

INFORMATION REPORT

CD NO. 13 SEP 51

SECURITY INFORMATION

COUNTRY Romania

DATE DISTR.

SUBJECT 1. IAR Factory
2. SMT Agricultural Organization
3. Financial Data

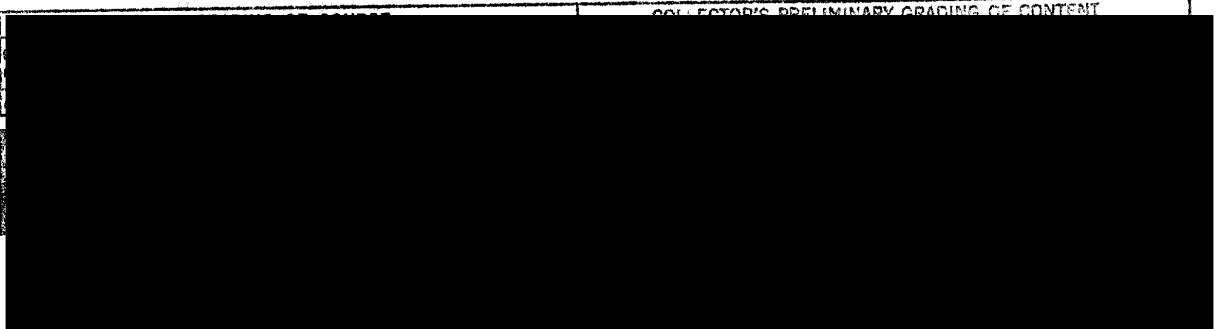
NO. OF PAGES 2

PLACE ACQUIRED [redacted] 25X1C

NO. OF ENCLS. (LISTED BELOW)

DATE OF INFO. [redacted] 25X1A

SUPPLEMENT TO REPORT NO.



- 25X1X
- IAR subsidiaries, Numbers 22 and 23, in Stalin (Brasov) manufacture agricultural tractors. The cost of each tractor is 1,570,000 lei. The factory also manufactures harrows at 285,000 lei each and threshing machines at 2,800,000 lei each. The Five Year Plan calls for 25,000 tractors to be manufactured by IAR. Informant states that IAR has also been making some small, light aircraft used for scouting during the recent months.
 - In Rumania today there exist 157 SMT Stations or agricultural cooperatives, which have been established since 1947. By 1955, it is hoped that a total of 500 SMT centers will have been organized.
 - Each SMT center hires between 300 and 500 workers, depending on the size and needs of the area, and operates at a loss of between 10,000,000 to 25,000,000 lei per year. The losses are offset by the profits made in the metallurgical industries.
 - Agricultural produce is exported, almost exclusively, to the Soviet Union at the following prices: wheat at four lei per kilogram; barley and oats at 3.20 lei per kilogram and rye at five lei per kilogram. Some of this produce is allegedly resold to Rumania at increased prices.
 - In 1947 and 1948, SMT workers were paid salaries between 3,000 and 9,000 lei per month. In 1948, salaries were gauged according to the amount of work turned out and averaged 12,000 to 15,000 lei per month. Some workers earned as much as 20,000 lei per month. In 1950, a new minimum of work production was set requiring workers to produce "much more" than in previous years. Salaries dropped accordingly and hovered around the 7,000 to 8,000 lei per month level.
 - Each SMT center maintains a school where tractor operators are trained. Between 100 and 150 persons from the poorest families are accepted in each school period. The students are given 200 lei a month "spending money" and all expenses are paid by the Government. The Five Year Plan, ending in 1955, calls for the training of 25,000 tractor operators.
 - With the increase in the number of SMT centers, there has arisen an acute shortage of bookkeepers. Accordingly, in Bucharest, the Ministry of Agriculture has established an accounting school which graduates 120 bookkeepers every three months. While attending school, each student earns 5,000 lei "pocket money" per month. Each SMT center needs six bookkeepers.

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CENTRAL INTELLIGENCE AGENCY

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8. SMT stations hiring accounting personnel pay premium salaries for propaganda reasons. An auditor, or inspector, earns between 18,000 and 22,000 lei per month. Bookkeepers earn 10,500-16,500 lei per month.
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9. [REDACTED] official Government policy calls for the fullest possible exploitation of Rumania's agricultural potential. Accordingly, the Ministry of Agriculture pays the highest salaries in comparison to other ministries. The program calls for continued losses in operation until the country's agricultural lands are completely state-owned. Profits are expected from 1955 onwards.
10. Minister of Agriculture Vasile Vaida and Minister of Finance Vasile Luca have frequent meetings to arrange for deficit spending. On the occasion of such conferences, directors of SMT centers and chief bookkeepers are invited to Bucharest for consultation. [REDACTED] the director of an SMT center spends an average of 150,000 lei per month for travelling to Bucharest.
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11. [REDACTED] the Rumanian Government has not taken land away from its owners because of fear of revolt. However, the tax rate is geometrically progressive in order to compel large landowners to collectivize their property. An owner of one hectare of land pays seven kilos of produce to the Government and an owner of two hectares pays twenty-two kilos of his produce to the Government. An individual owning 100 hectares turns over the entire production (sic). Ten percent of a farmer's produce is given to the Government and seven percent to the SMT center for cultivation of his land. No money equivalent is acceptable for taxes, only the produce itself. It is permissible and in some cases necessary for a landowner to buy wheat on the market to pay his share of taxes. In 1951, owners of 40 to 50 hectares had to do this.
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12. [REDACTED] SMT centers are organized along military lines. The Government was considering placing workers under military jurisdiction. As of April 1951 no action had been taken.
13. SMT centers have petroleum, fuel oil, gasoline and oil deposits in quantities between six and fifteen carloads (one carload is equivalent to ten tons) for use by tractors and other agricultural machines.

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