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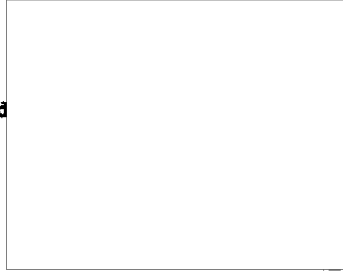
CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY **USSR (Latvia)**

SUBJECT **Conditions in the Sarkanais Metalurgs Plant, Liepaja:
Management/Materials/State of Equipment/Plans, Norms and
Incentives/Workers' Benefits/Labor Discipline**



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Management

"Sarkanais Metalurgs belongs ostensibly to the Latvian Ministry for Local Industry. Since June 1952, however, two departments, the Martin furnaces and the foundry, have been subordinated directly to Moscow.

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"The director of the factory is Peteris Zvaizzne 



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Production for Export

4. "Most of the output of Sarkanais Metalurgs is exported to the USSR; almost all of the pig iron is exported. Only third rate products and rejects are sold to Latvian enterprises, although these enterprises may have purchasing permits which entitle them to good quality material.

Raw Materials

5. "There is a continual shortage of raw materials. That portion of the Sarkanais Metalurgs pig iron production which is not carried off to the USSR is sold to the large Latvian factories only. When a small factory wants to buy some pig iron, it must deliver up some scrap iron in addition to the cash price. There is a continual scrap iron drive in Latvia; schools and 'house collectives' win red banners if they collect enough. Under the prevalent watchword of 'economy' there is also a campaign against rejects. Since 1951 the workers at Sarkanais Metalurgs have had to pay for the rejects they produce, even if these are due to defective raw materials rather than personal error.

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Sarkanais Metalurgs does not produce over 20% rejects. However, nobody takes an interest in such things, except the worker concerned. Great notices listing workers' names against the percentages of rejects produced hung at the entrance of the plant. The purpose of these notices was to shame the workers into improving their ways, but nobody so much as glanced at them.

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Equipment

6. "Most of the machinery at Sarkanais Metalurgs is very old. The rolling mill dates from Tsarist times. Some new machines have been imported during the Soviet era, eg a machine for rolling sheet iron. The Martin furnace department has been enlarged. But that is all.

"This old machinery often breaks down. The Martin furnaces frequently have explosions because the old iron with which they are charged often includes old guns and tanks with ammunition still in them. The bottoms of the furnaces sometimes give way. The accident rate is high because of the terrible state of this machinery and the furious work tempo. In the rolling mill there is at least one major accident a week. Workers are getting burns from the molten iron. On New Year's night 1951, two workers were killed when two cranes collapsed on them. The cranes had been rattling and trembling for a long time, but no one had thought of repairing them.

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8. "Every factory has stated in its plan the amount of time, money and material it may spend on repairs. These allocations are jealously hoarded for the repair of machinery that has a direct bearing on the fulfillment of the production plan. The repairs fund is not sufficient to keep even the vital machinery in running order. Nothing is ever thoroughly overhauled; all repairs are but makeshifts to get production started again. How long the machine will stay running before another breakdown is not considered.
9. "The work pace in Latvian factories is either a slow-down because of lack of raw materials, defective machinery etc, or a mad rush to make up for lost time when the materials are delivered; the plans must be fulfilled in any case. Sarkanais Metalurgs usually manages somehow to fulfill its plan, but everybody says this is largely the doing of Manager Zvaigzne who is friendly with all sorts of planning men and knows all the tricks from his time in the USSR.
10. "Most of the production graphs featured in the newspapers are imaginative idealism. Nothing runs so smoothly in a Soviet-controlled plant. When there is no shortage of material, a machine will have broken down. The smooth curves in the graphs are at least for Sarkanais Metalurgs, so much propaganda.
- Labor
11. "Sarkanais Metalurgs has about 1200 workers. They are divided into seven categories with wages ranging from 400 to 1000 rubles per month. An electrician in the Martin furnace department, for example, belongs to the second highest category; his wages (1951) averaged 900 rubles per month, fluctuating with the percentage of plan fulfillment and percentage of rejects produced. Although he has no fixed norms to meet since his job depends on current repairs, his wages fluctuated with the department's rate of achievement.
12. "The number of female workers at the plant is not large; a few hundred perhaps. The women always get the worst paid, unskilled jobs. The lowest wages in the plant are earned by the women who carry the bricks for the furnaces. The female bricklayers earn a bit more, about 450 rubles a month.
13. "Until 1950 about 300-400 German POWs were working at Sarkanais Metalurgs, both as ordinary laborers and as specialists. The plant did not employ slave labor.

Plans, Norms and Incentives

14. "The length of a worker's day is fixed by law at eight hours. There is little legal overtime work for extra pay. In early 1951, for example, the Martin furnace department of Sarkanais Metalurgs had the right to let workers do paid overtime only four hours a week. There is, actually, a considerable amount of overtime work, the worker being credited with free time to draw on when the work is slack. At the end of each plant period there is a frightful rush to fill the plan; almost everybody will work overtime. At the start of a new plan period work is slack, and the workers get their free days. An electrical repair man for example, by virtue of his job, is not bound by norms or plans. But whenever anything breaks down in his department he may have to work two or three days or nights in succession without overtime compensation only the equivalent number of 'free' hours.
15. "The norms keep changing from one week to the next in Latvian industries. Sometimes a department will be told that its norm has been raised 50%, while other persons working in the same branch of industry will retain their old norms. The reason perhaps will be that the plan has provided for the delivery to the department of new machines producing a larger output. Though the arrival of the new machines may be delayed by non-fulfillment of plan in another factory, transportation difficulties etc, the

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increased output expected from these machines will be incorporated in the department's plan and have to be fulfilled on the old machines.

16. "When a person at Sarkanais Metalurgs exceeds his norm, he gets a salary increase based on the extent of his achievement (double salary for a 200% production performance). But if he keeps this up for three months, his norm is increased, and that of other workers in his department. Although the Soviet press may write that a certain worker has exceeded his norms to such an extent that he is now doing his work for 1960, this is pure propaganda. Nobody is allowed to overfulfill his norms to such an extent.

17. "For the workers at Sarkanais Metalurgs, Stakhanovism exists mainly on paper; it brings nothing to the worker except an honorable mention, praise in the Soviet press and perhaps a red banner. Because it brings no material gain it is not seriously coveted. There were no Stakhanovites in the Martin furnace department at Sarkanais Metalurgs

[redacted] the title is allotted, almost in turn, to the more popular and politically prominent workers of an enterprise. Every enterprise must be able to boast some Stakhanovites. In the Bolshevik Fishing Kolkhoz, the [redacted] the most fish is the Stakhanovite until somebody else catches more.

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18. "The workers' attitude towards the premia for fulfilled or overfulfilled norms is quite a different matter; these bring in money and everybody is keen on them. There is considerable abuse in the allotment of such premia. They usually go to workers who belong to the CP or Komsomol. An ordinary worker rarely gets a premium unless he does something really spectacular. An 'unreliable' person (eg. a 'legionary' who fought against the Soviets in World War II, even if he has served his sentence) has no hope of earning a premium, no matter how hard he may work. There is no way to fight these abuses. It is too dangerous to question the decisions of one's superiors, and the whole system of calculation is so complicated anyway that nobody understands it. It depends on such factors as the norms, which keep changing, and the fulfillment of the overall plan.

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19. "Workers are encouraged to make 'rationalizing' proposals. [redacted]

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[redacted] Most workers are pretty indifferent to the exhortations to 'rationalize'; the rewards are small and nobody has enough time to read up on his job.

20. "Socialist competitions" [redacted] mainly on paper. [redacted]

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[redacted] All types of units and individuals get involved in competitions: kolkhozes, fishing kolkhozes, separate fishing boats, factories, departments of factories, individual workers. Often the competition is forgotten once the paper is signed; in response to an order from the authorities some names are sent up as winners, often selected at random. Occasionally the authorities attach especial importance to a certain competition and furnish better materials, or such, for its duration. Then everybody does try to work harder, because there might be money premia at the end.

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21. "One more pressure technique to increase production involves a 'promise to Stalin', such as a promise to complete a certain job of work by a certain date or to fulfill a plan before the time limit set. Such promises are entered into the same way as the Socialist competitions: a meeting is called; the workers are asked if anyone opposes the promise; nobody ever does so it is signed then and there. The workers get no more excited about these promises than about the competitions, for no material gain is attached. However considerable publicity attends them, and the management calls a meeting if a promise is not fulfilled in due time. Culprits who have 'retarded fulfillment' are found among the lower employees. They are not punished, only blamed; a new date for fulfillment is set; and when the promise is at last fulfilled there is a new meeting at which special premia are awarded to certain CP and Komsomol workers not for work done but for 'organizing' fulfillment.

Workers' Benefits

22. "Workers are entitled to a yearly holiday with pay. This pay is not based on their actual earnings but on the base daily wage of the category to which they belong, which usually is considerably less. Numerous small abuses arise in connection with holidays. Everybody is asked in the spring when he wants his holiday; he usually gets it though when it suits the management. Sometimes a worker may get no holiday at all, and no extra compensation, if it is in the interest of the factory to keep him at work. Carry-over of leave from one year to the next is rarely possible; a special certificate from the manager is needed.
23. "The much publicized rest houses and sanatoria for workers are virtually a fiction. If a factory has a 1000 workers, it may receive one or two journey orders for a sanatorium in the Crimea, or other resort area; such orders go to Party or Komsomol bosses. The workers spend their holidays at home. Few people in Liepaja go to the country as they did before World War II. The countryside is starving; there is more food in the towns. Some workers have small garden plots where they putter about; others just sit in the sun. Some take their holiday in single days, so as to transact the bureaucratic formalities of daily living.
24. "Workers receive no benefits if they are injured at work. Under Soviet law there are no accidents at work, only carelessness. If an accident happens, either the worker himself or his superiors are to blame. Every worker entering a job is informed of the 'labor protection' devices governing that job. For example, an electrician is told that he may never work without rubber gloves and must 'beware of electric current' etc, for pages and pages. The rules are quite impossible to remember and follow completely: an electrician cannot work in rubber gloves and fulfill his norm, and even if he does follow all the rules and get an electric shock, he has neglected to 'beware of the current'. If the blame cannot be fixed on the worker in any way, then his immediate superior is guilty: Thus, if a worker has an assistant and the latter has an accident not caused by himself, the worker pays the assistant's hospital fees and other expenses; if the worker has no assistants and receives an injury his foreman pays for him. If it is actually proved that nobody but the management is guilty, and the injured worker has worked in the factory over eight years, he gets three months of hospital treatment free of charge plus his full pay. Accidents are treated like simple illnesses; the benefits are the same for both.
25. "It is not much use to take out accident insurance. The moment an insured person is involved in an accident, the insurance enterprise sues him in court for having caused the accident himself. The worker only gets his insurance if he manages to win the case. This seldom happens. Kolkhoz cows, for example, are also insured. When one dies the attendant cowman usually has to pay its price. [redacted] no kolkhoz member has yet been able to prove in court that the cow entrusted to him has not died through his own negligence.

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26. "A person who is totally disabled by a work accident usually gets a small pension, depending on his wage category. Only if the accident was plainly the fault of the management does he get any more. At Sarkanais Metalurgs in 1950 a man who operated a machine for cutting scrap iron for the charge of the Martin furnaces was killed when a grenade exploded in the tank he was cutting. Manager Zvaigzne tried to persuade his wife not to sue, promising her good work. Others persuaded her to sue the plant. The court granted her a pension equal to her husband's wage.
27. "The factory club is one of those 'voluntary-compulsory' institutions frequent in the USSR. The workers have to contribute one percent of their wages towards its upkeep. At Sarkanais Metalurgs an effort seems to be made to keep the club as comfortable and attractive as possible, as it is the prime example in a factory of what the propagandists claim. Actually the clubs are avoided, except by young workers who go there to dance on Saturday nights. People have no time to sit around. When they are not working they have to scrounge the shops for food. Club dues are collected at the same time as trade union dues, ie not deducted on the payroll. Membership in a trade union is not compulsory, but is useful in case of illness. There are usually two trade union officials to represent 1000 workers. One of their duties is to hear workers' complaints, but there is no point to this because no improvements will result. Officially, for example, the workers and the management enter into a collective bargain which stipulates that wages will be paid on time. They never are, and though it is the plain duty of the trade union bosses to combat this abuse, the only thing they can do is run about and pacify or cow the workers into silence.

Political Indoctrination

28. "There is no regular political instruction for the workers at the larger Latvian factories. Occasionally a meeting is organized for the workers to make a promise to Stalin or to enter into a socialist competition. There are also mass meetings on May 1 and the anniversary of the October Revolution. The ordinary meetings are usually called between two shifts to get a large attendance. The management locks up the number plates of the outgoing shift so they won't be able to leave the grounds; the workers have to produce such plates on exit. The meetings are short, so that precious production time will not be wasted. The authorities also find it hard to make the workers attend the parades on Communist holidays. The members of factory managements march to a man, as do the workers who are scared of reprisals. But nobody really gets punished for absence.

Labor Discipline

29. "Labor discipline is strict according to law, but the actual enforcement depends considerably on the solidarity of the workers within a given factory. The first time one is late nothing much happens, the foreman just makes a row about 'endangering the plan'. If lateness occurs again, a 'comrades' court' tries the case. Such a court consists of three workers from the offender's department or factory, one of whom must be a CP member. To them the offender accounts for his lateness. If they consider the cause valid, the man is excused. If he is late a third time, and not cleared by the 'comrades' court', his case is turned over to the ordinary people's tribunal. Their sentence is usually three to five years of forced labor. It is rare for a case to go so far because there is a certain solidarity between the workers in a factory, anybody can be late, even the judges. No case is referred to the tribunal without first being tried in a 'comrades' court'. Tribunal sentences are severe. For starting a brawl in a public place, or for drunk and disorderly behavior,

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a man gets one year of forced labor. Formerly the sentence for distilling bootleg liquor was one year, now it is five. A sentence of over two years must be served in the USSR. At Morskansko Metallurgy [redacted] nobody [redacted] served a work sentence at the factory on reduced wages, but at the [redacted] shipyards in Liepaja, [redacted] persons working at reduced wages for periods of six months or a year.

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Training in the USSR

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[redacted]
no case of any Latvian technician or worker being sent to study in the USSR or even to make a trip there.

General Attitudes

- 31. "The general spirit among the workers in a Soviet-controlled factory in Latvia is one of sullen but tacit discontent. Everybody knows that the norms only go on rising and that there is no hope of improvement. The old workers remember the 'old times' but keep silent. The young have adopted a sort of devil-may-care fatalism: they drink a lot, try to laugh and have fun and never think of the future. At 16 they are conscripted, which means three to five years away from home. On return, it will be the same hard work for little pay again. Everybody, young or old, feels in his heart that this cannot continue; and that there will have to be a war."

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