower to the highest form of it. This transformation will open wider fields for the development of the productive forces, the further intensification and modernization of agricultural production, and increased effectiveness in the use of the productive accumulation. The extended reproduction in the cooperatives which are transformed into state enterprises will be accomplished in greater and more harmonized proportions.

With the transition of the cooperatives to state enterprises, the cooperativists' private plot will cease to exist. The needs of the former members of the cooperative for products for personal consumption will be fulfilled from the state market. Most of the time the cooperativist used for work on his personal plot will now be employed in the common social work and the remainder to raise his educational, cultural and technical-professional level etc.

Analysing the achievements in the development of the productive forces, in the perfection of the socialist relations in production and the socialist consciousness of our cooperativists, at the 8th Congress of the Party, Comrade Enver Hoxha stressed the need for **a number of higher type cooperatives to be transformed into state farms** during the years of the 7th Five-year Plan. Study of the measures and the concrete ways to accomplish this directive brought to light seve-

ral problems, which must be kept in mind during the transformation of the agricultural cooperatives into state enterprises.

1. The fulfilment, verification, and correct definition of the indices which characterize the development of the productive forces, from the technical-productive and socio-economic standpoints, of the cooperatives which are to be transformed into agricultural enterprises present interest.

Scientific economic opinion has reached the common conclusion that from the technical-productive viewpoint the level of development of the productive forces can be expressed by the employment in unity of a whole complex of indices such as: the main means per 100 hectares of arable land and per worker; the stability and the levels of yields of agricultural and livestock products, calculated over a long period and compared with the average level of state farms with the same economic direction, or state farms within the same district. Whereas from the socio-economic standpoint this level can be determined through the indices of the production of commodities and the nett income per 100 hectares of arable land, the pay per day, per norm and per person on the agricultural cooperative, compared with the same indices on the state farms.

Whether or not the cooperative has sufficient funds available to pay the guaranteed wage and funds free for investment, the amount of circulating funds etc., can be used as supplementary indices of the level of development of the productive forces. The transformation of the cooperative into a state farm creates possibilities for the state to use these funds better in the economic circulation, by employing them more completely and more fruitfully.

A special question which is connected with the transformation of the higher type cooperatives into state enterprises is **the determination of the indices which express the economic benefit of this transition in the sense that the new enterprise to be created should not be a «burden» to the state,** but will secure the nett income for the society indispensable for reproduction in ever greater proportions.

Adhering to the concept elaborated by the Marxist-Leninist economic thinking of our Party about the efficiency of production in socialism, we think that the fruitfulness of the transition of the cooperative to a state enterprise, can be determined by the use in unity of the indices of the nett product and the nett income of society per 100 hectares (the latter expressed in the form of total profit)[1] compared with the same indices for other state farms. As a supplementary index we may use the nett income of the enterprise and its profitability.

On the basis of the use of the aforementioned indices a correct judgement can be made about, whether or not certain higher type cooperatives are ripe, from the economic standpoint, for the process of transformation into state enterprises. In those cases when the new enterprise which is to be created from this change has levels of indices of the development of the productive forces and efficiency which **are close to, equal**

1 With total profit we understand the ratio in percentage between the nett income of society (centralized nett income of the state or the enterprise) and the total cost of production.

with or higher than the levels of state farms, and when with the income from the sale of products **not only covers the costs of production but also ensures nett income for society** (at or above the average level of state farms) the cooperative is ripe, from the economic standpoint, to be transformed into a state farm and this will be beneficial for society.

2. A problem which requires careful consideration, study and solution is **that of the employment of the increase in the labour force.** As Comrade Enver Hoxha points out «This problem has already emerged and will continue to emerge in the future, therefore it requires special attention»[1].

Just as the additional new forces are planned for and employed within the cooperatives today, in the conditions of the new state farm, too, the increase in the labour force must be planned for and employed within the enterprise, in all the sectors which make up the economic and cultural life of the countryside, always giving priority to the development of agricultural and livestock production. The increased services for field crops, animal husbandry and fruit growing, the better organization of the work and the greater investments will «. . .increase production, raise the productivity, and reduce the cost and the workers will not only earn their own incomes but will also produce for the allround development of society. There can be no other solution. . .»[2] as Comrade Enver Hoxha teaches us.

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, p. 336, Alb. ed.

2 Ibidem.

This is a broad field for studies and generalizations to preserve and perfect the main economic direction of agricultural economies, to improve the structure of crops, to raise the mechanization of work processes in harmony with the increase of the labour force, to increase investments especially in the land, animal husbandry and fruit growing, to introduce new technology in production, and in other directions.

3. The transformation of the higher type cooperatives into state farms also **marks the elimination of the distinctions which exist between the cooperativists and the other working people of agriculture in the fields of social insurance, pensions, communal services, trade etc.** With the transformation of the cooperative into a state farm the provisions of the law on state social security will operate. In connection with this however, practice has brought to light a number of problems which must be kept in mind, such as that of the payment of social security benefits to cooperativists who do not fulfil the conditions to be eligible for a pension and who do not have people able to work in their families, the calculation of the years at work for pension purposes etc.

Special measures will have to be taken gradually to fulfil a series of needs for the communal life of the peasantry better and ensure adequate supplies for them. There are specific problems also, in the relations of the distribution of agricultural and livestock products and material-technical supplies, which will be the same as in the state enterprises, creating possibilities to give better support to the increase and intensification of agricultural production.

4. The transformation of cooperatives into

state farms follows the course of bringing the cooperativists' property closer and closer to the property of the whole society. Therefore **the continuous perfection of the socialist relations in production in all the higher type cooperatives, proceeding on the course of the blending of the relations of state onwership with those of group ownership, towards the extension of the sphere of the relations of the property of the whole society,** assumes particular importance. This is a broad field for study and action by the state organs, the scientific institutions and the higher schools. The aim is to perfect the structure of production, the proportions and the harmonization of the main, auxiliary and supplementary branches, to deepen the concentration and specialization and apply the optimal rotation of crops, to perfect the relations of distribution and the economic ties between the state and the cooperatives etc. The problem is that these questions must be solved and dealt with gradually, in a given order, initially in the cooperatives of the coastal lowland zone, which is being intensified with priority, which represents «...a transitional stage in the further strengthening of our socialist system and our agriculture, and in the transformation of the agricultural cooperatives of the plains into state agricultural enterprises, a process which will be extended subsequently to other cooperatives.»[1]

The transformation of higher type cooperatives into state farms which is beginning during the 7th Five-year Plan, as a process, for which the economic conditions are ripe, will allow the accumulation of experience for further steps which will have to be taken in the future. It will also create possibilities to gain a clearer appreciation of the problems which will emerge and the most fruitful ways to solve them in the course of the allround development and progress of the cooperativist order in our socialist countryside.

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, p. 191, Alb. ed.

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GENERALIZATIONS AND PROBLEMS FROM THE IMPLEMENTATION OF THE MEASURES FOR THE FORMING OF JOINT HERDS OF THE COOPERATIVISTS' HOUSEHOLD LIVESTOCK.

The cooperativist private plot emerged as an economic phenomenon together with the collectivization of agriculture, with the establishment of the cooperative system in the countryside, as an auxiliary economy of a transitional and temporary character to provide products for personal consumption. The elimination of the cooperativist plot will be achieved naturally when all the needs of the cooperativist family for agricultural and livestock products will be met from the collective economy, and when the cooperativist will be able to pay for these things with the income secured from the collective economy. «If we are able to create abundance in the cooperative... then the cooperativist himself will see his personal plot as a hindrance»[1], says Comrade Enver Hoxha.

With the development and strengthening of

1 Enver Hoxha, Works, vol. 18, p. 344 Alb. ed.

the agricultural cooperatives, with the increase of their production, the cooperativist plot has gradually diminished and the role of this economy as a supplementary source of means for the cooperativist family has diminished.

Parallel with this, the socialist consciousness of the cooperative peasantry has steadily risen, and their concepts and mentality about the personal plot have changed in favour of the collective property. Herein lies the source of the initiatives, with profound ideological, economic and social content, which the cooperativist peasantry have taken time after time. One of these initiatives is that to form joint herds from the cattle and livestock kept by the cooperativist households.

With the development and intensification of agricultural production, the organization of the keeping and pasturing of the livestock of the members of the cooperative was becoming an ever more acute problem which demanded solution. From their own experience, in some regions of the country, the cooperativists themselves began to organize the collective pasturing and shepherding of sheep and goats. This was the first step which later, in the course of the allround development of the agricultural cooperatives, led to the improvement of the organization and administration of collective herds. The advantages of the collective herds were becoming ever more obvious. In these conditions, in 1975 the revolutionary initiative of the cooperativists of Pogon, in the Gjirokastra district emerged. They were the first to combine all the sheep and goats belonging to the cooperativist families in joint herds.

The cooperativist peasantry, always loyal to the Party, embraced this initiative enthusiastically and threw themselves into concrete action. The Party supported and guided this initiative, which introduced new social elements in the cooperativist personal plots. It instructed that every step should be taken cautiously, in conformity with the objective and subjective conditions of each zone, district and economy. Proceeding on this course, at the end of 1980, 52 per cent of the sheep and goats of the cooperativist household had been combined into joint herds and in some agricultural cooperatives of the plains the formation of joint herds of the house cows had begun too.

The Party and Comrade Enver Hoxha consider the problem of forming joint herds of the household livestock as an important task for all, because through this revolutionary step the common property will be increased, the role of the cooperativist private plot will be further reduced and the needs of the cooperativists will be fulfilled better.

The formation of joint herds from the household livestock is advancing the process of the gradual and natural reduction of the cooperativist private plot until its total elimination.

An important aspect of this process is that **the number of animals culled and slaughtered must not lead to the physical reduction of the number of animals, but they must be replaced, increasing the numbers in the joint herd.** Hence a new situation is created in the field of ownership and in that of increasing the total income from the collective economy. On this basis, the income of the cooperativist family will gradually

increase, both from the greater participation in the collective work and from the rise in the total income of the cooperative.

The formation of joint herds also brought about the extension of the relations of exchange between the members of the cooperative for the products of the household livestock. The introduction of commodity — money relations serves as a means for the cooperative to make free use of the income realized from the collective economy. On the other hand the formation of joint herds and the limitation of the personal plot close the way to the free buying and selling of the products of the private plot, **thus creating conditions for the elimination of the peasant market too.** This has had a positive influence on increasing the participation of the cooperativists in work.

In 1981 the formation of joint herds of the sheep and goats was completed throughout the entire country, while in 13 districts of the lowland zone the formation of joint herds of the house cows was completed.

During this period, the Party and Comrade Enver Hoxha have followed this action and have instructed that along with the forming of joint herds and the building of stables and pens with the necessary facilities, great importance must be given to securing the fodder base, to giving the animals in the joint herds equal treatment with those belonging to the cooperative and to the regeneration of the herds and flocks on a scientific basis. For this reason the necessary measures have been taken for the specialization and concentration of the animals and securing the fodder base, with brigades set up to secure the food base for the

animals both of the cooperative and of the members of the cooperative.

Despite the immense work done by the Party during this great action, in some instances shortcomings were noticed. These have been overcome successfully step by step, thanks to the work done and the results achieved in the joint herds.

The experience of these two years since the formation of joint herds of household sheep and goats all over the country, and joint herds of house cows in many districts, shows that with the **collective administration of the animals of the cooperativist families a step forward is taken and another blow is dealt to the sense and psychology of private property, thus further strengthening the spirit of collectivism and socialist solidarity.** This measure with the significance of a revolutionary transformation, has many other useful features: it frees the children, the elderly and especially the women from wearisome work; it greatly reduces the contradiction between the number of animals and the area of the cooperativist personal plot; it diminishes to the maximum the damage to the collective property; and further consolidates the unity and harmony between the members; it strengthens the socialist consciousness of the people; it creates new links between the cooperative and the members; it further increases the participation in the work of the cooperative and increases the productivity of labour; it gives the members of the family more free time for schooling or leisure; creates better conditions for hygiene in the village, for treating the animals on scientific basis, and for breed improvement of the members' livestock, etc.

The formation of joint herds and further restriction of the cooperativist personal plot have also brought to light some problems of an economic, social and organizational character, which must be carefully studied and solved by the respective organs.

With the completion of the formation of joint herds of the household livestock on a countrywide scale they will be administered and managed in an organized way by the agricultural cooperatives. This is an important and responsible task, because these animals are a great national asset. The results already achieved in the formation of joint herds of the animals belonging to the cooperativist households and the condition of the animals require concentrated work on three issues: **rejuvenation of the herds ensuring the maintenance and increase of the number of animals, breed improvement, and ensuring the necessary food base.** The increased production and the fulfilment of the needs of the cooperativist family for animal products are greatly dependent on these three issues.

Better work is now being done in the rejuvenation of the herds. Special centres and units have been created in every economy of the lowland region. Today replacement stock for the joint flocks of sheep and goats is completely guaranteed, while work is in progress to ensure the necessary number of heifers.

No culling without replacements is the target. Until replacements are secured even cows with low productivity will be kept. This problem must be examined carefully and concretely for each economy.

As regards breed improvement in the joint herds, if this were to proceed at the previously existing rates it would take considerable time. Therefore the Ministry of Agriculture, the districts and the agricultural enterprises must take measures to increase the rates of breed improvement of the livestock belonging to the cooperativists.

The third issue, without which the first two issues cannot be resolved, is to ensure the food base. The existing situation is not up to the level required today. To increase the productivity per unit of area is a duty for all the agricultural economies (the agricultural cooperatives). As Comrade Enver Hoxha instructs «. . .to secure the food base for the livestock according to scientific norms, first of all we have to make a radical turn to increase the yields of forage crops. According to the possibilities, the area of land planted to forage plants could be somewhat extended too. Therefore we must take some concrete measures in this direction, while not overlooking the contribution of the cooperativists themselves and the work they must do to this end».[1]

The formation of joint herds and the reduction of the personal plot **have also created trade problems, both for the agricultural cooperative and for the state trading system which is extending its activities in the countryside.** Supplying the cooperativist families with all kinds of agricultural and livestock products is a major task which must be carried out rhythmically, in a planned and controlled manner.

In order to supply the cooperativist fami-

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, p. 372, Alb. ed.

lies with meat it is necessary to establish fattening centres in the agricultural cooperatives, in conformity with the natural conditions and the traditions of the district, the region or the economy.

During 1982 the cooperativists were better supplied with agricultural and livestock products. Some agricultural cooperatives however have not preserved correct ratios between deliveries to the state and supplies for the members, in conformity with the fulfilment of the plan. They have tended towards deliveries to the state. In 1982 the cooperativists were better supplied with milk, cheese, cottage cheese, meat etc.

The experience gained in connection with the formation of joint herds during these years must serve to stress the need to proceed gradually in the regions where the forming of such herds is still continuing, keeping in mind the concrete conditions of the district and the economic situation of the individual cooperatives, but without marking time for a long period. There are opinions that in specific instances and when the conditions permit, the house cows could be replaced by sheep and goats.

The formation of joint herds of the livestock of the cooperativist households has been considered by the Party as an original revolutionary measure which brought new social elements to the cooperativist household, of very great importance to the present and future of the cooperativist system. Care must be taken to ensure that this process is given powerful support and carried forward. As Comrade Enver Hoxha teaches us: «The problems which emerge from the formation of joint herds are problems of the

growth and of advance of our socialist revolution on the agrarian question. It is important that they should not be made more onerous through the subjective weaknesses of our work, but on the contrary should be solved correctly and as quickly as possible through sound concrete ideo-political, organizational, activity and leadership in the interest of the peasantry themselves and of the development and progress of our socialist revolution.»[1]

Contrary to the revolutionary course which our Party pursues in connection with this problem, which is an original course that others have not trodden, the revisionist Soviet Union and the other revisionist states used the cooperativist plot as a bridge leading to the degeneration of the socialist collective farm and cooperativist system into a pure collective capitalist economy.

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, p. 608, Alb. ed.

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PROBLEMS OF THE FURTHER PERFECTION OF THE PRICE LEVER IN THE RELATIONS OF THE STATE WITH THE AGRICULTURAL COOPERATIVES

The teachings of the classics of Marxism-Leninism and the historical experience of our country prove that in socialism prices have important functions in distribution and re-distribution and, in conformity with the objective economic laws which operate in socialism, also serve as an important means of influence for the planned management of the economy and the implementation of the policy of the Party in the field of the economy and finance. For this reason the important role of prices has been properly appreciated by the Party, and has been and is being used in a conscious and planned way, without allowing either underestimation or overestimation of this economic category as occurs in the capitalist and revisionist countries.

The setting of prices in a centralized and planned manner by the state in our country

serves to strengthen the mutual economic links between industry and agriculture, between the working class and the peasantry; assists the planned distribution and redistribution of the national income, and the increase of industrial and agricultural production, from the aspects of quantity and structure, range and quality. On this basis it also serves to increase the real incomes of the cooperativist peasantry to raise the material and cultural well-being of the working people and strengthen the purchasing power of the currency.

In this paper we have tried to present some opinions based on the positive experience of our country in the field of the planned setting of prices for the wholesale purchase of agricultural-livestock products and to provide theoretical and practical arguments in support of certain improvements in the setting of prices for the purchase by the state of agricultural and livestock products, with the aim that this lever should exert a still more active influence on the application of the orientations of the policy of the Party in general and the tasks of the 7th Five-year Plan endorsed by the 8th Congress of the Party:

— For the increase of productivity and, on this basis, for the rapid increase of agricultural and livestock products.

— For a fairer re-distribution of the national income between the two basic branches of the farming economy — agriculture and animal husbandry.

— For a fairer redistribution of the national income between the agricultural cooperatives of the lowland zone and those of the hilly and mountainous zones.

* * *

1. As is known, although the absolute rent of land arising from the monopoly over the land as an economic object, has long been eliminated in our country, differential rent exists in the cooperativist sector. As a result of this fact we have peculiarities in the formation of prices for agricultural products. Unlike in industry, where the wholesale prices are formed on the basis of the advanced average cost, in agriculture the prices at which the state buys agricultural products cannot be based on the yield and the cost of the products on land of the highest or average fertility. This is because, despite the development of science and agrotechnique to high levels, despite the investments made by the state for land improvement, the breaking in of new land etc., the areas of land with high fertility are limited. On the other hand, in order to meet the needs of the people and the economy for agricultural products we are obliged to work (plant) according to plan, not only the lands with high fertility but also those with average and low fertility. This has taught us that in the planned setting of the prices at which the state will buy the agricultural products, the yield and cost of bread grain produced on low fertility land must be taken into account.

As a result, since 1957 the prices at which the state buys agricultural products in our country have not been based on the yield and cost of products which the cooperatives with high fertility land secured, that is, on the advanced cost, nor on the yield and cost of products of the

cooperatives with land of average fertility, but **the general trend has been for the state to set the planned prices on the basis of the yield and cost of products which are secured on land of low fertility.**

Naturally, acceptance of this principle in the theoretical plane and its implementation in practice has had and will continue to have its influence on the development of agricultural production envisaged in the state plan.

The differential between the prices at which the state purchases bread grain from the agricultural cooperative of the hilly and mountainous regions on the one hand and from the lowland cooperatives on the other hand, (which has been in operation in our country since 1966), the fact that the purchase prices for maize and wheat for the hilly and mountainous regions have been set 13 to 23 per cent higher, and the fact that in setting the prices at which the state buys cotton or sugar-beet we do not base ourselves on the yield and cost of the state farms but take into consideration the yield and cost of the agricultural cooperatives, **shows that the trend of the movement of prices in our country is towards a level which will not only cover the costs of production but will also ensure nett income for the needs of extended reproduction for the agricultural cooperatives with low fertility land.** To reduce the differences in the level of costs between the hilly and mountainous zones and the lowlands in our country differential rates are charged for the work done by the machine and tractor stations.

We also have differential purchase prices for barley, olives and partially for tobacco. We think that this principle should be extended gradually

during the 7th Five-year Plan to certain other crops. In this way the lever of prices will serve even better as an important means which, along with the efforts of the cooperativists themselves, helps to increase yields, to further encourage increased agricultural production and, on the other hand, to increase the incomes of the cooperatives of the hilly and mountainous zones.

Concretely, we think that it would be advantageous to extend this principle to sunflower and some other crops which under the plan are being grown in relatively large areas in the hilly zones, where the cost of production is higher than in the plains and where greater expenditure is being made at present.

Another direction in which we think the lever of prices in the relations of the state with the agricultural cooperatives could be further improved is the level of prices now in force for some agricultural products which are mainly produced in the hilly and mountainous zones such as olives, dried beans etc.

The yields achieved for several years on end, the relatively high costs of production, the fact that the parametres of the first and second quality which are envisaged in our standards have not been achieved for years on end, make us think that the existing ratio of prices should be further improved to encourage the improvement of quality and to provide more favourable conditions for the agricultural cooperatives of the hilly and mountainous zones which grow these crops. This will also be one way to further improve the level of incomes of these cooperatives, to encourage increased production and to reduce the differences in the levels of incomes between the cooperatives of the hilly and moun-

tainous zones and those of the lowlands, of course always adhering to the correct orientation of the Party that, in the first place, the cooperativists themselves must and will increase their incomes through their own work and efforts, to increase productivity and reduce the cost, in conformity with the tasks set by the 8th Congress of the Party in the directives of the 7th Five-year Plan.

2. The Party and Comrade Enver Hoxha have always paid special attention to the harmonious development of livestock raising and agriculture as two main branches of the farming economy. Important measures have been taken and are being taken in the 7th Five-year Plan too, to accelerate the rates of development of livestock raising so that this branch will ensure a more rapid increase of productivity and in the volume of livestock products and, on this basis, the income from this important branch of the agricultural economy will be increased and its profitability improved.

Increased income for the agricultural cooperatives and their members and the state accumulation has its basis in production, in the measures taken for the fulfilment of all the tasks of the plan in quantity, quality and cost, in the achievement of the planned productivity especially for malting barley, beans and some others in which low yields have been obtained. However, as Comrade Enver Hoxha teaches us, a given level of prices is built up on the basis of a given level of development of production and other socio-economic conditions. Viewing the problem from this angle and with the aim of helping the achievement of the objectives set by the Party at its 8th Congress for the livestock-

raising branch we think that the price lever can be used more efficiently than hitherto in favour of the development of livestock raising and livestock production as well as a fairer redistribution of income between agriculture and livestock farming, with the aim of ensuring the material interest of the working people in this branch to stimulate production and raise the planned profitability.

It is known that the profitability planned at branch level or for a given product or group of products, when soundly based, is a mechanism which gives an economic stimulus to further increase production and achieve the objectives set in the state plan. At the same time planning for losses or ill-founded planning for high profitability can be harmful, because it can restrict the interest of the working collectives in increasing production.

Analysis of statistics compiled over several successive years on the planning and accomplishment of targets in the field of the cost and profitability of the livestock raising branch, for both the state farms and the agricultural cooperatives, oblige us to conclude that to a certain degree, the low level of profitability in the branch of livestock raising is influenced on one hand by the level of prices at which the state purchases certain livestock products and on the other hand. by the ratio established between the prices of certain products of livestock raising and agriculture fixed in the price schedule.

The working people of livestock-raising sector are faced with the task of taking measures to increase productivity, to reduce the cost and to improve profitability of meat production.

The application of measures to raise the

productivity and reduce the cost of the livestock products is, of course, the most correct course and the main task. However we think there is room for improvement in the ratio of prices for the purchase by the state of several types of meat and the financial results of the livestock-raising branch in comparison with that of agriculture. The levers of prices and costs must be used better and more effectively to correctly reflect the results of the economic activity of the livestock raising branch and for a fairer redistribution of incomes between these two branches. For example, there is room for an evalution on more correct scientific basis of organic fertilizer as a by-product of the branch of livestock raising which is used extensively in agriculture, basing this evaluation on the active elements it contains compared to chemical fertilizer. The price of 5 leks per ton for organic fertilizer which has been applied for a number of years, distorts the results of the livestock raising branch and unjustly favours agriculture. According to several evaluations, the price of a ton of organic fertilizer ought to be two to three times higher than the price charged hitherto, which has served mostly for the effect of accounting and statistical evidence. An increase in the price of organic fertilizer is justified by its high content of nitrogen, phosphorus and potassium, from its effects in increasing production during the first and second year, and from the content of other elements and micro-organisms which help to improve the structure of the soil and raise its fertility.

Such a measure, that is, the establishment of a correct ratio between the prices of organic fertilizer and chemical fertilizer will help to reflect the financial results of the livestock raising branch more correctly and to improve the profitability of meat production. Of course, this is a re-distribution of income and expenditure between two branches of the farming economy, but precisely a fairer redistribution of the income through the price mechanism will enable us to reflect the profitability of these two branches correctly and aocurately and allow us to judge the effectiveness of the expenditure made in these two branches properly. Perhaps the level of the price of maize straw which is used as animal fodder will have to be studied in the future, too, so that the cost of maize in comparison with the cost of wheat, is reflected more, fairly and accurately.

3. In the conditions of the intensification of agricultural and livestock production the material expenditure per unit of area increases. At the same time the cost of fertilizers and other materials which industry provides for agriculture have a tendency to decline as a result of the mechanization and modernization of production. These movements must be followed carefully with the aim of maintaining fair ratios between the cost and the price of products. The aim is that in those products and materials which are provided for agriculture by industry in which the profitability of production is continually rising, further reductions in prices can be made, especially for chemical fertilizers and other materials which play an important part in the cost structure of agricultural and livestock products. This will further strengthen the links and collaboration between industry as the leading branch and agriculture as the basic branch of the economy.

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Sokrat Proka

PROBLEMS OF THE FURTHER IMPROVEMENT OF THE METHOD OF PLANNING

The dynamic process of the intensive development of the economy at the present stage, on the basis of the tasks set by the 8th Congress of the Party, has raised demands in the field of planning and its methodology, too, with the aim that the planning and the entire process of the planned management of the economy should be improved and further revolutionized, to ensure the proper and complete implementation of the economic policy of the Party. From time to time the methodology of planning our socialist economy has been amended to improve it. Analysis of these changes and the ways pursued for this improvement shows that the methodology has been improved in conformity with the development of economy, with the new conditions which are created at each stage of the socialist construction, with the experience gained from the activity of the masses in the field of

planning, and with the new problems which arise from life and practice.

The improvement of the method of planning at each stage of development has been carried out in the course of the class struggle against internal and external enemies, against concepts and manifestations alien to socialism. The discovery of the hostile activity of Abdyl Këllezi, Koço Theodhosi and others and, later, of the arch-agent, Mehmet Shehu, shows that they tried to hinder and sabotage the implementation of the methodology of planning. Being in important leading positions in the economy and at the head of the State Planning Commission, all these enemies with their hostile aims left their mark and had a negative influence on the planning process. Thanks to the correct line and the vigilance of the Party, however, they were unable to achieve their sinister aims. Our economy forged ahead and the planning and the methodology of planning have been perfected according to the teachings of the Party.

However, the reality of our socio-economic development is rigorous and dynamic, it does not accept forms set once and for all. This is true also of our planning and its methodology. In his work «On the 7th Five-year Plan» Comrade Enver Hoxha stresses «...that the methodology of planning has been correct overall and the improvements made have been necessary. However, life shows that **the methodology of planning must give greater assistance in integrating the economic and financial aspects, in ensuring that the figures of plans are soundly based, in harmonizing the planning in the line of the economic branch better with that of the districts in combatting globalism in planning cost and productivity, and in evaluation of the work of enterprises,»**[1] etc.

Basing ourselves on this instruction of Comrade Enver Hoxha, in this paper we shall try to raise several problems in connection with the further improvement of the methodology of planning.

We think that the conception of methodology is an important problem. It must be conceived more clearly as a whole body of methods, a unity of indispensable principles, criteria and rules which must be applied in planning the economy.

We think there is room for improvement in the existing methodology of planning the socialist economy in the following main directions:

First, in the more complete treatment of the requirements of the objective economic laws of socialism, the tasks, principles and the methods of planning. Hence, apart from the fundamental economic law of socialism and the law of planned and proportional development, the other laws, such as the law of the priority increase of the means of production, the law of the increasing of the social productivity of labour, the law of savings, etc., should be dealt with concretely. We also think that specific principles should be brought out such as: the participation of the masses in the drafting, implementation of and check-up on the realization of the plan, the combination of perspective plans with the current plans and projection studies, the unity of the drafting and implementation of the plan.

Practice has proved that the extension and perfection of the methods of planning, especially

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, pp. 664-665, Alb. ed.

of the methods of balancing and setting norms, exert a powerful influence on raising the scientific level of planning. Comrade Enver Hoxha stresses that «If this job is done properly, and if the balances are controlled and implemented properly, the whole plan will be carried out.»[1]

This must be done also through the treatment of questions of the balance of the people's economy, the criteria of all its parts and the indices of its structure. To this end all the indices to ensure the essential elements for compiling the balance of the people's economy must be sent from the base in the form of tables. Likewise, the method of setting norms for the use of living and materialized labour must be given more complex treatment in methodology, being conceived as a broad notion which finds application in planning in the productive and non-productive spheres as well as in the planning of the circulation of retail goods.

Second, in the more complete treatment of the questions which have to do with justifying and co-ordinating the figures and check-np on the accomplishment of the plan. In this direction, shortcomings and gaps are seen in practice. The level of the justification and coordination of figures for all parts and indices of the plan is still inadequate, from the state farm and agricultural cooperative to the districts and ministries. In practice there are cases of incompatability between production and the material-technical base, between production, distribution and transport, production and wholesale purchase etc. This remains a problem which requires profound

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, p. 593, Alb. ed.

study and concrete measures to overcome it in the entire methodology of planning as well as in the activity of all links of the structure of the economy.

Proceeding from practice it emerges that the planning process is not always conceived as a continuous process, as an organic unity of the drafting, confirming of the figures and check-up on the progress in accomplishment of the plan. Here greater attention should be paid, not only to justifying the figures, but also to check-up on the progress of the realization of the plan. For this reason the problems of the check-up on progress in the realization of the plan must occupy a greater place in methodology, starting with the treatment of the criteria for detailing the concrete tasks of the plan and continuing with the forms of check-up on all the parts and indices of the plan. This also requires the establishment in methodology of criteria for the coordination of the indices of the plan with those of statistics, ensuring unity between them and on this basis, enhancement of the role of information and evidence from the base to the centre.

Third, in the treatment of a better harmonization of the planning according to branches with the planning according to districts. As a rule, the unified state plan is drafted according to the branches of the economy, according to ministries, according to forms of ownership and according to the territorial divisions (districts). Each of these divisions has its own economic and social content.

The tasks of the plan in each branch and link of the people's economy are determined correctly **when they derive from and take account of the concrete distribution, of the pro-**

ductive forces over the entire territory of the country. Hence, the tasks of the plan for the development of industry, agriculture, construction, trade, education, culture, health services, and communal economy cannot be thoroughly well-founded if they are not defined, combined and coordinated for each district (naturally for several main indices) by a central coordinating organ.

Fourth, in avoiding manifestations of globalism in planning and in ensuring the unity of the economic indices with the financial indices in order to strengthen the scientific and the state-directive character of the plan. Despite the improvements made, in many instances the productivity of labour and costs are planned in the enterprises and even in the ministries on an overall basis, both for industrial production and for construction and installation work.

There are also instances when the planning of the productivity of labour is still not done on the basis of factors. It does not always take account of the changes in the structure of production and construction, thus becoming a hindrance to the production of new, minor, but indispensable articles. Meanwhile the standard method for planning the productivity of social labour for the productive sphere as a whole also requires supplementing.

Manifestations of globalism, which we seek to avoid through methodology, are still seen, especially in the demands which the consuming enterprises make on the productive enterprises, not to mention the weak discipline in respecting time limits set in methodology. However these are among the major issues in order to draft harmonized scientific plans.

Likewise we think that for realistic, soundly-based planning of agricultural production, the criterion of planning yields of agricultural crops according to factors, as a scientific method which combats the manifestations of globalism, should be established in the methodology of planning production in agriculture too.

Fifth, in enhancing the role of planning and methodology to raise the effectiveness of the economy. To this end we think that the requirements of certain fundamental laws and proportions should be given in the methodology of planning, for example: the increase of social production at rates higher than the rate of the increase in the number of working people, the increase of the social productivity of labour at rates higher than the increase in real income, the increase of the product for society at rates higher than production for oneself etc. We also propose that concrete technical-economic and financial indices should be introduced in methodology. We think also that certain indices and criteria for the drafting of long-term perspective plans and projections should be given in the methodology of planning.

Sixth, in the more complete harmonization of the parts and indices of the unified plan of the economy and the procedure for drafting it. Proceeding from the conception of the parts and indices of the unified plan of the economy, a more complete uniformity and harmonization in detailing the indices for each part of the plan is required in the methodology of planning. It is essential that this harmonization between the indices of the plan of costs, the plan of technique and science, the plans of material-technical supplies, labour and finance should be dealt with

more completely. In this context problems emerge also about the extension and unification of the norms of the consumption of materials, because in this direction anomalies are seen in practice. For example, during 1982 in a number of enterprises of the system of the Ministries of Industry and Mines, Energy, and Communications no standard rates of consumption were set for 25-30% of the materials used, most of which were auxiliary materials and spare parts, the weight of which in the cost of production is not small. In connection with the procedure for drafting the plan based on the ideas Comrade Enver Hoxha gives in the work «On the 7th Five-year Plan», we think that the introduction of several new criteria for the presentation of the draft plan, for the basis of comparison, and so on in the methodology of planning emerges as a problem.

Seventh, in the compiling of the standard methods of planning. The lack of the approved unified standard methods for each part of the plan has been and remains a shortcoming in the existing methodology of planning. The methodology of planning can not be complete and applicable without the standard methods. We think that these should be compiled according to the parts of the unified plan of the economy and depending on its structure, must be conceived correctly, be drafted carefully by each ministry and be coordinated and approved by the State Planning Commission and the Ministry of Finance.

While raising these problems about improving the methodology of planning, however, we think that **greater efforts must be made for precise knowledge and application of this methodology.** We stress this because in some cases the

shortcomings seen in planning have their source in the failure to apply the criteria and the rules established in methodology completely and with the necessary scientific discipline. Further improvement of this methodology, reinforced with the correct application of the norms, criteria, principles and indices which the methodology includes, will assist even more in ensuring that the economic and social processes always proceed on a correct course, on the basis of the Marxist-Leninist line and policy of the Party of Labour of Albania.

Gani Qemo

Doc. Edmond Luçi

THE IMPROVEMENT OF PLANNING FOR THE TERRITORIAL DISTRIBUTION OF PRODUCTIVE FORCES AND PROBLEMS WHICH EMERGE IN THIS FIELD

Basing itself on the teachings of Marxism-Leninism, and the conditions in which the socialist construction of the country is being carried out, the Party has worked out and applied a scientific concept about the rapid development of the productive forces and their distribution over the whole territory of the country. During the last two decades the coefficient of variation, calculated on the basis of various indices, has marked improvements which testify to a more uniform distribution of productive forces amongst the districts. This coefficient, calculated for the index of industrial production per head of population has improved 20%, for the index of density of population per square kilometer has improved 15 per cent and for the index of the proportion of urban population has improved 23 per cent.

The rapid rate of development, the dimen-

sions achieved in the material-technical base of socialism and the tasks set in the 7th Five-year Plan for the development of productive forces have brought out certain problems in the field of their territorial distribution.

One problem is **the co-ordination of plans, not only according to branches, but also according to districts.** Comrade Enver Hoxha says, «**In the process of drafting the five-year plan all these questions must be seen as linked together and in unity not only on the scale of the economic branch, but also as to territory, otherwise the plan is not properly harmonized and linked together**».[1]

While the principle of the economic branch will continue to be adhered to in the future **it is essential that the most important, all-embraching indices of the economic development of the district should be studied, reflected and followed in the plan.** Such indices would be: the social product, industrial and agricultural production and the nett product, calculated as an average per inhabitant, the number of working people employed in the state socialist sector of the economy per thousand urban working people; the number of working people per hectare of agricultural land; the average value of fundamental funds per inhabitant; the amount of real income per inhabitant in the countryside and in the town; the social productivity of labour; and the proportion between the number of workers in the productive and non-productive spheres.

Analysis of the studies carried out by the

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, p. 498, Alb. ed.

districts on the development of productive forces brings out the need for their extension and raising their scientific level, emphasizing the strengthening of their complex character. For example when a study is undertaken on the development of fruit and vegetable growing it must be supplemented with a study about the development of the processing industry, with the compiling of balances of the labour force available, with calculation of the needs for machinery, equipment and transport and for fundamental investments for which the socio-economic effectiveness must be defined.

Another problem is that of **a more complete concept of the territorial distribution of productive forces.** In practice instances are encountered when this is reduced simply to the distribution of material elements of the productive forces leaving out the problem of the population, the labour force and providing employment for it. The problems of employing the new forces which come available **are treated not as starting points but as consequences of objectives** which are set for the development of different branches of the economy.

Man is the most important element of the productive forces. Therefore the rational territorial distribution of the productive forces is inconceivable without studying the distribution of the population, without harmonizing territorial distribution of the material elements of the productive forces with the sources of labour and the population. Comrade Enver Hoxha **instructs that the development and distribution of productive forces must be considered in the closest connection with the demographic problems, with the employment of the active population not**

only on the country-wide scale but also in each district. The population and the sources of labour must be made the foundations of studies on the territorial distribution of the productive forces.

In some instances the physical movements of the population are expressions of lack of the proper coordination in the plan of territorial distribution between the material elements of the productive forces and the sources of labour.

Study of the physical movement of the population has convinced us that along with other factors, economic factors also play an important role in this movement, therefore restriction of these physical movements will be made by activizing the economic factors. The most important of these are: the development of branches of agriculture and livestock raising at more rapid rates in those regions which have people leaving, and more rapid development of industrial sectors and activities.

In all those cases when physical movement is necessary for example to districts in which mineral resources are concentrated and there is an appreciable shortage of labour, they must be carried out in a studied and planned way and harmonized with other measures for raising the level of mechanization of the work, improvement of the structure of branches in these districts etc.

For improvement in the planning for the territorial distribution of productive forces improvement of the work of the central departments and the State Planning Commission is important. They must collaborate more closely with the districts, be better acquainted with and take more account of the requirements of the districts for the development of town and countryside, of industry and agriculture, for new jobs and for their complex socio-economic development as a whole and must struggle to ensure a more studied harmonization of branch development and territorial development and the coordination of the economic development of districts with the real possibilities of the economy as a whole.

An important problem of territorial development is the studied combination of industry which processes agricultural raw materials with agriculture, according to the conditions of each district. There are instances in which enterprises of the food processing industry have been built in one district and have to draw the raw materials they process from other districts and, likewise, in some districts the capacity of the food-processing enterprise is inadequate to process all the agricultural raw material of the district.

The differences in natural conditions mean that the levels of industrial and agricultural development in different districts are not the same. Nevertheless the principles of the territorial distribution of productive forces in socialism require struggle for the most uniform possible distribution of productive forces and the narrowing of distinctions in this direction. In this context greater attention must be paid in the future to the marked concentration of industry in the districts of Tirana, Durrës and Elbasan. In these districts inhabited by 26 per cent of the urban population more than 38 per cent of the total industrial production, more than 58 per cent of the production of the engineering industry and about 50 per cent of the production of light industry is secured. This concentration of industry is not in proper accord with the distri-

bution of the material elements of the productive forces and in the first place with the natural reserves. This has been stimulated to some degree by the physical movements of the population into these districts. Possibly the next five-year plan will see a development of industry in these districts **sufficient to ensure only the employment of the new labour forces which come from the natural increase in the population.** Physical movements into these districts should be restricted because it was appreaciable during the years 1979-1981.

More profound economic argument in choosing the district in which new industrial enterprises should be established must be accompanied also with the definition of the territory of enterprises and industrial zones. The geological-engineering and technico-economic requirements must be studied and combined with the needs of hygiene and sanitation and the prospect of the economic architectural and urbanistic development of towns and industrial zones, the improvement of forms and methods of organization of production within and outside the zones, and the rational use of building sites both for social-cultural and productive buildings with the aim of saving agricultural land protecting the environment from pollution.

The further development of agriculture, especially in the mountain districts, such as Puka, Tropoja, Mirdita, Mati, Kukësi, Dibra etc., occupy a special place in the territorial distribution of productive forces. From the 7th Five-year Plan on the harmonious and complex development of agriculture and especially livestock raising will exert an influence in this direction. In the mountain districts the proportion of production from

livestock raising in production from agriculture is above the average of the country. Therefore the extensive development of livestock raising in these districts through increasing the number of animals will be accompanied with intensive development devoting attention first of all to improvement to the genetic capacities of the livestock especially the cows.

For the further development of agriculture in the mountain districts special attention must be given to proper coordination of its sub-branches especially to the development of fruit and vegetable growing. Increasing the number of fruit trees per unit area, increasing services to increase yields, the planting of new blocks of fruit trees etc. constitute the biggest reserves for development of agriculture in these districts.

The complex study of the development of agriculture, of the harmonization of its branches and combination with the more rapid industrial development of these districts in the next five-year period will lead to a further improvement of the territorial distribution of productive forces in our country.

Kujtim Brovina

Fejo Babaramo

WE MUST ENHANCE THE ROLE OF ORGANS OF FINANCE IN ENSURING SOURCES OF ACCUMULATION AND ITS EMPLOYMENT WITH HIGH EFFECTIVENESS

Our Party has always considered accumulation as the decisive factor for the development of the economy and culture, for strengthening the defence capacity of the homeland. Now that we are in the phase of increasing the intensive development of the economy, relying entirely on our own strength and resources and when we do not accept foreign credits, greater care and activity is required to ensure increased resources and effective use of means of accumulation. In this context the organs of finance have a particular important role. While performing their financial functions for the distribution and re-distribution of socialist product and the national income and for monetary control and their function as a lever in the management of the economy, these organs also have as a basic activity ensuring increased sources of accumulation and their efficient employment. Understanding and accomplishment of this role is linked with the fact that the material basis of our finances is production. Therefore

the economic-financial results which are decisive in the sources of accumulation, depend on fulfilment of the whole complex of indices of the plan. On the other hand it is known that finances are not simply a passive expression resulting from the material aspect, but have a major active and controlling role in the planning and accomplishment of the economic activity. Herein lies the fundamental difference between the role of our financial organs and those of capitalist and revisionist states whose fundamental function is that of setting and collecting taxes while they do not take part in running the economy. The organs of finance in our country as part of the administrative and managerial apparatus of the economy and production are charged with performing the functions of the state which is the owner of the main means of production directly accomplishing the mobilization and use of monetary accumulation. That is why the role of our financial organs cannot be restricted only to that of the collector and distributor of available money but as Comrade Enver Hoxha has pointed out, must include that of supervizing, studying and controlling the proper running of the economy in the enterprises and cooperatives, hence they not only record the results, but also take part in managing the economy.

A proper concept of the role of finance in the context of the economic-organizational role of our socialist state is essential to understanding and complete accomplishment of all those directives and instructions of the Party and Comrade Enver Hoxha especially in the work «On the 7th Five-year Plan» about strengthening the financial aspect of the management of the economy.

In the conditions of our economy today strengthening the role of financial organs to ensure sources of accumulation and its efficient use is important particularly in the following directions:

1. In the rapid increase of production through the employment of the material-technical base with greater effectiveness.

In the two first years of the five-year period it turns out that most of the enterprises overfulfil the plan of accumulation.

From the analysis and studies carried out a trend emerges that the increase in fundamental funds and material values employed is more rapid than the increase of production, and this fact has had a negative influence on the increase of accumulation according to the plan. In certain enterprises and agricultural cooperatives the machinery and equipment is not being utilized according to the projected parameters, especially in certain engineering plants, geological and oil prospecting enterprises, brick works etc., and in some production brigades and sectors whole lines of machinery and production are left unused and considered «unnecessary».

On the other hand although there is good experience, there are also enterprises which exceed the forseen cost of production by considerable amounts and some of them emerge with unplanned losses.

Bearing in mind that according to the directives of the 8th Congress that more than four fifths of the increase in production are to be ensured from the better utilization and the modernization of productive capacities and that as Comrade Enver Hoxha points out, «**The cost of production and services is, you might say, one of**

the other very important pillars on which we have based the forecasts of the 7th Five-year Plan,»[1] it turns out that the number - one task of the financial organs at present is to exert greater influence to increase the effectiveness of the use of the material-technical base, to ensure rational utilization of productive capacities and every kind of raw and auxiliary material. There is a need for the problems connected with increasing the productivity of labour and machinery, the setting of standards for the consumption of materials and the effectiveness of expenditure to take a greater place in the activity of the organs of finance.

In order to increase the effectiveness of the use of the material-technical base the organs of finance must not remain simple observers of the work which is done by other specialists, but through profound economic-financial analyses and studies carried out jointly with them should express their opinion and proposals more firmly. In general their thinking should guide the technical-technological and organizational progress of the work and production.

2. A radical change is required in the role of the organs of finance and the bank for increasing the effectiveness of the use of the fund of accumulation, which has to do with the correct application of the policy of the Party about the distribution of the fund of accumulation.

During 1983 too, the overwhelming bulk of our resources of accumulation will be used for the development of the economy. The fact that 61.4 per cent of the total income of the state,

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, p. 481, Alb. ed.

most of it resources of accumulation for investment, will be used for the development of industry and agriculture raises the need for the exercise of more rigorous economic-financial control in the direction of increasing the effectiveness of these funds.

The financial organs and the bank, have important duties in the field of investment and construction to ensure that the funds of material values are always expended with effectiveness. In the final analysis it is these organs which provide the money for the building of any object, therefore it is required that they should follow the progress of the building of the object at each step.

The problems of the effectiveness of investments require in the first place, profound economic studies providing several technical variants about the necessity and the socio-economic benefit of works which are built. From the controls and analyses carried out however, it emerges that some of the projects which are included in the plan, are not studied from the aspect of the necessity for and the socio-economic benefit of them. In practice hitherto this has not been considered a duty of the organs of finance and the bank and this has brought about that their control has been inadequate.

Close collaboration between technologists, engineers and the economists is required right from the moment of compiling the draft idea of the project and its initial specifications and even more so in the other phases of designing and construction work, because this will assist more scientific planning of investments and increasing their effectiveness.

Strengthening of the control of the financial organs and the bank is essential during the appli-

cation of investments too. The fact is that now the problems which are connected with the completion of projects and bringing them into production on schedule are being followed up better, but despite the achievements the planned time-limits are not being respected in some projects. Since this means that funds are tied up and the planned production and accumulation are not secured the question of the time required to build projects and bring them into production is one of the most important directions of the work of the organs of finance in order to continuously increase the effectiveness of investments.

Likewise the effectiveness of investments must be followed up better after the project is brought into production, because there is a tendency to prolong the time required to master the designed parameters through the planning of lower targets.

In connection with this the organs of finance too, should thoroughly study Comrade Enver Hoxha's statement that «the problem of effectiveness of the expenditure on production and of fundamental investments is one of the greatest and most difficult of the five-year plan.»[1]

This means that the indices of effectiveness should be planned, recorded and followed up better and more concretely. It might be valuable to keep special records for each project in which the figures of the plan are compared with those achieved in practice for investments, productive capacity, rates of consumption of materials, cost of production, accumulation, the time required for the project to pay for itself etc, until the

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, pp. 107, 487, Alb. ed.

project achieves the designed productive capacity and nett annual income. This could be extended also to investments in agriculture, for example, irrigation projects, blocks of fruit trees, livestock farming projects, etc., of course with the respective specific indices.

Records of this kind will enable the organs of finance and the bank from the enterprise, the district and the centre to strengthen their control and influence to ensure that the designed parameters and effectiveness are achieved at the proper time. In this direction it might be useful if the plan of bringing new productive capacities into use is added to the methodology of planning, by planning seperately the production and accumulation which will be secured from the new project.

3. Another important direction in which the control of financial organs over the use of resources of accumulation should be strengthened is the raising of the effectiveness of the means of circulation and the strengthening of material reserves.

The reserves of materials have increased from year to year. When we examine the elements of material reserves however problems emerge, one of which is the fact that this increase has not been accompanied in all enterprises with the establishment of an optimal structure of reserves and this has created difficulties for the normal realization of production. Thus the phenomenon of the reduction of the proportion of raw materials while increasing the amount of unfinished products, packaging, spare parts, the stock of minor articles etc., is observed. This shows that the structure of material reserves is not optimal and balanced in all kinds of reserves. Herein lies one of the objects for econ-

omic-financial analysis by the organs of finance which should propose measures for the elimination of the negative phenomena and for the maintenance of optimal proportions and production.

The fact that certain enterprises have reserves in material commodities and goods which are consumed slowly, at a time when some other enterprises are in need of them, speaks of weaknesses in the use of accumulation. This is another direction on which we think our financial organs should concentrate.

The Party has several times raised the question of strengthening the active role of the financial organs in the process of planning and the accomplishment of plans, but despite the improvements in this direction there are still problems which we think should be put on a more correct course. The essence of the matter is that the discovery of internal reserves for increase in the accumulation and enhancing the effectiveness of its use and reflection of this in the plan is based on the financial functions themselves, that the process of compiling financial and credit plans, combining a series of indicies of the development of the economy and based on comparison and balancing of them provides possibilities to reflect correctly in the plan the necessary proportions between production, distribution and supplies, between consumption and accumulation, expenditure and results, possibilities and demands.

Practice shows that it is essential for the financial sections and branches of the bank in the districts to engage more directly, more vigorously and in more qualified way in the examination and analysis of the financial plans and balances of the economic enterprises and the

agricultural cooperatives, as well as in studies and generalizations which lead to the increase of accumulation and its effective use. Proper understanding and solution of this problem depends on how well the phenomena of finance are understood, how well the tasks of the financial organs are understood, because as Comrade Enver Hoxha says these organs «possess the cash», it is they that provide the money.

At the 8th Congress of the Party the directive was issued that the organs of finance and the bank should «put control by means of the lek in the place it deserves and further increase their active role in production, circulation and services, by using the other levers of our economic mechanism more effectively and in the right ways.»[1] However there are still instances which speak of a narrow concept of the controlling role of the financial organs which is expressed in their slight influence on the increase and use of the accumulation in the process of implementing the budget, especially during the calculation of incomes, the financing of investments and means of circulation, the provision of credits for servicing, payments, etc.

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 60, Alb. ed.

Genc Shkodra

Mehdi Xhomo

THE ACHIEVEMENT OF OBJECTIVES FOR RAISING THE WELL-BEING OF THE PEOPLE DURING THE 7th FIVE-YEAR PLAN

The continuous raising of the standard of living of the people, as an objective demand of the fundamental economic law of socialism, always remains the basis of the economic line and policy which our Party implements on the road of the allround progress of the country for the complete construction of socialist society. The achievemets in this field have been realized in harmony with all the economic, political and social factors which have operated at each stage of this progress. At the 8th Congress of the Party of Labour of Albania Comrade Enver Hoxha said: «The Party has seen the development of production in unity with the strengthening of the socialist social order, the fulfilment of the material and cultural needs of the working masses in unity with their communist education, the well-being of the whole people with the strengthening of the independence and defence potential of the Homeland, the general and collective with the per-

sonal, the present with the future, the development of the town with the progress of the countryside.»

The directives of the 8th Congress of the Party for the 7th Five-year Plan envisage that real per capita income will increase 8-10 per cent. This objective expresses the real possibilities which the dynamic process of the development of the economy creates for raising the level of well-being. On the basis of these directives, during the past two years the real per capita income of the population was increased and in 1982 is expected to be 5 per cent higher than that in 1980. The real per capita incomes of the urban population increased 4 per cent and of the rural population 6.5 per cent. With the rise in purchasing power, the circulation of retail goods in the state sector increased 8.3 per cent, improving the consumption per capita of the main food products and other necessities. The sectors of communal services and the health service were further strengthened according to the targets of the plan and in general the objectives for the development of education and culture were achieved.

The complete solution of the problem of ensuring full employment in every town, the reduction of the prices of a number of consumer goods and the charges for services, the application of measures favouring the cooperatives of the hilly and mountainous zones to help them achieve a more rapid rise in production and their standard of living, are some of the main achievements in the field of well-being during these first two years (1981-1982) of the five-year period.

In face of the economic crisis which has

engulfed the capitalist-revisionist world, a crisis which is continually dealing blows at and has markedly reduced the standard of living of the working masses, the stability and steady rise of well-being and the whole economy, are some of the main features which show the superiority of our socialist order over the capitalist order.

To raise the level of well-being the Party has consistently applied the principle of self-reliance. During the 7th Five-year Plan, just as during the other five-year plans, the material basis for raising the level of well-being is **the increase of the social product of the country at rates several times higher than the rate of increase of the population.** Achievement of this fundamental objective is connected with the need to safeguard the level achieved in the use per capita of the material blessings and to raise it further to meet the new material and cultural needs which increase from the foreseen rise in the well-being of the people, as well as to ensure the necessary means to realize the extended socialist reproduction according to the targets set and the continuous strengthening of the country's defences.

During the two years 1981-1982 the rate of increase of the social product was 2.4 times higher than that of the increase in the population. On this basis the possibility was created for the rapid increase in the fund of consumption, thus ensuring the rise in well-being. **However, the non-fulfilment of the planned objectives for the social product and the rates of increase in production in some branches of material production has had some influence, both on the amount of production for oneself and on the fund for the people's consumption.**

Therefore the problem presents itself of the need for a broader understanding, not only from the economic viewpoint, but first of all, from the political and social viewpoint, of the fulfilment of the tasks of the plan of production and all the other parts and indices it contains. Strengthening the discipline of the plan is a primary task to ensure the strengthening of the material base in order to raise the well-being of the people and successfully accomplish the tasks set by the 8th Congress of the Party in this field. This is required because, in our economy, the rise in well-being and fulfilment of the increasing demands of the people are achieved on the basis of the plan and within the parametres defind in it. Any short-fall fulfilment of the plan expresses a simultaneous short-fall in the field of the standard of living.

Hence the work of the Party organizations, the state and economic organs and all the working collectives to increase and strengthen the plan as the most powerful means in the hands of the Party and our socialist state to ensure the most complete fulfilment of the targets set in the field of well-being, assumes special importance.

This problem has always been at the centre of attention in the work of planning economic and social development, not only in the perspective plans, but also in the operational plans. Nevertheless experience speaks of the need to take greater care during the drafting of the plan, **to ensure that it fully reflects tasks which stem from raising the well-being of the people and to strengthen the guarantee of fulfilment of the targets in the branches of material production which are linked directly with fulfilment**

of the needs of the people, especially in light and food processing industry and agriculture. The problem here is to achieve a better, planned mobilization of the human forces, and the material, technical and financial possibilities in order to increase production and to fulfil the requirements of the people with the range of goods produced.

In his book «On the 7th Five-year Plan», Comrade Enver Hoxha presents the task: «A real revolution must be carried out and a radical improvement made in the products of the light and food industry. The measures which must be taken in the field of organization, management, planning, study and changing the backward and artisan concepts are fundamental».[1]

Despite the progress made during the past two years, these tasks have still not been properly accomplished, if we bear in mind the great possibilities which our economy has, to accomplish them better and more quickly. Practice shows that the organs of the light and food processing industry at the base and in the centre still have tendencies towards globalism both in planning and during application of the plans, especially in regard to problems of the range and quality of products.

The experience gained in the concentration and specialization of production in several enterprises of the light and food processing industry has given an impulse to and created the conditions for better and more effective solution of the problems of variety and quality of mass consumption goods. More rapid advance in this direction, on the basis of an overall study by the

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, pp. 389-390, Alb. ed.

Ministry of Light and Food-processing Industry, in collaboration with the executive committees of the districts, would give a greater impulse to the extension of the range and variety of products in this branch of industry, while the management, planning and organization of production would be further improved, and respond better to the needs of the people.

To accomplish the tasks in the field of well-being, however, the organs of internal trade must play a greater role, especially in two main directions.

First: to gain a more profound knowledge of the real needs of the people for the entire range of consumer goods and to orientate production better to fulfil these needs. Despite the many improvements made, there is empiricism in this field. Keeping account of the family budget would also play an important role in a scientific study and planning of the needs of the people.

Second: in the distribution of goods, unevenness between districts is still seen in consumption per head of population. The Party has always seen and treats well-being as the general well-being of the people. **However this correct policy is damaged by a distribution of the goods to the various districts by the Ministry of Internal Trade, which is not always fair.** It is self-evident that there will be differences in the per capita use of products according to districts, but they must come about solely as a result of tradition and the differences in climatic conditions and not as a consequence of subjective judgements and empirical actions which sometimes occur in the course of planning by the Ministry of Internal Trade. This problem should also be kept in mind in connection with planning per capita

consumption of products in the agricultural cooperatives.

Fulfilment of the objectives for raising the living standard of the people is closely linked with and conditioned by the realization of the targets in agriculture. Apart from agricultural and livestock products which the population consumes directly, this branch of the economy also supplies the overwhelming bulk of the raw materials which the light and food processing industry uses to fulfil the needs of the people for food stuffs and industrial consumer goods. From this viewpoint, the perfection of planning in the field of agriculture, on the basis of the tasks set by the 8th Congress of the Party and the instructions Comrade Enver Hoxha gave at Drilon, Pogradec, and in his book «On the 7th Five-year Plan», will lead to the further strengthening of the role of plans for better mobilization of the human, material, technical and financial possibilities which our socialist agriculture has to increase production at more rapid rates and fulfil the increasing demands of the people for agricultural and livestock products better.

In this direction, priority must be given first of all to the planning of the measures which guarantee the achievement of yields and the effectiveness of production in the agricultural cooperatives, on which the real per capita income of the peasantry is based, as was done with the plan of 1983. Along with this it would be in order to study and apply measures to ensure that even in the difficult conditions for agriculture in particular years the level of income of the peasantry does not fluctuate, on the basis of a fairer distribution of the nett product which the cooperative

creates and in special cases with the support of the state.

Because of the specific character of the distribution of the social product in the agricultural cooperatives, accomplishment of the tasks in agriculture has a direct influence on the real per capita income of the cooperativist peasantry. This makes it even more necessary that strengthening the role of the plan in agriculture should be taken up not only in the eontext of the branch, but also in each district and agricultural cooperative. Experience has shown that where the plan has correctly reflected the climatic-soil factors, the achievements in the increase of production and the targets for increasing the income of the cooperativist peasantry have been fulfilled according to the set objetives. The experience of the agricultural cooperative of Plasa and many other agricultural economies in this field are examples which must be extended and applied in the other agricultural cooperatives.

This raises the need for the agricultural organs at the base, in the districts and the centre, to carry out studies which, orientated by the state plan, **will make gradual improvements in the plan to the structure of production in each agricultural cooperative, in conformity with the climatic-soil conditions, thus achieving a better harmonization of the needs of the whole society for increased agricultural and livestock production with the interests of the cooperativists to raise their level of the real per capita income.**

In this field tasks emerge especially for the hilly and mountainous zones, where a more rapid improvement is required in the effectiveness of production through improvement in the structure of production.

Along with this, we think that the problem of populating the hilly and mountainous zones according to the orientations of the Party also raises the need for more rapid strengthening of the service sectors, such as the communal and health services, as well as for a more rapid development of education and culture in those zones.

Prof. Deko Rusi

Genc Xhuvani

THE ECONOMIC CRISIS IN THE CAPITALIST-REVISIONIST WORLD AND THE STRUGGLE OF OUR COUNTRY TO COPE WITH ITS CONSEQUENCES

At the 8th Congress of the Party of Labour of Albania, Comrade Enver Hoxha pointed out, «The present economic crisis is the clearest and the most concrete expression of the deepening of the general crisis of capitalism. In contrast to the crisis of the 30s, which for the most part, involved the United States of America and the big developed countries, the present crisis has engulfed all the capitalist countries, developed or undeveloped, without exception. Unlike the others, this crisis is continuing for a long time and there is no sign of emerging from it.»[1] This definition succinctly sums up the characteristics and peculiarities of the economic crises of the last decade.

The great importance and the profound signi-

1 Enver Hoxha, Report to the 8th Congress of the PLA, p. 168, Alb. ed.

ficance of the analysis Comrade Enver Hoxha has made of the fundamental characteristics of the present crises of the capitalist-revisionist world lie in the fact that this Marxist-Leninist analysis helps us to discover and correctly foresee the main tendencies of the political-economic processes that are occurring in the capitalist-revisionist world. While refuting the theories of the bourgeois and revisionist apologists of capital, at the same time it enlightens us on how to take all the necessary measures to ensure that our economy can successfully cope with the possible negative influences and pressures exerted on it by the capitalist-revisionist world that encircles us.

It is an incontestible fact that our economy, as the only genuine socialist economy in the world, has not been subject to the world cycles of reproduction and economic crisis as unavoidable phases of them, despite the savage imperialist-revisionist encirclement and blockade. This is another incontestible proof of its superiority as a planned economy, and of the correctness of the teachings of the Party and Comrade Enver Hoxha. Developing on the basis of the economic laws of socialism, our economy is developing ceaselessly from year to year at high rates relying entirely on its own forces, accumulation and consumption is increasing, while our currency does not know inflation, is strong and its purchasing power is stable. The stability of the economy and its planned development have guaranteed full employment, both in town and countryside, while the standard of living of the working masses in guaranteed.

This stability of our economy has been secured thanks to the correct orientation of

the development of production in complete harmony and in a proportional way with consumption, in conformity with the real material and financial possibilities of our economy.

The harmonious and planned development of the economy has been ensured not only because it is based on the objective laws of socialism but also because it is independent and is not integrated into the world system of the capitalist economy. Our country's economic development, relying entirely on the internal material and financial resources does not exclude, but, on the contrary, presupposes the extension of commercial exchanges with other countries. Bringing out the essence of this process, at the 8th Congress of the PLA, Comrade Enver Hoxha said, «In the development of our economy we have always followed the course of ceaselessly strengthening our political and economic independence, but we have never aimed and do not aim at an autarkic development, just as we have always struggled against any pressure to integrate our economy into the economy of capitalist and revisionist countries.»[1]

In these conditions, the establishment and extension of trade relations with other countries of the world, which is an objective demand, means that the economy of our country is not hermetically sealed against the possible influences of the crisis that has engulfed the world market.

Analysing the possible influences of the external factor on the development of our economy, Comrade Enver Hoxha instructs «**We must never forget the world crisis which affects us, too,**

1 Enver Hoxha, Report to the 8th Congress of the PLA, Tirana 1981, pp. 46-47, Alb. ed.

indirectly, and which has its appreciable effects on our export-import trade, on prices, on our investments and in other directions of our technical and economic advance.»[1]

In this thesis Comrade Enver Hoxha concretizes and further elaborates the Marxist-Leninist theory of reproduction in the conditions when socialism is being built in a single country encircled by the capitalist-revisionist world. He lays down two main orientations which must be borne in mind in the economic development of our country: On the one hand, it must be based entirely on self-reliance, and on the other, it must break through and smash the blockade which the imperialist-revisionist encirclement imposes on it.

In the circumstances of the profound economic crisis, the pronounced decline in production, the soaring prices which are manipulated by the monopolies, our economy is inevitably faced with a series of difficulties and potentially negative influences. Avoiding these influences of the capitalist crisis on the economy of our country depends, first and foremost, on the effectiveness of the measures taken and applied in our economy on the basis of the economic policy of the Party. In order to successfully avoid the influences of the capitalist world crisis in the extended socialist reproduction of our economy, in the first place, all the manifestations of the crisis, the world economic relationships, the complicated mechanism of the capitalist economy, the price fluctuations and exchange rates in the world market, etc., must be thoroughly analysed and

1 Enver Hoxha, «On the 7th Five-year Plan», Tirana 1982, p. 512, Alb. ed.

studied by our economists, on the basis of the teachings of the Party.

To this end, on the basis of the most profound knowledge of the concrete mechanism of the capitalist-revisionist economy, scientific forecasts must be made about the trends in the development of the world economy and its specific branches. In this way we can anticipate eventualities in the field of our exports and imports preventing those negative influences which could impede the rapid development of all branches of our economy on the basis of the plan. In the conditions of our country, as the only socialist country, since we accept no credits or «aid» from abroad and consequently our imports are totally dependent on exports, the aim of the scientific forecasts about the world economy and its different markets must be to create possibilities to orientate the production of the country giving priority to those goods which are more beneficial to our economy, which break through the blockade more easily and create possibilities to find new markets.

The steadily growing demands of the economy and its extended socialist reproduction, are fulfilled, in the first place, by utilizing the internal human, material and financial resources with high effectiveness. According to the targets envisaged in the 7th Five-year Plan, however, this is linked with securing a series of items of equipment and goods which are not produced locally and which must be secured on foreign markets through international trade exchanges. Unlike the relations of inequality and exploitation developed between the countries integrated into the capitalist-revisionist world system, our trade relations with the external world are built

on the basis of equality and mutual benefit. Exchanges with foreign countries on the basis of the above mentioned principles serve to ensure the fulfilment of the requirements of our economy and do not threaten the country's independence, which is developed entirely on the basis of self-reliance. Hence, following the instructions of the 8th Congress of the PLA, it is envisaged that the volume of goods turn-over in foreign trade in 1985 will increase 57-59 per cent as against 1980, with the aim that during the 7th Five-year Plan, exports will be increased at almost double the rate of increase of the total social product.

During the first two years of the 7th Five-year Plan, most of the enterprises have fulfilled the forecast export targets and, at the same time, have reduced the imports envisaged, by replacing these goods with local products. But there are still certain enterprises with export deficits. Such phenomena which hinder the fulfilment of our plans must be combatted as manifestations of an ideologically wrong concept of the situation by certain people. Greater attention must be given to the struggle to break some inhibiting concepts, such as individual tendencies to concentrate on the export of those goods which get through the blockade more readily at any time, or the lack of serious efforts to extend the range of products for exports, etc. In the field of imports, there are tendencies to import as much as possible from abroad, indeed even products which can be produced within the country.

Fulfilment of the targets of the plan for the increase of the effectiveness of foreign trade imperatively demands the active balance of exports over imports, while also ensuring an increase in the value of exports over imports, as a source to increase currency reserves.

In the struggle to fulfil the planned objectives our foreign trade encounters the pressure of the imperialist-revisionist blockade and the world crisis, the fierce competition, inflation and wild fluctuations of prices etc.

A direct consequence of the crisis which our export-import trade encounters in the present conditions is the galloping inflation, which has gripped the internal markets of the capitalist countries, both bourgeois and revisionist, and the capitalist world market. In its exchange with foreign countries, our socialist economy is constantly confronted, through its exports and imports, with the rise in prices on the international markets. This confrontation of our economy with the phenomena of galloping inflation on the international markets has a two-fold and contradictory character. Naturally any rise in the prices of our export goods on the world markets creates the potential possibility to increase our foreign currency reserves by the same amount. However, an opposite process takes place with the prices of imported goods, every increase of which on the world market represents a potential danger of reduction in the importing capacity of our economy. In these conditions, a necessary measure to escape the danger of imbalance in the import-export value, is the systematic and rigorous following of the changes in the index of prices of the goods we export and these we import calculated in foreign currency. Analysis of the ratio of changes in these two indices reveals the degree of damage done to our economy by the external pressure and competition which are characteristic of the world market. In

this direction, we must aim that the index of export prices in currency must not only equal, but if possible, exceed the index of import prices in currency. In the opposite case, in order to avoid the possible eventual consequences of foreign inflation, the need arises for complex economic measures within our country.

These measures have to do, in the first place, with the implementation of a strict regime of frugality in the use of imported materials and machinery. The way to attain this objective is through reduction of the standard rates of consumption of materials by utilizing the productive capacities with the maximum efficiency, both by exploiting them in the most complete and intensive manner and by extending the working life of the existing productive capacities. Apart from their internal effect, these measures at the same time strengthen our economy in its relations with the foreign markets thus weakening, indeed avoiding, the consequences of price rises on the world market, because following this course reduces the cost of our products, and increases their profitability without causing any reduction of the internal socialist accumulation.

Averting the pressures exerted on our economy by the competition and inflation of the foreign market is also achieved through a number of other complex, economic and financial measures which involve the reduction of the cost of export goods (from this the internal financial accumulation in the export branches can fully cover the losses resulting from increased prices of imported goods). Besides commodities for which there is a stable market, such as oil, electric power, etc., the expansion of exports of new products, for which the situation on the

foreign market is not yet so favourable, is important.

Increasing the value of exports requires greater efforts to improve the quality of goods, to produce them at the level of international standards, both by improving the technology of these goods and by improving the packaging in which they are presented. This is how Comrade Enver Hoxha instructs us to raise the quality of export goods: «...concentrated work must be done in three directions: to raise the quality of raw materials employed for export articles; to overcome the backwardness in the technology of certain enterprises and departments producing export goods, to radically improve the packaging and be correct with the foreigners in regard to contract conditions...»[1]

The 7th-Five-year Plan also envisages the further improvement of the structure of import goods, so that the overwhelming bulk of our imports, about 93 per cent, are made up of machinery and certain kinds of raw materials and other materials for the extension of local production. Securing import goods in time, quantity and quality and assortment can be achieved, in the first place, by fulfilling the export targets, not only in volume, assortment and high quality, but also rhythmically, every week, month and quarter of the year. On the one hand, the aggravation of competition and the economic crisis in general, requires that we have sufficient reserves of export goods in order to exploit the fluctuations on the foreign markets in our favour at any suitable moment, so that our foreign

1 Enver Hoxha, «On the 7th Five-year Plan, Tirana 1982, pp. 109-110, Alb. ed.

trade enterprises cancell them in the conditions most favourable to us, by taking advantage of the fluctuations in the prices of export goods. On the other hand, securing the optimal necessary reserves of hard currency leaves our hands free to take advantage of the most favourable circumstances to import at the time and from the country most in our interest.

Thorough understanding of Comrade Enver Hoxha's thesis on the role of reserves on the scale of the Republic, the ministry or the enterprise, is of great importance for the most effective protection of the economy of our country from the possible influences of the crisis of the capitalist and revisionist world. The optimal levels of these reserves must be created in a planned and centralized manner. In this way, these reserves serve as a powerful base for the development of trade relations with other countries, and guarantee the necessary conditions to prevent or withstand the possible consequences and negative influences of the capitalist revisionist crisis and blockade.

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