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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY RUMANIA

SUBJECT Rumanian Steel Industry/Present State of Steel Plants/  
Output/Government Plans for Industry/Production/  
Supply of Raw Materials

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"Present State of Steel Plants

- 2. a. RESITA plant is the largest in Rumania. In 1950, its production of coke accounted for 91.6% of the total production of Rumania; production of pig iron - for 41.6% of the total; production of crude steel - for 46.3% of the total.

RESITA, situated in CARAS district, lies near the large deposits of coking coal of ANINA and also near some deposits of iron ore which are however insufficient to cover its needs.

RESITA has:

- Four blast furnaces, two built after 1939, two older but reconstructed to increase capacity.
- A 23-oven coking plant (added in 1949) which doubled the plant's coking capacity.
- Open hearth capacity - in 1948 amounting to 240,000 tons, increased later by the addition of two furnaces.

- b. HUNEDOARA plant in the same TIMB province, built in 1939, has:

- Five blast furnaces (some charcoal burning), three of them reconstructed and enlarged after World War II.
  - One new blast furnace added in 1950
  - Four open hearths, each of 25-ton capacity (at least two of them enlarged after World War II.)
  - One 5-ton electric furnace
  - One new furnace added in 1950
  - Coking facilities are being installed (600,000 tons p.a. per annum)
- At present the plant depends on supplies from LUPENI and PEIROSANI.

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- Two new rolling mills probably completed.

The plant carries on an important production of tubes for oil wells and natural gas network.

- c. TITAN-NADRAG-CALAN concern was split up upon nationalization, into separate plants:
1. TITAN Works in GALATI - steelmaking and rolling,
  2. NADRAG Works, GAVOJDLA - steelmaking and rolling
  3. FERDINAND Works at FERDINAND - steel making, rolling
  4. CALAN, in HUNEDOARA district, TIMIS province - pig iron:
    - One blast furnace built before 1940, reconstructed and enlarged, charcoal burning (one of the biggest of this type ever built)
    - One blast furnace for coke, recently put in motion (Total annual capacity of both - about 70,000 tons)
    - A grey-iron foundry
- d. MALAXA Works, now 23rd August Works, in BUCHAREST - open hearth steel; capacity small although a new open hearth added in 1950. A new blast furnace under construction. A tube-making plant has increased its capacity by 25% since 1947.
- e. VULCAN Works, in BUCHAREST - Open hearth steel
- f. INDUSTRIA DE FIER, in BUCHAREST.
- g. ASTRA-VAGCANE, in STALIN - Open hearth steel. This plant operates a methane gas fired open hearth (since 1947) which is first of such kind in Europe.
- h. SCHIEL, in STALIN
- i. STEAGUL ROSU, in STALIN - Ballbearing Works, - Open hearth steel  
STEAGUL ROSU produces special steels.
- j. SOVROM TRACTOR Plant in Stalin - Electric steel.
- k. CONCORDIA Works - in FLOESTI.
- l. VLAHITA Works, East MURES Province (ore-producing region) - pig iron. The plant has three blast furnaces, two of them pre-World War II, third one added in 1950.
- m. INDUSTRIA SARMEI, in CAMPIA TURZII - open hearth, produces special steels including cable and wire.
- n. PETEROSANI Works
- o. D. GOLDENBERG Works, in BRAILA
- p. INDUSTRIA SARMEI in BRAILA - open hearth, produces special steels including cable and wire.
3. "Generally, the three first-named plants, i.e. RESITA, HUNEDOARA and TITAN-NADRAG-CALAN, account for the greater part of the total production of Rumania, while the others are smaller and less important plants. This is shown by the following table showing capacity of iron and steel plants in 1948, i.e. before the nationalization came into effect:

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	Iron Ore	Coke	Output of Pig Iron Charcoal	Pig Iron Coke	Open Hearth Steel	Electric Steel	Rolled Products	Tubes
RESITA	45,000	90,000**	nil	120,000	240,000	10,000	220,000	nil
HUNEDOARA	120,000	nil	20,000	150,000	100,000	8,000	100,000	nil
TITAN-NAIRAG-CALAN	80,000	nil	22,000	25,000	75,000	nil	105,000	nil
All Other Plants Together	<u>15,000</u>	<u>nil</u>	<u>6,000</u>	<u>3,000</u>	<u>10,000</u>	<u>1,000</u>	<u>110,000</u>	<u>35,000</u>
TOTAL	260,000	90,000	48,000	298,000	425,000	30,000	535,000***	35,000

\*Own mines

\*\*Now Doubled

\*\*\*Includes 120,000 tons of plates

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• Government Plans In Iron and Steel Industry

4. The first interim One-Year Plan (of 1949) provided for the total investment of 82,000 million lei, of which 36.8% towards mining and heavy industry; however, 110,700 million lei were actually invested. In the iron and steel industry, the investment included:

- Construction of several new open hearths
- Construction of new coking plants (one in RESITA)
- Reconstruction of two open hearths and three blast furnaces
- Starting the construction of two rolling mills (to be completed in 1950).

5. "Production results, in comparison with the plan, were as follows:

	Production in thousands of tons		1948 Production = 100%	
	in 1948	in 1949	Target	Result
Coal	2,402	2,923	115%	121.7%
Iron ore	209	324	124%	155.3%
Pig iron	191	275	135%	143.8%
Steel	340	459	116%	134.2%
Rolled Products	306	349		114 %

6. The second interim One-Year Plan (1950) provided for the investment of 145,000 million lei (but about 150,000 million were invested) of which about 45% for mining and heavy industries. As far as it is known, investments in steel and iron industry included:

- Construction of four new open hearths
- Reconstruction of one blast furnace
- Completion of a rolling mill for special steels (CAMPIA TURZII).

7. "Production results, in comparison with 1949 and with the plan, were as follows:

	Production in thousands of tons		Target	Result
	in 1949	in 1950	(1949 production = 100%)	
Coal	2,923	3,221	113%	110.2%
Iron ore	324	395	116%	121.8%
Pig iron	275	335	116%	121.9%
Steel	459	558	119%	121.5%
Rolled products	349	387	109%	110.8%

8. "In 1951, the Five-Year Plan came into operation. The planned capital investment is to be 1,330,000 million lei of which 51.5% towards mining and heavy industries.

9. "National expenditure for 1955 is planned at 1,200,000 million lei of which 320,000 million lei is to be spent for investment (more than one-fourth of the total expenditure).

10. "The following investment projects are planned for this period (in steel and iron industry):

- Reconstruction of two existing blast furnaces
- Reconstruction of nine existing open hearths
- Construction of five new blast furnaces, each of capacity of 320 tons daily (present capacity 110-180 tons)
- Construction of five or more new open hearths of which four, of the capacity 130 tons daily, to replace existing 25-ton furnaces at HUNEDJARA)

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- Construction of a steel tube plant, with the annual capacity 250,000 tons of which 120,000 seamless tubes
- Construction of four rolling mills
- Construction of new ferro-alloy and ferro-manganese plants
- Rebuilding of HUNEDOARA and RESITA plants
- A metallurgical coking plant, capacity 600,000 tons p.a. [per annum] (USSR is to provide all equipment, also agglomerating equipment for iron ore and large-capacity rolling equipment for sections and tinplate).

11. "The following table shows the comparison between the actual output in 1950, estimated output in 1951 and targets of the Five-Year Plan for the year 1952 and 1955 (in thousands of metric tons):

	1950 Output	1951 Estimated Output	1952 Plan Target	1955 Plan Target
Coal	3,221	3,840		8,533
Metallurgical coke				700
Pig iron	335	375	590	800
Steel	558	640	730	1,252
Rolled products	387	442	530	828

12. "Investment program for 1951 included:
- Opening of two new coal mines (PETRILA and LUPENI in TIMIS province)
  - Opening of the new metallurgical coke plant in HUNEDOARA
  - Construction of a new blast furnace in HUNEDOARA
  - Construction of a new blast furnace at CALAN
  - In SOVROM TRACTOR plant in STALIN:
    - installation of a forge and a foundry,
    - completion of a new rolling mill for 5 in. tubes.

At HUNEDOARA, foundations have already been laid for the rebuilding of the plant. According to official announcements from the Rumanian Government, after the completion of the present Five-Year Plan, another Five-Year Plan is to be put in operation for the period of 1956-1960. In this period, it is planned to erect a completely new steel and iron works of an enormous capacity which would nearly equal target figures for 1955 for the entire country.

#### "Supply of Raw Materials"

13. The main difficulty in the Rumanian steel and iron industry is that the supply of raw materials at home does not keep pace with the extensive development of this industry, and in spite of all efforts, it does not seem likely that it will be considerably improved. This means that if all government plans in iron and steel are realized, the over-extended steel industry can only go on if it receives sufficient supplies of raw materials from abroad.
14. "The only materials for the steel industry of which Rumania possesses enough for her needs, are molybdenum, chrome ore, manganese ore and refractory bricks.
15. "The deposits of these materials are as follows:

	Location	Content	Reserves
Molybdenum	CRIS NEGRU Valley (district BIHOR)	0.75 - 0.85% MoS <sub>2</sub>	about 8,000 tons
	METALLIFERES Mountains (TRANS-DANUBIA)	0.5 - 0.24% MoS <sub>2</sub>	

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	Location	Content	Reserves
Chrome	South TIMIS Province on banks of DANUBE	18-40% chrome	minimum 4 million tons
Manganese	JACOBINI-SARUL DORNEI	Mn Fe SiO <sub>2</sub> 32-34 10 11	650,000 tons
	DELINESTI-OHABITA	[sic] 26-32 12-14 18-24	1,200,000 tons
	SASCA-MONTANA- MOLDOVA	?	
	MONEASA-VASCAU	27-48 9-21 0.4-0.7	500,000 tons
	BUCEAV/ [sic] GODINESTI	40 8-10 6-7	500,000 tons
	MASCA-RAZOAI E DURUSA [sic]	24-30 20-22 15-16	1,500,000 tons

The deposits of manganese ore are so large that they will suffice for many years. Apart from that, there are extensive plans of boring for yet undiscovered deposits of these and other alloying materials as well as of iron ore.

16. "Even if new deposits of iron ore are discovered, however, home ore supplies will remain insufficient for the needs of the industry. They are in fact inadequate to maintain steel industry of any size. According to a most probable estimation of iron ore reserves, they are at present as follows:

	Reserves	Output in 1948
POIANA RUSCAI (towns GZ. IAF, RUDA, ALJN)	16,990,000 tons	150,000 tons
District of OCNA DE FER	7,120,000 tons	30,000 tons
District of CRISAN BIHOR	3,431,000 tons	
District ODORHEI	1,400,000 tons	12,000 tons
Carpatho-Ukraine District	800,000 tons	
District TREI-SCAUNE	?	
East MARAMURES	?	
DOBRUDJA	?	

17. "In all, the probable and possible reserves of iron ore in Rumania amount to around 30,000,000 tons. The output in 1948 was 210,000 tons, and the maximum estimate of the 1951 output was 510,000 tons. With the state of mining and steel industry as it was in 1952, Rumania had to depend upon imported iron ore up to some 40% of her requirements. Rumanian imports of iron ore are: - in 1950, about 250,000 tons; - in 1951, about 300,000 tons.

18. "Another difficult problem is the lack of coking coal. From all Rumanian coal deposits only two - one situated near PETROGANI, another around ANINA, south of RESITA - are of coking quality. The others are brown coal and lignite, unsuitable for coking. The reserves of coking coal are estimated at the maximum of 110,000,000 tons. The annual output in 1947 was 60,000 tons; since then it has increased, but considering that coke requirements of steel and iron industry have risen from some 80,000 tons in 1947, to around 275,000 tons in 1950 - it is obvious that here also Rumania must depend on imports.

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19. "Some circles believe that this shortage may to a certain extent be met by the use of natural gas of which Rumania has plenty. There is indeed already one methane-fired furnace operating at CAMPPIA TURZII, for smelting non-ferrous metals, and experiments were made with the use of natural gas in the blast furnace (SONAFER enterprise in 1942) and also in an open hearth (ASTRA VAGOANE, STALIN). The SONAFER experiment, although resulting in an extensive saving of coke has, however, proved too costly.
20. "As to the supplies of scrap, no data are available, but large quantities of war scrap must have made the situation satisfactory in the first post-World War II years. Recently, however, energetic scrap-collecting drives have been initiated, and there is also evidence in a trade agreement between Rumania and Albania that Rumania is obliged to import some scrap.
21. "The main sources of import of the raw materials which Rumanian steel industry needs so badly are: USSR for iron ore, USSR and Poland for coking coal.
22. "Rumania competes for Soviet ore (KRIVICI ROG) with Poland, Czechoslovakia and East Germany. All of these countries are becoming more and more dependent on Soviet supplies for their own steel industries. Moreover, the USSR herself has adopted the plan of developing her own steel production from around 30 million tons p.a. /per annum/ to 60 million in 1960 and shall undoubtedly consider her own interests first before exporting ore to the satellites.
23. "As to the coking coal, both Polish and Soviet coal involves very high costs to transport (Polish coal transported by railway, Soviet coal by sea but from the distance of some 600-800 miles).
24. "All this leads to the conclusion that:
  - a. Rumanian steel and iron industry is being developed without any relation to the country's own sources of raw materials,
  - b. It may only be maintained if imports are assured from the USSR and other countries of the Soviet bloc,
  - c. it is therefore closely dependent on the economy of that bloc."

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