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**INFORMATION REPORT INFORMATION REPORT**

**CENTRAL INTELLIGENCE AGENCY**

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<b>COUNTRY</b>	Rumania	<b>REPORT</b>	[Redacted]
<b>SUBJECT</b>	Miscellaneous Economic Information	<b>DATE DISTR.</b>	1 March 1961
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THIS IS UNEVALUATED INFORMATION. SOURCE GRADINGS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

[Redacted] four reports containing information on the following subjects: 50X1-HUM

- a. General Information on Rumanian Foreign Trade, [Redacted]
- b. The Collection of Grain in Rumania, [Redacted]
- c. Social Conditions and Trend of Opinion at the Electronica Factory, Bucharest, [Redacted] 50X1-HUM
- d. Construction Trust No. 10, Constanta, [Redacted]

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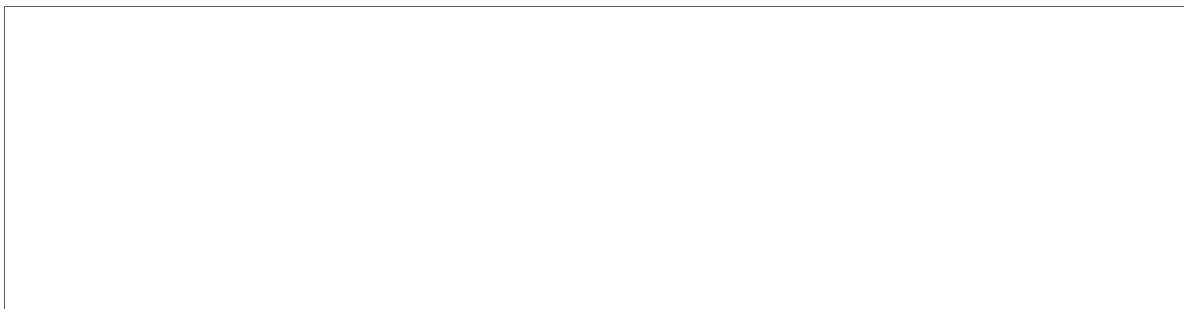
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(Note: Washington distribution indicated by "X"; Field distribution by "#")



**COUNTRY** : Rumania  
**SUBJECT** : General Information on Foreign Trade

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1. Although conditions have improved since the years following the drought of 1946 and 1947, food supplies are still limited in Rumania. Butter and sausage are now obtainable, but only during the summer when they are difficult to export, while  margarine and expensive olive oil are imported during the winter. If meat is at all available, it is generally only mutton or, at best, frozen cuts. Since World War II, Rumanian livestock has been annually reduced by thousands of heads, which are sent to the USSR under the reparations agreement. In 1954, tomatoes were obtainable in the Bucharest region only, because of a plant disease which affected market gardens throughout the area.

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2. Because of such heavy local consumption, the Ministry of Foreign Trade is faced with many difficulties in obtaining such goods for export. Although agricultural produce is required both for reparations to the USSR and for the home market, the Council of Ministers annually publishes decisions authorizing their acquisition for export and announcing various benefits which are to be granted to suppliers of the Ministry of Foreign Trade.
3. Thus, farmers who have contracts with the Ministry of Foreign Trade benefit from tax reductions, from the right to purchase building materials at official prices (materials whose sale is forbidden on the free market), and from bonuses of up to 75 percent above the normal price paid for their produce. Naturally, the farmers prefer to supply most of their produce to the Ministry of Foreign Trade, but because of this, prevent essential consumer goods from reaching the urban population.
4. The above method of acquiring agricultural produce also has certain disadvantages. Contracts between the Ministry of Foreign Trade and farmers are drawn up during the winter, but subsequently crops are often ruined by bad weather. Farmers are then placed in the unenviable position of having to fulfill the terms of the contract without having the means to do so. These contracts compel farmers to cultivate not only crops which they are interested in growing, but also crops which they do not wish to grow because they are not profitable. Where their crops are weighed, furthermore, the farmers are cheated by government agents whom the farmers themselves have recruited. Town shop managers also offer them good prices for their produce (which they need in order to meet the demands of their customers), thereby creating unfair competition

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dispatched a large shipment of foodstuffs to that country. Emergency shipments of foodstuffs, window glass and timber were sent to Hungary during the uprising there, although there were no trade agreements between the two countries and no financial reserves to cover their cost.  Although these are

declared to be acts of international brotherhood, the Rumanian public resents their being done for strangers, especially when they are not particularly liked.

7. The Ministry of Foreign Trade has been located at 20 Boulevard Maghera in Bucharest since its foundation. The following affiliated enterprises were created as the ministry developed:
- a. The control department (COM - Oficiul de Control Al Ministerului), located at the same address. The department deals in the control of export goods and is responsible to the foreign customers for their quality.
  - b. CHIMEXPORT, at 20 Doamna Street in Bucharest.
  - c. AGRICULTEXPORT, at 4 Campineanu Street in Bucharest.
  - d. PETROLEXPORT, on Piata Rosetti in Bucharest.
  - e. EXPORTLEGI, on Piata Rosetti in Bucharest.
  - f. FRUCTEXPORT, at 6 Gabriel Pary Street in Bucharest; concerned with the export of foodstuffs and animal by-products.
  - g. MASINEXPORT, at 11 Romana Street in Bucharest.
  - h. TERENEXPORT, which imports spare components, typewriters, etc.
  - i. OTT, the national tourist company.
  - j. FRUCTEXPORT, at 1-3 Boulevard Maghera in Bucharest. The agency was

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founded in 1949 to organize the export of fruit, wine, honey, etc. In practice, its activities were limited to purchasing, packing, and dispatching these goods to the warehouses of **FRUCTEXPORT**, which maintained the actual contacts with foreign customers. In order to maintain its activities on a nation-wide scale, **FRUCTEXPORT** established the following agencies, according to the Soviet pattern, each with an independent budget and economy:

- (1) Agency No. 1 (Intreprinderca No. 1), in Arad, operates in the Arad and Timisoara Provinces and serves as a central warehouse for export produce.
- (2) Agency No. 2 (Intreprinderca No. 2), in Bucharest, operates in the Bucharest, Constanta and Galati Provinces.
- (3) The Codlea (Stalin Province) agency specializes in cultivating out-of-season flowers and tomatoes.
- (4) The Pitesti agency.
- (5) The Ploesti agency.
- (6) The Focsani agency (store depot for export produce).
- (7) The Iasi agency (store depot for export produce).
- (8) The Cluj agency.
- (9) The Oradea agency (store depot for export goods).
- (10) The Craiova agency.

Each of these agencies has about 100 employees. From May to November, temporary workers are taken on, both for work in the offices and in collecting produce in the field. The number of temporary workers in each agency may amount to about 2,000.

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8. These commercial enterprises operate by a clearing system, by bank credit, or by advances on account (paid to suppliers whose products are essential for the realization of an export program). Professional cadres are trained for these enterprises at a special school of the Ministry of Foreign Trade, which holds three-year courses.

They also receive a compensation fund, which is financed by customs duties. By means of this fund, the Ministry is able to provide its affiliates with extra-budgetary allowances. The common currency within the Soviet Bloc is the Soviet ruble, but occasionally a clearing system is used.

9. The producers cooperatives play their part within the general state export plan. In fact, however, export goods from the cooperative sector, such as agricultural produce, are generally of a low quality. Because of this, the FRUCTEKPORT and AGROEKPORT enterprises were established to ensure a regular supply of agricultural produce for export, without having to rely too much on the cooperatives.
10. The regional agencies of FRUCTEKPORT draw up supply contracts with the collective farms (AGEVASOP, GOSTAT and APROKAR). In order to fulfill the purchasing program, contracts are also signed with individual farmers who are paid (in advance) in either cash or materials. The agencies organize "concentration points" in the field. Each point is run by a chief organizer, a cashier, and a technician and is used for sorting and dispatching produce. Top grade produce is dispatched immediately (strawberries are flown, whereas grapes and apples are sent by rail). Grade B and poorer-quality

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produce is packed in boxes and preserved with <sup>sulfur</sup> ~~sulphur~~ dioxide (SO<sub>2</sub>). At a later date, representatives of the control department of the Ministry of Foreign Trade (OCM) inspect the preserved produce, both from the quality and quantity aspects, and then stamp the boxes.

11. The Chamber of Commerce (Camera de Comerț Exterior) was founded in late 1949 in order to demonstrate the achievements of the regime. It initially was given the tasks of organizing exhibitions at foreign trade fairs and of arranging the exhibitions of other Bloc countries in Rumania. For this purpose two luxurious buildings were erected in Bucharest, but one of them was destroyed by fire in 1957. Chinese, Korean, German, and local exhibitions to which the public are admitted free of charge, have thus far been held. When the exhibitions closed down, exhibits were sold to various local institutions. Recently, the Chamber of Commerce was transferred to 20 Boulevard Maghern and its activities abroad were given extra impetus by the addition of experts in advertising, photography and translation.
12. The economic police take a great interest in the entire system of purchasing agricultural produce, since it is well-known that the FRUCTEXPORT technicians earn 30 or 40 times their monthly salaries by falsifying the registration of the amounts and types of fruit. They buy their way into their positions by either paying the regional agency directors a lump sum in cash or by giving them percentages of their incomes. However, few of these embezzlers are brought to justice, because far too many people are directly involved in their dealings. In as far as the economic police manage to recruit informers among rank and file employees, sooner or later they too are "bought" and are of little use to the police. A

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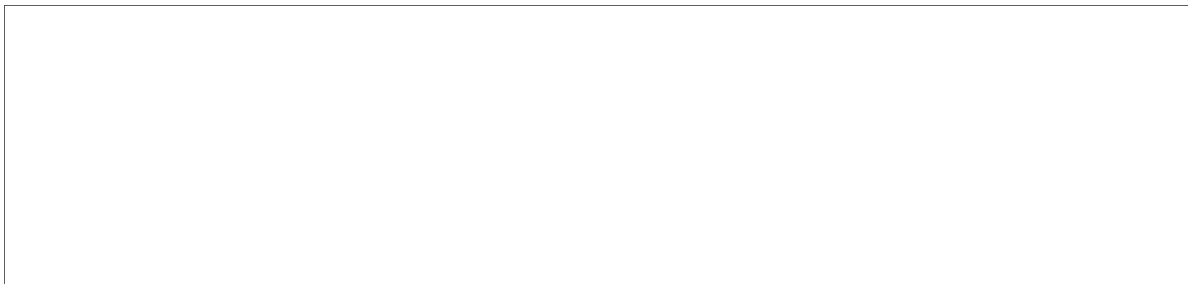
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**COUNTRY** : Rumania  
**SUBJECT** : The Collection of Grain in Rumania

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1. The collection of grain in Rumania was the responsibility of a network of provincial stations called **CJR** (**Centre Regionale de Receptionare**), which came under the State Committee for Grain Collection (**Comitetul de Stat Al Colectarilor**). In 1948, a network of collection stations was established, called "**CJR**" (**Centre Judetane de Receptionare**), while at the same time collection centers were set up near the silos at the railroad stations throughout the country. The name of the organization which combined the collecting networks was changed in 1949 to **Com Cereal** (**Comertul Cerealelor**), but they continued to be subordinate to the national committee which had its seat in Bucharest.



At that time, the national committee started fixing the annual grain levies of the peasants according

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to data submitted to it by the village councils (Comune). Representatives of the National Committee for the Collection of Grain settled in the villages proper to ensure a more efficient supervision. For the same reason the registration of deliveries of grain was recorded in three places:

- a. In the ComCereal during the collection proper.
- b. At the National Committee according to copies handed in by the ComCereal.
- c. At the village councils, where the peasant had to produce the credit note which he received at the ComCereal after delivering the grain.

In 1952, with the new division into provinces (Regiuni) and districts (Raione), the union of centers for grain collection was designated CRR. With these changes slight modifications in the administrative set-up took place, but there were no changes in the methods of collection.

2. The following set-up of the central provincial agency for the collection of grain was established in 1952:

- a. The executive management, consisting of the director, the deputy director for commercial affairs (Director Adjunct), and the chief accountant (financial director) (Contabil Sef).
- b. An accounts department with the following sections: registration of grain quantities and suppliers (Evidenta), auditing section (Revisori Contabili), finance section (Financiara), and grain collection planning section (Planificare).
- c. An administrative department, dealing with the registration of property of the agency and the supply of necessary materials.

- d. A collection department (Serviciul de Receptionare), which centralized the registration of the quantities collected and compared it with the collection plans (provided by the planning section). The section had an up-to-date graph of the state of collection.
- e. A forwarding department (serviciul de Levrare), which dealt with the forwarding of the grain in accordance with instructions received from the national committee. Upon receiving forwarding instructions from the committee, this department relayed them to the district branches, which in turn delivered the collected grain directly to the consumer.
- f. A personnel department.
- g. An investments department, dealing with the construction, upkeep, and disinfection of stores.
- h. A department for the supervision of quality (Serviciul de Control Al Calitatii), which was actually the central laboratory where the grain was tested and the percentage of moisture, pests, and the quality of the grain were registered. These data were also supplied by small laboratories connected to the collecting stations proper and, after they had been graphically centralized (for statistical purposes), were sent to the national committee in the capital.
- i. Transport departments were formerly connected to every provincial collecting center, but they had been separated from the centers and included in an independent agency dealing with grain transportation.

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3. The district branches were marked on special maps only. Each of them had several collection bases (Baze de Recceptie). The district branches Iasi, Husi, Vaslui, Pascani, Barlad, Harlau and Roman, for instance were subordinate to the provincial center of the Iasi province and, in turn, were in charge of approximately 25 collection bases employing about 250 permanent and some 700 seasonal workers. (The province of Iasi employed about 25 workers and each collection base 10 to 15 workers).

4. The following collection bases are reported:

- a. In the Iasi district: Balanesti, Mircesti, Podul, Iolai, Radin, Vladeni and Largo Jijia.
- b. In the Vaslui district: Vaslui, Rosiesti, Negresti, Scanteia, Bacesti and Godiesti.
- c. In the Husi district: Husi and Drancenii.
- d. In the Pascani district: Lespezi and Targul Frumos.
- e. In the Barlad district: Banca and Ghidiceni.
- f. In the Harlau district: Harlau and Belcesti.
- g. In the Roman district: Margineni, Daga and Sagna.

The provincial center in Iasi was located on Pista Republicii on the first floor of the building above the Moldova Restaurant (formerly called Traian). The provincial granaries were at the Socola railroad station, housed in two wooden stores with a capacity of about 80 freight-car loads and in five masonry buildings with a capacity of 170 freight-car loads each. At the central railroad station, located in the north-western part of the town, there was a silo of the Iasi district center. In 1956 the construction of a threshing station had been started at the Socola railroad station, and a tower about 10 meters high had already been erected.

5. The representatives of the national committee in the various districts fixed the grain levy of the farmer when he delivered the crop of the current year in order to direct the sowing according to the planning of the national committee. The levies were determined on the basis of exact information, which was supplied by the village councils and included details on the quality and quantity of the soil tilled by each farmer. Other considerations in determining the levy were the size of the family and the social origin of the farmer; wealthy peasants (Chiaburi), or those considered wealthy by the Party, were required to deliver grain like any other farmer, even if they did not cultivate any soil whatsoever and even when they had no property left. When they did have property, they were required to deliver a much larger quantity of grain than peasants of "proletarian" origin. Peasants who possessed no land but who had cattle, had to deliver their quota of grain as if they were landowners. Peasants who owned land but no cattle were forced to buy cattle, and their grain quota was increased accordingly, because they could then till more land. Peasants who had no grain had no alternative but to buy it on the black market in order to fulfill their quota. On the other hand, peasants were forbidden to sell any grain before they had fulfilled their own quota; moreover, there was an interdiction on the transportation of grain (resulting in the establishment of a network of illegal transporters) and they could not pay at the collection bases in cash, at the free market rate, in lieu of the prescribed quota.
6. There were inspection centers (Dispatchers) within the framework of the National Committee for the Collection of Grain which sent inspectors

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to the collection bases in order to supervise the collection, to test the quality of the grain, and to instruct the farmers in improving it. In years of drought and seed corn shortage, or in cases where a peasant had insufficient means to buy the necessary seeds, the collection bases supplied them to the peasant as a loan, which he had to return together with the usual quota at the next collection time. Even if the next crop did not come up to expectations, the repayment of the loan was not waived. (Such instances were quite frequent. Usually the peasant was required to hand in more grain than was yielded by the crop, and grain debts would accumulate from one year to the next).

7. The collection was executed in the following way: the farmer first reported to the laboratory where the grade of his grain was marked on a card. Then the grain was weighed in at the store and the quantity was marked on the same card. The grain was left at the store and the peasant reported to the office where the price for his grade of grain was fixed and his bill was made out. He was given a credit note upon which he was paid by the cashier. One copy of the bill was retained by the peasant, and he had to present this at the village council as proof that he had delivered his quota of grain. If the farmer miscalculated and surrendered more than his quota of grain, he had to leave it at the collection and was paid for it at the same rate (this was later to a better rate of payment, as described below). The interdiction to transport grain from the collection base back to the farm was a precaution against theft. The cost of transportation from the farm to the collection base was borne by the farmer. If the laboratory found too high a percentage of waste or moisture in the grain, the

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peasant had to clean and dry it at the base since he could leave the latter only with his cart empty. There were individual files for the delivery receipts and other papers connected with them of each farmer who had delivered his grain, and these are then sent to the provincial center. One copy of all these papers was sent directly to the representative of the National Committee for the Collection of Grain in the district center concerned.

8. Until 1952 the peasants had been required to hand in exact quantities of the various types of grain as specified by their levy. Because of the large debts which accumulated as a result, however, a regulation was issued in 1952 allowing the farmer to substitute a more expensive type of grain (wheat instead of barley for instance) for a cheaper type. But on no account was the farmer permitted to hand in larger quantities of cheaper grain in place of the expensive types. This last alternative had been permitted only since 1953 and only if the farmer had no grain of the expensive type (mainly oil-containing plants like sunflower seeds, soya and hemp seed were accepted).
9. The standard prices for the various types of crop in the years 1953-1957 were as follows:
  - a. Wheat: price in the GDR - 38 Bani per kilogram, on the free market 1.5-2.0 Lei per kilograms
  - b. Maize, barley and oats: 20 Bani per kilogram the GDR compared to 1.10 - 1.3 Lei on the free market.
  - c. Rye: 23 Bani per kilogram in the GDR (unavailable on the free market).
  - d. Sunflower seeds: 36 - 39 Bani per kilogram at the GDR compared to about 2 Lei per the free market.



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- e. Hemp: 50 Bani per kilogram at the CRR compared to 3.5 - 4 Lei on the free market.
- f. Dry onions: 20 Bani per kilogram at the CRR compared to 40 - 50 Lei on the free market.
- h. Rape seed: 80 Bani per kilogram at the CRR.
- i. Lucern and clover seeds: 1 Lei per kilogram at the CRR as compared to 2.5 Lei on the free market.
- j. Soya - 1 - 1.5 Lei per kilogram at the CRR; not bought on the free market. There was a special agency which formed part of the FRUCTEXPORT (the national organization for agricultural export), dealing with soya trade. It helped farmers with the cultivation of soya which was exported to Germany. In spite of the intervention of this special agency, the soya is handed in at the collection bases of the CRR.
- k. Haricot beans: 1.5 Lei per kilogram at the CRR as compared with 2 Lei on the free market.
- l. Multi-colored varieties of beans: 80 Bani per kilogram at the CRR, compared to 2 Lei on the free market. The farmers usually grow beans in sufficient quantities to hand in their quota, to cover their own needs, and to sell a certain amount on the free market.
- m. Dry fodder: 15 Bani per kilogram at the CRR. The levy was reduced if a superior quality was substituted for the prescribed inferior grade.
- n. Straw: 10 Bani per kilogram at the CRR.

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10. The GNR sold the collected crops to the following:
- a. Private farmers, only as a loan for sowing purposes (as described above).
  - b. Military units, only fodder and maize.
  - c. Mills, wheat, barley, rye and maize.
  - d. Spirit distilleries, mainly barley.
  - e. ~~Oil factories.~~
  - f. Government enterprises needing fodder and maize.
  - g. For export - through the AGROEXPORT, which instructed the provincial center as to the forwarding route and the station where the goods were to cross the border. Most consignments from the Iasi province went westward (Valea Lui Mihai railroad station). In 1952, though, there was a consignment from the Iasi province of 180 tons of wheat via Hungary and 100 tons of corn via Yugoslavia, both probably destined for Albania.
11. The prices of crops sold by the GNR to the flour mills are as follows:
- a. Wheat - 45 Bani per kilogram.
  - b. Rye - 32 Bani per kilogram.
  - c. Barley - 28 Bani per kilogram.
- All the other institutions supplied by the GNR bought at prices based on about the same calculation except for the armed forces, which get a reduction of about 2 percent. There was a greater discrepancy between purchase and sales prices for such crops as maize and sunflowers, which involved higher collection and transport expenses.

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12. The policy of grain collection had resulted in very strict interdictions on the one hand and illegal dealings on the other:
- a. The flour mills did not accept any grain from the farmer unless he produced a document proving his delivery of the required quota. Officials of mills and of collection bases were consequently often bribed to issue forged confirmations of delivery.
  - b. Until 1955 transportation of grain was strictly prohibited, but in spite of the interdiction on free trade in grain, many farmers had to transfer a few sacks from such of their holding which were rich in grain to those points where the grain was handed into the CRR. The usual procedure was to contact truck drivers of the national company RATA, (its name was later changed to DOTA - Direction Generale Transport Auto) who, for an appropriate price, carried the sacks underneath their official freight, e.g. wood, or building materials. In order to overcome this illegal transportation, a by-law had been promulgated which made it possible to deliver grain at bases other than those in the vicinity of the farmer's residence.
  - c. Most illegal transactions, in all their stages, were carried out at the collection bases. In return for a bribe, a better type and quality of grain would be registered at the laboratory even if waste had been handed in. The store registered fictitious quantities, the accounts department feigned ignorance of these transactions in return for a bribe and paid the farmer. The missing grain was usually replaced by giving short weight to other farmers, registering less grain than they had handed in unless, however, they

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tipped the storekeepers. In order to avoid discovery of these illegal transactions at times when there was no superfluous grain in the store to cover the missing amounts, credit notes to farmers were issued without any copies.

- d. Because of the interdiction to transport flour to any place other than the collection bases, peasants needing flour were allowed to have it ground for their own needs only after handing in to the CRR and appropriate quantity of grain for which they received a credit note, and for this, in turn, they received flour at the mills. As mentioned above, the storekeepers issued such notes in return for a bribe.
- e. In many instances these frauds were discovered, and the guilty are brought to court and sentenced to long terms of imprisonment. At the Dorhoi collection base the accountant, the manager of the base, and the manager of the laboratory were all charged with being responsible for the disappearance of eight freight carloads of wheat.
13. In 1955 - a year of abundant crops - an additional agency, affiliated to the CRR, was established. Its purpose was to collect those quantities of grain which could be handed in over and above the prescribed levy and to pay for it at free market prices. This new agency was first called Recolta and later its name was changed to IAC (Intreprindere de Achizitionare A Cerealelor - Grain Acquisition Agency). It started its activity in a few provinces rich in grain in August 1955. Branches were later opened in all provinces, all districts and in many villages.

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Administratively, this agency was subordinate to the National Committee for the Collection of Grain in the capital - later the Ministry of Grain Collection. The main purpose of the agency was to collect all additional quantities of grain from the farmers in order to prevent the surplus from reaching private hands. Through offering, at times, prices higher than current market rates, the agency had succeeded in directing the grain - money turnover according to its own purposes and thereby influence the farmers to grow certain types and quantities of grain.

14. The administrative set-up of the IAC was as follows:
  - a. A provincial branch, consisting of a director in charge of the administration, planning and personnel departments as well as the department for the supervision of grain quality (Dispatch), and a chief accountant in charge of the bookkeeping, auditing and finance sections. A provincial branch employed a total of about 20 people.
  - b. A district branch, consisting of a district branch manager (Sef de Raion) in charge of the planning department of his district, a deputy branch manager mainly concerned with supervision of the quality of the grain, and a district chief accountant in charge of the book-keeping and auditing sections as well as the stores. The district branch manager was responsible to the provincial director.
15. At each village branch there were between one and three officials (Achisitori) in charge of obtaining the grain. The money for purchasing

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the grain was transferred from the Purchase Department of the Ministry (Directia Generala a Achizitiei Recoltelor). The purchasing prices were fixed in each province by the planning departments according to principles laid down by the provincial directors. The planning departments specified the prices for each district with the objective of eliminating differences in neighboring districts either completely or as far as possible. The district planning department revised the prices set down by the provincial planning department according to instructions received from the district manager, who collected ~~grain~~ usual laws of supply and demand. Generally, all types of grain which were collected as a levy were purchased by this agency at free market prices, except for straw and fodder which had been bought only since 1957. (Straw was exported to Germany, where it was used for the manufacture of cellulose). In 1955, however, the farmers demanded higher prices than those offered on the free market. The officials in charge of purchasing (Achizitori) received a cash advance at the district branch, bought grain from the farmers, and transferred it to the collection bases of the GNR where they got a receipt. Upon handing in these sums paid to the farmers and thus the process was repeated. At the district bases, records of the purchased grain were kept according to the purchasing bills presented by the purchasers (Achizitori) to the district branch, which corresponded to the records on expenditure for the purchase. The district branches presented the turnover vouchers at the provincial centers and were, in turn, given cash advances based on the vouchers. The provincial centers presented accounts on the quantities of grain handed over to the GNR collection bases to the provincial centers of the GNR and were paid by them accordingly.

16. A representative of IAC (Delegat de Baza) was attached to every collection center of the CRR whose task it was to obtain additional grain from the farmers coming to the stores at the center. If he succeeded in inducing the farmer to transport the grain to the collection base by himself, he had to issue a transport order to the farmers and make sure that no additional quantities of grain were transported on this same order to other destinations; the farmer was paid 8 to 10 percent more to cover transportation costs. If successful, the IAC representative received the following additions to his salary for each freight carload of grain obtained: 400 Lei for wheat and sunflower seeds; 300 Lei for maize, barley, or oats; and 200-to 250 Lei for all other types of grain. The officials in charge of obtaining the grain, on the other hand, did not receive any fixed salary but only commissions for each freight carload of grain obtained. There were two procedures by which he obtained the grain:
- a. He bought the grain from the farmer and provided him with a transport order to the transport base. The amount of kilometers to the transport base was noted in the order (the farmer was paid for this transport according to a national tariff). In this case he received only a fixed commission.
  - b. He bought the grain, stored it in his own store, and then forwarded it to the collection base. In this case he got transportation and storage costs at a rate of 100 to 180 Lei for each freight carload in addition to his usual commission.

The IAC representatives who were attached to the CRR collection centers could obtain grain directly from the farmer without the mediation of the Achizitor, as described above. Besides that, it was his duty to

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take over the grain forwarded to the collection base by the Achizitor. In such cases where payment had not been made to the farmer by the Achizitor, directly in the village, the representative paid for the grain at the base and got a commission of 14 Lei per freight carload. The basic salary of an IAC representative at a grain collection base was 410 Lei but, as described above, he could increase his income considerably.

17. The district manager and the official in charge of price planning at an IAC district branch received premiums proportional to the amount of grain obtained in the district. These premiums could reach 10,000 Lei a month for each. The provincial director, the official in charge of planning and the chief accountant of an IAC provincial center received premiums for the amounts of grain collected in their province. Expressed in percentages, these premiums were lower but added up to considerable sums due to the extent of the area involved. Exact accounts on the collection were kept at the provincial planning departments, based on material collected from the district planning departments on the one hand and from that received from the collection bases themselves on the other, since the latter were the ones which actually received the grain. This double checking usually prevented fraud and embezzlements, although these did occur from time to time. The Achizitori were hired according to recommendations from the village councils and according to principles laid down by the provincial personnel department (e.g. the Party); they were not required to have previous knowledge in export or trade, nor did they have to be accustomed to dealing with large sums



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of money. After some cases of "disappearance" of money had occurred, the ministry issued orders that, as far as possible, people with private means should be recruited to this job so that, in cases of embezzlement etc., their property might be confiscated. As a case in point, a farmer who was a grain collector (Ashinitor) won 30,000 Lei at the national lottery (?), whereupon he was regarded as solvent and trustworthy for receiving advances up to 30,000 Lei. It so happened that, at a time when he had just received a cash advance of over 30,000 Lei for purchasing grain for the IAC, he lost the 30,000 Lei he had won at the lottery at cards. In hopes of winning them back, he continued to gamble and lost the whole cash advance he had received from the IAC. When he told his story at the IAC branch on the following day, he was immediately sentenced to 25 years hard labor. In many cases the collectors got into financial entanglements, like using money destined for payment of grain for paying transportation costs, something which was absolutely prohibited. This led to deficits at the district branches, which administered the cash advances of the collectors. Under pressure from the ministry, the main criterion for recruiting collectors had recently become personal integrity, so as to decrease the amount of thefts and fraud.

18. The IAC had no stores of its own. In some villages stores were rented from the village councils. For packing, IAC sacks were being used. The accepted loss of grain due to storage and transport was one to one and one-half percent according to the type of store, packing, and grain.

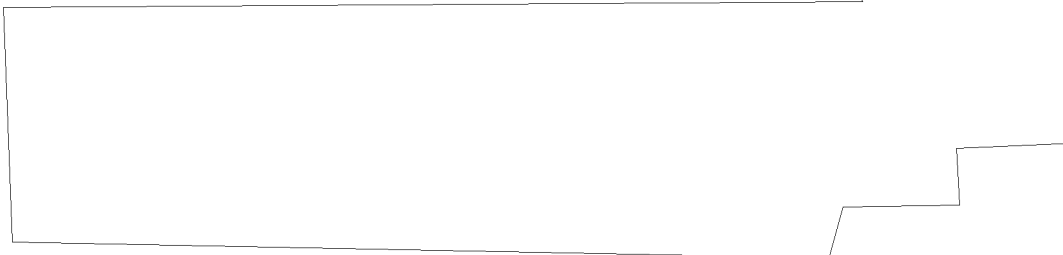
- [REDACTED]
19. Another way of obtaining grain from the farmers was through barger (Comert De Intampinare). Thus farmers who wanted to purchase building materials or other consumer goods which were not available on the market, were offered to buy them at the Agevacop (Agentia De Valorificare A Produselor Agricole Cooperatiste - Agency For Cooperative Trade in Exchange for Agricultural Produce), which was subordinate to the Urcad (Uniunea Regionala a Cooperativelor de Aprovizionare si Desfacere - the Provincial Union of Cooperatives for Supply and Sales) in return for grain handed in to the CRR through the IAC, the grain prices offered being slightly lower than the standard rates (while the goods supplied by the Agevacop were rather expensive). The barter accounts were kept separately at the IAC and at the CRR on normal forms with a diagonal red line. A farmer in need of building materials or other goods, handed in a quantity of grain to the CRR through the IAC and received a credit note, which he presented at the Agevacop. There the price difference between the goods required by the farmer and the grain handed in by him was calculated and the cash difference was paid by the party from which it was due. The IAC paid a commission of 800 Lei per freight carload of grain to the Agevacop in return for its assistance in obtaining additional grain.
20. The grain levies were abolished in 1957, thus decreasing the activity of the CRR collection bases. The bases, however, continued obtaining grain by all the other means of collection. The activity of the IAC, on the other hand, had increased accordingly and a great part of the CRR personnel had been transferred to it. In the same year, a system of contracts between the IAC and the farmers was established by which the

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the IAC undertook to advance loans to the farmer for purposes of tillage, while the farmer undertook to work the land and deliver his whole crop to the IAC at the accepted market rates. The contracts for the crop of the following year were signed after delivery of the crop of the current year, the IAC then fixing the amount of the cash-advance given to the farmer. The representatives of the IAC kept centralized records in all village councils and copies of these contracts were presented to the agricultural bank, which had branches in each district. The farmer then received the loan on the basis of the signed contract. In the following year, upon delivery of the grain, the IAC paid the difference in price to him. The IAC gave such varieties as were recommended by the national plant for grain collection. The functioning of the IAC and the CRR as described above had not undergone any changes, but the premiums and commissions paid to those dealing with the collection of grain had been decreased.

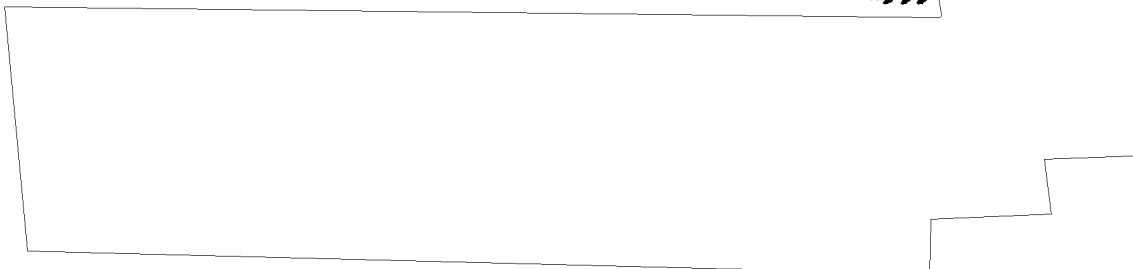
21. The following people were employed at the Iasi district branch of IAC:

a. Lupu Sanielevici, director of the branch since 1955



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b. Marcu Kriegel, chief accountant at the branch since 1955

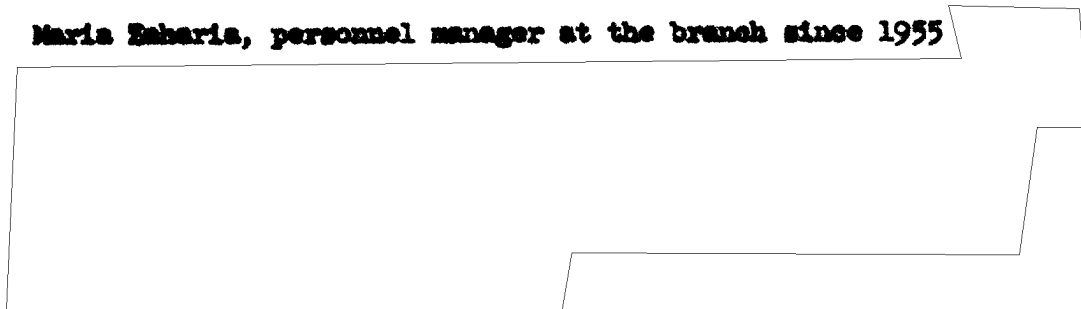


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c. **María Baharís, personnel manager at the branch since 1955**



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**COUNTRY** : Rumania  
**SUBJECT** : Social Conditions and Trend of Opinion at the  
Electronics Factory

[Redacted]

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1. The Electronics radio-receiver factory, which is located at No. 82 Strada Baicalui, Bucharest, has about 1400 employees.
2. The problem which concerns the workers most, is the low wages which are sometimes insufficient to live on. However, many of the workers are able to obtain some food free of charge from their relatives in the country. Since 1957 the authorities' wage policy has undergone many changes, and since then it has been narrowing the gap between higher and lower wage levels. Details on these problems are as follows:
  - a. Until 1957, when the new wage system was introduced, the minimum basic monthly wage at Electronics was 180 Lei and the maximum basic wage 500 to 600 Lei. However, production norms were so low that workers were able to increase their basic incomes up to

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500 percent. On the other hand, this system discriminated against the unskilled worker who was more dependent on the often unreliable supplies of basic raw materials and whose work was only considered as preparatory towards the actual manufacturing of the finished products. For these reasons, an unskilled laborer, whose basic monthly wage was 180 Lei, was able, only with great difficulty, to increase his actual income to some 250 to 300 Lei, while the skilled worker with a basic wage of 500 to 600 Lei was often earning between 1,800 to 2,000 Lei per month.

- b. The minimum basic wage was raised to 300 Lei and the maximum wage to some 940 Lei per month in 1957. At the same time, however, norms were raised to such an extent, that now it is virtually impossible for a worker to exceed his monthly production quota. The only possible way to earn more than the basic wage is for a certain department or for the entire plant to fulfil or exceed its production quota. In such cases workers are given from 5 to 30 percent bonuses, which are divided among them in accordance with their part in the production. Under the new system, a skilled worker who formerly earned 1,800 to 2,000 Lei per month, now has an average income of 1,000 to 1,100 Lei and only on rare occasions does he earn more.
- c. Basic wages were raised by 5 to 10 percent in 1959, without an accompanying norm increase. However, at the same time, the prices of essential foodstuffs (meat, edible oils, butter and dairy produce) were increased by 20 per cent, the prices of clothing and footwear

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remained stable, while the prices of luxury goods (motorcycles, etc.) fall. In fact, the increased food prices more than swallowed the wage increase, although the authorities were able to prove by statistics that, on an average, prices had fallen. (When an increase of 6 Lei per kilogram on the price of meat is countered by a drop of 200 Lei in the price of motorcycles, or of 50 to 100 Lei in the price of a radio, it is obvious that the average cost of living will fall).

3. Details of social rights and obligations are as follows:
- a. Every worker receives 50 percent of his basic wages for three days of absence because of illness. Should he be absent for more than three days, the worker receives from 60 to 90 percent of his basic wage, depending upon the number of years he worked at the factory (further details lacking).
  - b. Until 1957, medical treatment and medicines were free of charge, but since then it has been necessary to pay for medicines.
  - c. A worker who arrives five minutes late for work on one occasion forfeits his bonus for that month. If he is late three times during one month, he receives a written warning and if he persists in being late, he should be dismissed.
  - d. The first time a worker is absent for three days without permission he forfeits a certain percentage of his wages, while the next time he is absent without permission for a equivalent length of time, he is liable to be dismissed.
  - e. Party members have first preference in being sent to rest and convalescent homes, on the ground, that in addition to their productive

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work, they do work of a public nature and are therefore more tired than other workers. Until 1959, workers had only to pay some 5 to 15 percent of their monthly wages when they were sent to a rest home. In return, they received a return ticket to the rest home, and 12 days leave free of charge. Since then, the sum paid by the worker towards the cost of his leave has been increased (details lacking) and he must buy his own travel tickets.

4. Details on promotions and demotions are as follows:
- a. Wage grades are fixed in accordance with the employee's trade and his position at the factory.
  - b. If, for reasons beyond its control, the management is compelled to transfer a worker to a position which carries a lower wage than he had been earning formerly, the worker continues to receive his former salary; premiums, on the other hand are paid according to his new grade.
  - c. A worker is demoted from a higher to a lower wage scale and is paid according to his new grade for the following reasons:
    - (1) For being negligent at his work.
    - (2) If he proves to be unsuitable for his position.
    - (3) If he shows a lack of discipline.
    - (4) If he is accused of failing to take care of the equipment in his charge.
    - (5) If he is for any reason, declared to be an "undesirable element".
    - (6) If the authorities wish to replace him by a person who enjoys the confidence of the Party.

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- [REDACTED]
- [REDACTED]
- d. A large majority of the workers selected for promotion, are those who enjoy the support of the Party (i.e. Party members or candidates for membership). Should it be necessary to choose between a skilled, efficient and diligent worker, who is not a Party member and a mediocre, under-productive worker, who is an active Communist, the latter will receive the promotion.
5. Workers are required to participate in meetings, conferences and A.A. Defense (ALA) training, two - three times per week after working hours. They must also attend ideological seminars (which are for all the workers and not only Party members). Some of the meetings which the workers are compelled to attend, <sup>or</sup> as follows:
- a. A meeting of the trade union of their particular department, which analyzes the results of the month's work.
  - b. Every two weeks a professional meeting, which sums up the previous month's output and determines the way in which the following month's production quota is to be fulfilled.
  - c. Two ideological seminars per week.
  - d. Every two weeks an A.A. Defense seminar or training period .
  - e. All workers are required to participate in meetings which are organized on the occasion of every important internal or international event.
  - f. All workers are required to participate in parades, held on workers holidays (1 May, 23 August, etc.).
  - g. In 1956 following the Hungarian Uprising, Workers Guards, whose members were chosen on Party recommendation, were set up in every industrial plant. The guards have to be Party members and to have

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completed their compulsory military service. They sign a contract with the Military Komandatura of the Workers Guard according to which they undertake to serve for two or three years, and receive military training once or twice a week. They serve to reinforce the plant guard prior to, and during, <sup>public</sup> holidays, and they lead the plant's contingent in parades, wearing their uniforms. The "honor" of being a member of the "Workers Guard" takes up much of the worker's free time. However, in return for this, he can be absolutely sure that he will not be dismissed from his job as long as <sup>his</sup> contract is in force.

6. About 150 of the 1,400 employees at the Electronics Factory are Party members. In accepting new candidates for membership since 1956, the Party has placed particular importance on their "healthy social background", which means that new members are mainly chosen from among the workers, whereas clerks, technicians or engineers have virtually no chance of being accepted. When recruiting new members, representatives of the factory's Party cell secretariat approach prospective candidates and add that the Party has been watching them for sometime and has reached the conclusion that they are worthy of the honor of becoming members. At the same time, they are advised to apply for Party candidacy. While few workers willingly accept this "honor", nobody dares to refuse it and therefore most workers have joined the Party out of fear rather than persuasion. Workers singled out for Party membership are generally those who have most influence over their fellow employees. In addition to the conferences, meetings and seminars mentioned in paragraph 5, Party members are required to participate in cell meetings every two weeks and must take on additional tasks such as propaganda activities

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among the farmers in connection with the collectivization of agriculture, the inspection of work in shops and offices, etc. Although most of the younger employees are UTM members, the Communist Youth Organization lacks any content or interest. Most of the members are absent from meetings and later, few of them join the Party.

7. Almost all workers subscribe to either the Party CC newspaper Scinteia or to Scinteia Tineretului the UTM journal. Only rarely is a worker allowed to subscribe to the trade union paper Munca or to the journal published by the local authorities Rovina Libera (officials are forbidden to subscribe to either of the latter two newspapers).
8. The authorities have sent many skilled workers to evening universities to be trained as engineers, and in recent years institutions of higher learning have mainly been accepting new students who come from worker families. Both of the above mentioned types generally make poor engineers. They suffer from inferiority complexes when working with veteran engineers or with young men who received their diplomas on their merits and not because of their social origin. Their reactions to this situation often result in their taking a critical attitude towards the regime. Veteran or young middle-class engineers do not dare to voice their opinions, while these engineers from worker families continuously complain of their poor salaries and the amount of work demanded of them.

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**COUNTRY** : Rumania  
**SUBJECT** : Construction Trust No. 10

[Redacted]

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1. Some of the construction projects executed by construction Trust No. 10 in Constanta between 1953-1958 were as follows:
  - a. In 1953 the construction of a naval school was started at SiuŃ-Ghiol on the Black Sea between Constanta and Navodari. After six months this project was suspended for unknown reasons.
  - b. Prior to 1953 the Cimentul Paci cement plant at Medgidia was started and by 1954 it was in partial operation. As of 1958 this plant was still not completed. This plant produces the highest grade of cement which is primarily for export.

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- c. The Iron Plant (Industria Metalurgica Unita Medgidia) at Medgidia was built between 1953 and 1956. It manufactures and repairs agricultural machinery and spare parts and maintains within its framework a technical secondary school for metallurgy.
- d. Around 1956 the construction of a factory was started at Navodari that produces superphosphates and sulphuric acid and its derivatives.
- e. A factory for the manufacture of concrete slabs (2x2x3 cm) was built by the Trust near Betonaj, a new railroad station between Navodari and Midea.
- f. The Trust erected a pilot plant at Mamaia, several hundred meters from the casino, for the production of magnesium hydrate, for use in manufacturing refractory bricks. This plant is to derive the compound from salt water by a new process developed by a pharmacist in Constanta. A pipe with a 20 cm. diameter feeds sea water into the plant and fresh water is piped in from Siut-Ghiol. No further details are available.
- g. In 1958, the Trust started work on a maize elevator at Medgidia. The structure (Soviet design) was to cost 17,000,000 Lei, of which, 5,000,000 were to have been spent in 1958. It will be five stories high and contain installations and equipment for carrying out automatically the following processes:
- (1) Sorting;
  - (2) Chemical processing and thermal regulation for pest control and the preventing of spoilage;
  - (3) Packaging;
  - (4) Loading.

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It is believed the the elevator's construction was planned long ago since some of the equipment was brought from the USSR before the walls had been erected.

2. Details of other construction projects in Constanta Province were as follows:

- a. Construction is still continuing at the port of Midea which was to be the terminal of the Danube-Black Sea Canal. [redacted] to [redacted] it will be the site of a naval port, a project the Germans began during World War II.
- b. The railroad line that follows the route of the above-mentioned canal is still in use. The swamps in the vicinity have been drained.
- c. The stretch of railroad between Medgidia and Dorohanti on the Bucharest-Constanta line has been moved so that it will pass over dry terrain rather than through the swamps as was previously the case.
- d. A bay near Navodari is being used as a harbor.
- e. The stone quarries at Navodari, which were so carelessly exploited in the past, have been developed and transformed into large quarries.

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