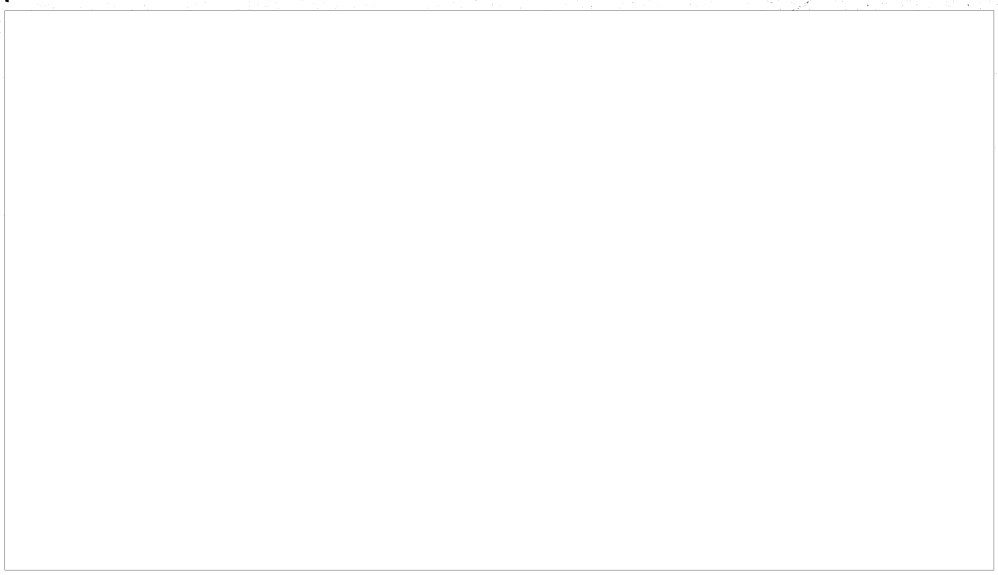

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Rumanian Chemical Industry

Die Wichtigsten Rumanischen Erdolfirmen. 1940

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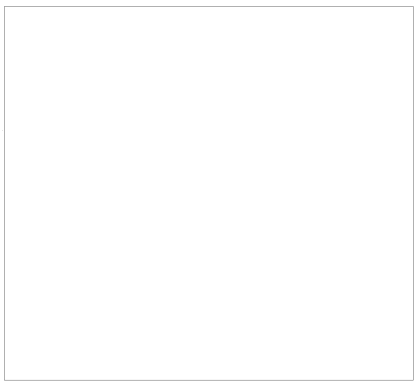

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THE CHEMICAL INDUSTRY OF RUMANIA, 1940

The following report disdusses the Rumanian chemical industry in 1940. It ix discusses some of the chief chemical plants and the production of some chemicals and natural gas. This information was prepared by I.G. Farben which at that time was preparing to take over wider control of the industry in Rumania.

RESTRICTED

[redacted]

THE CHEMICAL INDUSTRY OF RUMANIA

I. ~~The Present State~~ Current Status

Rumania has at its disposal extensive valuable mineral deposits, which in part have still been but slightly exploited, and these would serve for the building up of a chemical industry. On the basis of indigenous crude materials, a basic chemicals industry has developed. Its mainspring is the demand of the petroleum processing industry. An important factor is the presence of natural gas. In 1940, Sonametan, which has a monopoly in this field, produced 334 million cubic meters. The production could be raised by 150 million cubic meters according to statements made by this firm. 85 percent of this natural gas is used by industry for energy and as a raw material; the remainder, i.e. 51 million cubic meters, is used up in domestic consumption. This consumption may increase after the pipes to Bucharest are completed.

In the following we give a brief survey of the most important branches of the Rumanian chemical industry.

(1) Nitrogen is produced in Rumania only for ~~technical~~ industrial purposes. The calcium cyanamide plant (belonging to the Nitrogen Company) that was producing for agriculture has been torn down. Nitrogen produces (in its Fauser plant) 1500 metric tons a year of ammonia for further delivery to Nitramonia. Nitramonia produces ammonium nitrate and 100 percent nitric acid for ~~this~~ Prima Explosivi, Fagaras. (The Bamag Hoko-plant [Hoko is a code name for an oxidizing agent consisting of nitric acid] has an annual production of 3,300 metric tons). Explosives are made by Explosivi.

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The following plants are under construction:

Uhde is building an 8 tato [thousand metric tons per annum?] nitrogen plant for Nitramonia. The same firm is building a 5,000 metric ton per annum nitrogen plant for the large state powder project (Rupul). This project is also supposed to include a Hoko-nitric acid (100 percent) plant with a capacity of 22,500 metric tons per annum and an explosives factory (12,000 metric tons per annum of nitro-cellulose).

(2) Chemicals. The main consumer of sulphuric acid, caustic soda, soda and Fuller's earth is the highly developed petroleum industry. The production of sulphuric acid -- the most important producer was Phönix which now lies in Hungarian territory -- was hard hit by the cession of the most important crude material sources to Hungary (pyrites Baia-Mare). The most important producers are: Marasesti in Valea Calugareasca (capacity 10,000 metric tons a year) and Steaua Romana (10,000 metric tons per annum).

Superphosphate is only produced on a small scale in a bone processing plant belonging to Marasesti.

Soda is only produced by the Rumanian Solvay Works in Ocna Muresului (capacity: 45,000 metric tons per annum); caustic soda, chlorine and chlorine derivatives are produced by the Rumanian Solvay Works and by the Nitrogen Corporation (electrolysis).

Fuller's earth was produced only by Phönix. Since the Fuller's earth deposits are still chiefly in Rumania and since this product is important to the petroleum industry, production is planned by Nitramonia.

The wood carbonization industry is ~~embodied in~~ consists of the three plants at Margina Resita ~~plants~~, Timisoara, ~~that~~ they produce, among other things, acetone (1,000 metric tons per annum) and methyl alcohol (1,600 metric tons per annum).

Since Phonix went out of the picture, flotation chemicals have been produced on a small scale by Rimma. This firm also extracts 2,500 metric tons per annum of sulphur from sulphide ores.

(3) Dyes. The sole producer of dyes is Colorom SAR, Zeiden near Kronstadt (Brasov), which produces sulphur black and azo-dyes. The ~~Temesvar~~ Timisoara Alcohol Factory produces solvents for the paint and lacquer industry.

(4) Pharmaceuticals. The production of pharmaceuticals only partly covers the national demand. The most important firms, Romochim Inc. and Lutetia, Bucharest, are controlled by French and Swiss capital, respectively, and work in part under foreign licenses.

(5) Rayon and Staple Fiber are produced by Viscosa Romanesca and Apretura (1,800 metric tons per annum of rayon). The capacity of the former ~~plant~~ is 1,500 metric tons per annum of rayon and 500 metric tons per annum of staple fiber, and this capacity is ~~supposed~~ to be expanded to 3,000 metric tons per annum of staple fiber.

II. IG Farben Interests

(1) Existing Divisions

Prima Soc. de Explosivi, Fagaras.

IG Farben has a 40 percent interest in the Prima Explosivi through the DAG, Pressburg (Bratislava). On the basis of a governmental concession given in 1928, Prima Explosivi produces explosives for the military needs of Rumania; at the same time, it produces explosive materials for the mining industry. The concession has a 30-year term. In 1950, the plant, producing solely explosives, becomes the property of the Rumanian state. The raw materials for the production of explosives will be delivered by the subsidiary company, Nitramonia.

Nitramonia SAR

Around 85 percent of this company belongs to Prima Explosivi. It produces nitric acid and other chemical products for the production of explosives for Prima Explosivi. To date, ammonia has been obtained from Nitrogen (the contract runs to 1948), but a nitrogen plant (2,400 metric tons per annum) is under construction. After the explosive plant belonging to Prima is given over to the Rumanian state in 1950, Nitramonia will still remain within the IG Farben sphere of interest.

Sardep - STAD

To make certain of the petroleum supply for the petroleum refineries that are so important to us, IG Farben together with

Hugo Stinnes founded, through the Deutsche Gasolin AG [German Gasoline, Inc.] and Apollo, the Sardep and its subsidiary, STAD. Sardep takes care of purchasing and storing crude petroleum (storage tanks were constructed in Giurgiu), and STAD finances a fleet of tankers on the Danube. The first tanker is already in service.

Colorom SAR

To facilitate the sale of our dyes in Rumania -- sales were adversely affected by high tariffs -- Colorom SAR was founded in Zeiden near Kronstadt. This firm, which enjoys practically a monopoly, mixes dyes and produces sulphur black and azo-dyes as accessory products for the lacquer and paint industry.

(2) Participation under Consideration

Sonametan

To make certain of natural gas sources in Rumania, an attempt was made to acquire an interest in the Gaz Metan which is the monopoly owner of the natural-gas sources. This was to be done through the block of stocks (21.5 percent having a value of around 2.3 million Reichsmarks) formerly owned by Malaxa. The Hermann-Göring-Works, which received an option on this block of stocks from the Rumanian government, were sounded out on reaching a division of interests whereby the Hermann-Göring-Works would have had the rights for the distribution of the gas and IG Farben would have had the rights for the chemical refining and at the same time a pooling contract would have been made with the other Rumanian stockholders. Of late, the Rumanians seem to want to begin metallurgical production and to keep the gas distribution in their own hands, while in

the chemical field they seemingly remain willing to cooperate with IG Farben.

Nitrogen

In connection with the projects planned by the Nitrogen Corporation, the question of an interest in this company was also examined. The reason for this was an offer ~~to the amount of around~~ one million Reichsmarks (16 percent of the stock capital) made by ~~one~~ a man named ~~Herr~~ Goldfinger. It was decided in the K.A. meeting [controlling board of directors?] of 11 December 1940 that a closer ~~technical~~ cooperation would only be possible if a majority interest was obtained in Nitrogen. ~~This was made dependent upon a survey that was made by technicians in May of this year.~~

We give as an appendix a listing of the most important firms of the Rumanian chemical industry, taking particular note of the works within the IG Farben sphere of interest.

III. Projects

The expansion of the Rumanian chemical industry should only cover those fields in which, through a favorable basis of energy and raw materials and other favorable conditions, an ability to compete with the German chemical industry would be certain.

In the following, the fields are considered in which such a development would be possible within the scope of the projects in which IG Farben is interested. Those capable of development are: nitrate fertilizers, organic mass products based on natural gas, special products based on petroleum, superphosphate and electro-

chemical mass products based on water power which is supposed to be made available. The projects in the following groups are dealt with:

Nitrogen

Those based on natural gas

Treatment of petroleum

Sulphuric acid -- superphosphate

Various individual projects

Cellulose -- staple fiber

Water power

Nitrogen

There are various projects running simultaneously in the nitrogen field all of which are based on natural gas as the energy source and as the raw material.

Nitramonia, a subsidiary company of Prima Soc. Explosivi, Fagaras, is constructing a primary nitrogen plant (2,400 metric tons per annum of nitrogen) through the IG Farben Branch I/Bamag. This is ~~supposed~~ to supply the existing nitric acid plant with ammonia. Until now, Nitramonia received its materials from the Nitrogen Corporation, and it has a delivery contract running to 1948 with Nitrogen. On the other hand, Nitrogen, in recognition of the construction undertaken by Nitramonia and other projects, has set aside its plans for expansion of its installations.

The State Powder Factory planned an installation (2,400 metric tons per annum of nitric acid from ammonia available) for its plant

at Dudesti near Bucharest and an agreement was reached with Ferrostaal, which outlined ~~in competition with~~ Uhde. As a result of arguments over ~~formalities about the method~~ details of delivery, the matter ~~came in arrears and a year ago it~~ came to a complete standstill and ~~in consideration for~~ set back the following project.

The Rumanian Ministry of War came to an agreement with Ferrostaal in April 1940 on the construction of a combined Nitrogen-military explosives plant (5,000 metric tons per annum of nitrogen with corresponding amounts of nitric acid and explosives, Project: "Rupul", with a total value of 86 million Reichsmarks of which one-third has already been paid through the German clearing house) in which ~~where~~ Uhde would take over the primary nitrogen division, Bamag would handle nitric acid and Wolff-Walsrode would handle the explosive installation. At the moment, the large-scale rail and road construction for this project is being carried through.

Besides the above projects, which ~~are in~~ principle already for the extraction of nitrogen for technical purposes, i.e. explosives, the production of nitrate fertilizers has been considered for quite a long time. In 1939, IG Farben Branch I, as a consequence of the Rumania report of the SOA, planned in detail projects involving 20,000 metric tons per annum of nitrogen in the form of calcium nitrate. More recently (the journey of Dr. Bütefisch in May 1941) ~~one thinks in terms of~~ 10 to 15 thousand metric tons per annum of nitrogen have been considered. It is planned to work together with the existing manufacturers of nitrogen and above all with the natural gas monopoly, Gaz Metan. Further, it is necessary to reach an agreement with the

Rupul plant, since, insofar as the primary nitrogen was not converted into explosives during production cut-backs, it should be turned over to the nitrate fertilizer plant for further treatment. The present sales possibilities for nitrogen are significantly below the production figures quoted. With proper promotion the demand will probably increase above the production.

Natural Gas as a Basis

Beyond being used for the production of nitrogen, natural gas can serve as a valuable raw material and as a source of energy for the production of organic mass products. But it is only economically feasible when the natural gas can be used in a large enough market. The small-scale production of formaldehyde (150 metric tons per annum) takes place at a loss. The formaldehyde production was undertaken by Gaz Metan with the help of the GHH.

A matter for consideration is the conversion of natural gas into methanol or possibly higher order alcohols or into acetylene. From this, acetaldehyde (an initial substance for producing synthetic rubber) or acetone could be produced in amounts of 5,000 to 10,000 metric tons per annum for sale in Germany. For practical purposes, this production could be combined industrially with the production of nitrogen. The production of rubber carbon black on a large, economically justifiable scale would take up only a relatively small part of the natural gas produced due to the small yield in relation to the raw material. This stands in the way of its further use. (A short-term production, for the duration of the war, with an appropriately rapid amortization, could be considered.)

Petroleum Processing

In this field the use of special methods is to be considered, on the one hand in the field of production of valuable lubricating oils, on the other hand, the treatment of gases during distillation and cracking to get special fuels or solvents. In the lubricating oils field, the firm Uhde has begun negotiations with the petroleum companies, Concordia, Unirea and Steuea Romana. The first two of these firms (Concordia and Unirea) want to work with the IG Farben propane and phenol method -- the technical planning is under way.

In the gas refining field, only one iso-octane plant belonging to Credital Minier is known. This was built in recent years by the Brünn-Königsfelder Maschine Factory; but, after brief operation, it was closed down due to technical difficulties. IG Farben technicians from Oppau, ~~in connection with~~ and technicians from Bamag, are supposed to set the plant (which works ~~according to~~ with American patents) in order in the near future.

The refining of gaseous hydrocarbons coming from the petroleum processing seems to be capable of further development, if the supply of necessary raw materials can be assured by transferring the petroleum companies to German control, or by other means. Branch I (Dr. Ringer) is at the moment examining the possibilities for the production of special fuels in Rumania. Furthermore, the conversion of propylene into acetone or propyl alcohol and possibly the conversion of butylene into butanol can be considered.

Sulphuric Acid -- Superphosphate

The Rumanian sulphuric acid supply, which was insufficient, has been further decreased by the cession of north [redacted] (Transylvania). Large-scale and, above all, economically feasible projects in this field can only be possible on an import basis (Mediterranean region).

The Mica Corporation is [redacted] to build a smaller sulphuric acid plant which will use its own pyrites. It is to be built by Lurgi.

Efforts to improve Rumanian agriculture must at the same time have an increase in the use of nitrate fertilizers and superphosphate as their goal. The latest plans in this connection would entail the manufacture of around 18,000 metric tons per annum of sulphuric acid, and, from this, the production of 20,000 to 40,000 metric tons per annum of superphosphate. To a smaller degree, sulphuric acid could also be used for the production of Fuller's earth for the petroleum industry. Braila might be considered ~~for the place to~~ as a location for such a plant which would ~~work~~ process imported pyrites and crude phosphate. On-the-scene ~~investigations~~ studies in this connection are being made by Dr. Munch of AWP Leuna.

Various Individual Projects

On Nitrogen's own initiative and on the basis of a sounding-out by an IG Farben commission (~~or~~ i.e. the visits made by the Rumanians to various IG Farben branches), a number of projects were discussed with Nitrogen in 1939. These projects ~~did not concern~~ were

~~to the size of the~~ larger than other Rumanian projects, although the favorable natural gas -- energy situation of the plant was the reason for the following up of these negotiations. At the moment most of these projects are without interest -- in particular there can be no consideration of the synthetic rubber and pharmaceuticals projects.

In the pharmaceuticals field, Leverkusen made an offer for producing Neosalvarsan at Nitrogen installations to cover a part of the Rumanian needs. This was turned down as being unsatisfactory. Bayer turned down a cooperative project in the insecticides field. In the same way, it was possible to turn down ~~wishes for~~ synthetic rubber production on the grounds that the process was so complicated and that it was impossible to make the necessary technicians available for the project. A contract was made with Griesogen for the delivery of acetylene developing apparatus. The plans for an expansion of the nitrogen plant came to naught due to the Nitramonia projects. ~~Due to the lack of necessary decisions on the part of the Rumanians, the interests of the Rumanians in~~ the production of pure soda lye came to nothing. This proposed production was connected with the staple fiber project discussed below.

Cellulose Staple Fiber

The project of a staple fiber plant has been discussed several times in Rumania. After IG Farben, Branch III, refused in 1937 to cooperate in a Rumanian enterprise, a Chemnitz firm ~~[illegible]~~ working with Viscosa Romaneasca in 1938, arranged for a small staple-fiber plant for rayon to compete with IG Farben. In 1939, the Nitrogen Corporation showed interest in a 7,000 metric tons per annum staple fiber plant, which would process cellulose produced by the Zarnesti factory.

Zarnesti also belongs to the Mica Trust. The matter came to a halt during 1940, at first through the fault of the Nitrogen Corporation. It will not be further pursued. Because of the cession of north [redacted] Transylvania, the basic supply of wood raw materials was severely affected, so that the following project assumed foremost importance.

In 1940, Zarnesti in agreement with Mica requested IG Farben to give technical assistance in working out a method of extracting cellulose from reeds as an initial product for the production of staple fiber. NW 7, in particular the "Vowi" [probably the Volkswirtschaftsamt -- Office for Domestic Economy], undertook extensive preparatory work in the study of readying the raw material. In July 1940 IG Farben representatives as well as Rumanian officials travelled ~~over~~ through the Danube delta. Further, tests were made of reeds from the second half of 1940's period of growth. The tests were made in Wolfen. No final decision was given, but the results seem to have been favorable. Branch III, however, took the position that IG Farben should definitely keep out of staple fiber manufacture and that, as a result of a shortage of technicians, the working out of a process completely developed to the point where manufacture could begin (which would take years) seemed impossible for the time being. The reports in this connection were handed on to Herr Doctor Gajewski with the request that he reach a decision as to whether the matter should be given over to other German firms or offices. At the moment, the Thüringische Zellwolle AG [Thuringian Staple Fiber Inc.], Schwarza, seems to be interested in the reed project.

Viscosa Romaneasca's plans to produce cellophane have been set

aside, because, ~~because~~ in addition to the technical difficulties, the necessary sales possibilities do not exist in the markets receiving deliveries from Rumania.

Water Power

The electrochemical industry would have excellent possibilities for development with the building of water-power stations on the Danube at the Iron Gate, where stations could be built to produce 600,000 to 800,000 kilowatts (around 6 billion kilowatt hours). For example, a large-scale aluminum production of 50,000 metric tons per annum of aluminum including bauxite treatment would need 200,000 kilowatts. In any case, plants producing alloys would be the heaviest consumers of electricity. Hansa Leichtmetall [Hansa Alloys] and VAW both are making experiments in this field. The chemical production using natural gas (including nitrogen) mentioned above as capable of being built up could use up to a maximum of 100,000 kilowatts.

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IV Industrial Chemical Plants

The most important branch (according to value) of the Rumanian chemical industry is the industrial chemicals branch. The production of sulphuric acid, sulphates, soda products and calcium carbide is of particular significance. The production of sulphuric acid is based on the utilization of large Rumanian deposits of pyrites and sulphide ores. ~~Beyond~~ (In addition to) the petroleum refineries, the superphosphate industry and the producers of sulphates as well as the textile and metallurgical industries are large consumers of sulphuric acid. In spite of the heavy need for sulphuric acid within the petroleum industry, only one petroleum company, the Steaua Romana Corporation for the Petroleum Industry, Campina, has its own contact sulphuric acid plant. This plant has a capacity of 10,000 metric tons a year. The other producers of sulphuric acid are those contained in the sulphuric acid sales cartel, the Sulphur Corporation for the Chemical Products Trade, Bucharest. These firms work chiefly with the lead chamber process and are:

Marasetti Rumanian Corporation for the Chemical Industry, Bucharest. Capacity:

Phönix Sulphuric Acid and Chemical Products Factory Inc., Baia-Mare. Capacity: 42,000 metric tons a year.

Rimma Transylvanian State Mining and Metallurgic Combine, Bucharest. Capacity: 3,500 metric tons a year.

Timis Chemical Industry Inc., Temesvar. Capacity:

Of particular note in the ~~many sided~~ varied Rumanian production of sulphates is - ~~beyond the sodium and aluminum sulphate production~~ - the production of copper sulphate; the three most important producers are in the order of their importance:

Phönix Sulphuric Acid and Chemical Products Factory Inc., Baia-Mare.

Marasetti Rumanian Corporation for the Chemical Industry, Bucharest.

Rimma Transylvanian State Mining and Metallurgical Combine, Bucharest.

These companies almost control the Rumanian market.

The chief consumers of caustic soda and soda are the Rumanian glass industry, the petroleum refineries, the textile industry and the soap industry. Ammonia soda is only produced in the Ocna Muresului Plant of the Rumanian Solvay Works which belong to the Solvay Trust. They caustify a portion of the soda. The capacity is 45,000 metric tons a year. Caustic soda, chlorine and chlorine derivatives are produced by the Rumanian Solvay Works in their Turda Plant as well as by the Nitrogen Rumanian Artificial Fertilizer and Chemical Industry Inc., Diciosanmartin. The Nitrogen Corporation was recently ~~nationalized~~ taken from its Hungarian owners and nationalized.

The Nitrogen Corporation is the sole Rumanian producer on a particularly large-scale of calcium carbide, having a capacity of 30,000 metric tons a year. The degree of utilization of the installation was 18.3 percent in 1938. Earlier, a large portion of the calcium carbide produced was further converted into calcium cyanamide (in 1929, 3,600 metric tons a year of nitrogen). With the exception of very brief interruptions, the calcium cyanamide works have not been producing since 1933.

The great significance of methane obtained from the numerous

natural gas wells must be particularly noted. The methane serves not only as the energy source for many Rumanian chemical works but beyond this as a chemical raw material. Carbon black is produced by the Bata Rumanian Shoe Corporation, Bucharest. But a producer of particular importance is the National Natural Gas Company of Rumania Inc., Bucharest (Sonametan). This company is undertaking extensive expansion. This company, as is the Nitrogen Rumanian Artificial Fertilizer and Chemical Industry Inc., Diciosanmartin, is busy completing and developing syntheses of methane derivatives (chlorination products, formaldehyde, formic acid, oxalic acid etc.). Further, Sonametan plans production of synthetic rubber (buna) using methane as a base.

Of particular significance as producers of solvents for the dye and enamel industry are the Chemical and Food Industry Inc., Grosswardein, and the ~~Temesvar~~ Timisoara Alcohol Factory and Chemical Industry Inc. [redacted]

The chief purchaser from the paint and lacquer branch, which is in second place according to value and practically covers the internal demand, is the petroleum industry. Production is divided among 30 producers, most of whom are small. The four largest producers are:

Zimmer and Co. Rumanian Corporation, Bucharest

Polychrom Paint, Lacquer and Chemical Factory Inc., Arad

Coroana Lacquer, Paint and Chemicals Factory Inc., Bucharest

The sole producer of dyes in Rumania is the Colorom Rumanian Chemical Factory Inc., Zeiden, which has limited itself to date to the production of sulphur black and azo-dyes as well as accessories

for the textile, leather and paper industries. The company, which was formerly known as Chimica Alba and belonged to the Italian Acna-Trust, now is one of the associates of IG Farben. The Rumanian government plans further construction within the dye industry.

The production of pharmaceuticals is in sixth place (according to value) and only covers the national demand in part. This branch is strongly controlled by foreign capital. Beyond the home production, working in part under foreign licenses, the finishing of foreign preparations plays an important part. The largest producers of pharmaceuticals in terms of capital invested are:

Romochim Rumanian Corporation for Chemical Industry, Popesti-Leordeni (Swiss capital)

Lutetis Rumanian Pharmaceutical Laboratory, Inc., Bucharest (French capital)

Gea-Krayer General Wholesale Drug and Medicine Industry Inc., Temesvar (Hungarian capital)

Ufarom Rumanian Chemical-Pharmaceutical Works Inc., Klausenburg (Rumanian capital)

The wood carbonization industry which is in third place in point of value is ~~particularly embodied in~~ includes the three works of the Margina-Resita Wood Carbonization Inc., ~~Temesvar~~ Timisoara, which belongs to the Degussa Trust. The Darmanesti Wood Distillation Co., Darmanesti, is of considerably lesser importance.

Tanning substances in the form of oak and pine bark extracts are produced by the Maramures Industry Inc., Viseul de Sus; while the Colorom Rumanian Chemical Factory Inc., Zeiden, makes synthetic tannin.

The sole Rumanian producer of synthetic ammonia is the Nitrogen Rumanian Artificial Fertilizer and Chemical Industry Inc. in Dicio-sanmartin, which doubled its capacity recently to 1,200 metric tons a year of nitrogen. Beyond this the company plans, together with the First Rumanian Explosives Company or its subsidiary, the Nitramonia Rumanian Corporation, an expansion to 7,000 metric tons a year of nitrogen. The production of nitric acid for the explosives industry is planned -- the industry has, until now, chiefly made its nitric acid from imported potassium nitrate. Also planned is the production of commercial fertilizers for Rumanian agriculture.

Superphosphate as well as bone-processing factories are owned by the two large sulphuric acid producers, the Marasetti Rumanian Corporation for Chemical Industry, Bucharest, and the Phönix Sulphuric Acid and Chemical Products Factory Inc., Baia-Mare.

Rumania has two viscose-rayon factories with a total combined capacity of 1800 metric tons a year. One is the Apretura Rumanian Spinning, Weaving, Finishing and Printing Factory Inc., Bucharest, ~~has been~~ in operation since 1937, and the other is the Viscosa Romanesca Rumanian Corporation, Bucharest, that has been operating since the beginning of 1939. The latter also produces viscose foils, sponges and capsules and plans a further expansion of its plants. In 1928 the First Rumanian Rayon Factory Inc., Bucharest, belonging to the Aku-Celanese Trust, was founded. However, at the end of 1939, it still had not begun the construction of ~~the~~ works planned at Cluj, ~~but has only planned.~~ The Lanital Corporation, Bucharest, whose capital investment was recently raised from 2 million Lei to 5 million Lei plans production of Lanital in accordance with patents from SNIA Viscosa, Turin.

Explosives were [redacted] produced until recently in the Faragas State monopoly plant of the First Rumanian Explosives Company, Bucharest. However, recently, the Hermes Vegetable Oil Refineries Rumanian Corporation, which has been working contractually with the above company, has been producing nitroglycerine.

Besides this, the Nitrogen Rumanian Artificial Fertilizer and Chemical Industry, Inc., Diciosanmartin, plans the production of explosives on the basis of a governmental subscription. Black powder is produced as well as by the First Rumanian Explosives Company, Bucharest, by the Lacutate State Powder Factory, Bucharest. The Dudesti State Powder Factory produces only nitric acid.

The sole Rumanian match manufacturer (because of a government monopoly) is the Rumanian Match Manufacturing and Trade Company which belongs to the Svenska Tändsticks Trust.

Projects which have existed for many years to extract aluminum from the numerous bauxite reserves available, using petroleum for energy, have, to date, not been realized. The Mica Rumanian Mining, Inc., Bucharest, which planned a mill for crude aluminum turned over its concession (given by governmental decree) for the building and running of a mill to the Concordia Rumanian Petroleum Industry, Inc., Bucharest. However, this concern also did not carry through this project. Now, on the basis of a government decree, the Nitrogen Rumanian Artificial Fertilizer and Chemical Industry, Inc., Diciosanmartin, is supposed to construct, with French assistance, a mill for crude aluminum with a capacity of 500 to 600 metric tons a year. The German-Rumanian economic treaty also includes plans for the construction of a Rumanian aluminum industry.

The Rumanian chemical industry has developed strongly in recent years and is also at present engaged in lively construction. This development is a product of the general tendency of the country towards industrialization. Recently this development has enjoyed important support from the government which has entered into the construction plans of the large chemical firms by giving subsidies, introducing import restrictions and offering credit guarantees from the semi-nationalized National Industrial Credit Company, Bucharest. (This company granted credits to the Rumanian chemical industry, not including the petroleum industry, in the amount of 288.6 million Lei in 1937, compared to 30.2 million Lei in 1936.)

Certain difficulties arise from the fact that, as in other industrial branches (e.g. petroleum industry), the important chemical industry is under the decisive influence of foreign capital. In this connection, the strong position of the Belgian Solvay Interests is particularly noteworthy. Also of interest, is the position of the Prague Union which works together closely with Solvay in Rumania.

With the decisive collaboration of the Rumanian government, the Nitrogen Corporation was nationalized [redacted] and has developed into one of the most important chemical enterprises in the country. [redacted].