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REPORT NO.

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## INFORMATION REPORT

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The Butoiul (Barrel) Factory in Rumania

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SUPPLEMENT TO REPORT NO.

1. General. The Butoiul (Barrel) Factory, located at Strada Viilor No. 52

- Bucharest, near the Filaret Railroad Station, covers an area of approximately 2,000 square meters and employs 600 - 700 workers. It does not have a power station of its own. It was formerly a part of the Rasaritul Rosu factory, which is still in existence and produces furniture.
- 2. Organization. The factory works in three shifts; each shift has a foreman responsible for the quality of the output, protection of machinery, proper use of materials, and fulfillment of "norms." Source states that the Technical Manager actually runs the factory, though there is a General Manager above him, and that the Chief Accountant (a certain Dumitrescu is not a Party member) is also of more importance than his position indicates. Other members of the staff are the Production Manager (a certain Chirulescu whom source says was "removed from the Party"), the Supply Manager (Manfred Kirmeier, whom source says was "removed from the Party"), the Administrative Manager (Wili Brumwasser, a Party member), a Personnel Manager and a Security Manager.
- 3. <u>Production Details</u>. Oak boards needed for the production of barrels are brought from various factories, but especially from the Gugesti factory in Moldavia, which employs 10,000 workers. The Butciul factory receives approximately 100 tons of boards daily; it keeps in its own yard a stock of 500 - 600 tons of oak boards. The boards, before being processed, are put for two or three days into a drying chamber equipped with wood heating furnaces. After the boards are dried they are passed to the cutting department, equipped with ten machines of unknown make. After cutting, they are transferred to another department where they are bent with the help of steam. Cut and bent, they are then carted to a third department and put together into barrels. In this third department the barrel hoops are also produced. In a fourth department the barrels are painted and then taken apart to facilitate shipment. The machinery used in all these processes is described by source as "old as

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- 4. Destination of Barrels. Until 1950 barrels for wine, jam, preserves, beer, etc., were produced in the Butoiul factory and distributed exclusively to local markets. Since 1950, however, the factory has been restricted to the manufacture of beer barrels, all of which are exported to the USSR as part of what source describes as Rumania's war compensation. The factory's daily output is 500 barrels, capacity 50 liters each. Each day's production is shipped by rail to the Soviet border where it is received and examined by Soviet "experts." When defects are found, as they are, according to source, frequently, the whole consignment is returned.
- 5. Financial Matters. All work at the factory is done on a piece-work basis. An expert earns about 40,000 Lei for a working day of 12-14 hours. Funds needed to meet the factory payroll are received from the State Bank only when a detailed statement of the "fulfillment of the plan" is presented. This statement, signed by the General Manager, the Technical Manager and the Chief Accountant, is checked by a bank employee who makes an investigation on the spot." Only after the investigation has been completed is the money for the payroll produced. Furthermore, the factory is not permitted to keep any amount of money on hand; even the small sums it receives from the sale of waste must be transferred immediately to the Bank. Source adds that the factory works constantly at a loss.