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**INFORMATION REPORT**

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SUPPLEMENT TO REPORT NO. 25X1

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25X1A1.  the Ministry of Metallurgy and Chemical Industry has been divided into eleven Departments and a Secretariat (political). The eleven departments were:

- a. Foundries.
- b. Chemical Industry.
- c. Mines.
- d. Metallurgy.
- e. Machinery and Heavy Industry.
- f. Supply and Distribution.
- g. Administration.
- h. Bookkeeping and Finance.
- i. Personnel (political).
- j. Investments.
- k. Planning.

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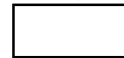
2. The department of Machinery and Heavy Industry had the following sections:

- a. Technical, with subsections for
  - (1) Investments,
  - (2) Technical execution,


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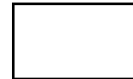


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- (3) Planning,
  - (4) Special Orders.
- b. Administrative, with subsections for
- (1) Supply,
  - (2) Bookkeeping and Finance,
  - (3) Administration,
  - (4) Cadres.
3. The DGMU, Directiunea Masini Si Utilaj Greu (Machinery and Equipment for Heavy Industries Organization) received detailed orders from the works concerned of the machinery, tools and materials they required in order to carry out their production plans for the coming year. The order was always based on their production plan for the previous year. DGMU prepared duplicate lists of these orders and forwarded them to DAR, the Directiunea De Aprovizionare Si Repartitie (Supply and Distribution Organization). DAR made a breakdown of the orders according to the different items orders, which totalled more than 700, and also calculated costs. Up to 1950 these prices were calculated in dollars, and from 1951 in roubles, four roubles to the dollar. All eleven branches of the Ministry submitted lists of orders to DAR. The DAR coordinated all these order lists for submission to the Supreme Planning Commission of the state. As each item was approved, eleven duplicate order forms were prepared, and sent to the Local Production Department of DAR in the case of goods made in Rumania, and to the Ministry of Foreign Trade in the case of items having to be imported. This Ministry made its purchases through foreign trade companies. Imports were immediately authorized if they bore the indication "P.S." ("Special Problem"). Lists of materials and equipment obtainable in Rumania were sent to DAR periodically to prevent unnecessary orders being placed for imports. Where applications for imports were made in respect of items that had only recently begun to be produced in Rumania, the order was returned to DAR with a notification where the materials required could be obtained. When imported goods arrived, the importing firm employed by the Foreign Trade Ministry notified the DAR. Where these items were for general distribution, they were placed in the DAR stores in Bucharest, Constanta, Galati, Ungheni, Oradea Mare and Arad. Notification of the arrival of special orders was sent directly to the factory concerned, which then collected the goods from the importers. Other materials stored by the DAR consisted mainly of orders that were subsequently cancelled, and of material sent by the USSR although this material may have been ordered, a frequent occurrence.
4. The following factories, which placed their orders through the DAR,  25X1
- a. 23 August Bucharest: Cement crushing rollers for cement factories. The large cogwheels required for these rollers were ordered from Belgium, as the lathes required to make them could not be constructed in Rumania. Pipes and boilers for cement factories. Internal combustion engines for gasoline and diesel oil. Railroad cars.
  - b. 6 March, Tohanul Vechi: Arms of all types.
  - c. Timपुरi Noi, Bucharest: Water pumps and precision parts for machinery.

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- d. Steagul Rosu, Stalin: Military equipment, arms and railroad cars.
- e. Flamura Rosie, Arad: Railroad cars.
- f. Vulcan, Bucharest: Mobile bridges, cranes and boilers.
- g. Union, Satu Mare: Railroad cars.
- h. Ciahlau, Piatra Neamt: Repair of railroad cars.
- i. Independenta, Sibiu: Internal combustion engines, repair of military equipment.
- j. Steaua Rosie: Concrete mixers.
- k. Cujir: Arms and tools.
- l. Bela Breiner, Stalin: Arms.
- m. Strungul, Stalin: Lathe tables, small lathes, machine parts.
- n. IMS, Roman: Harvesters and other agricultural machinery.
- o. IMS, Sibiu: This factory passed to the Ministry of Defense and made arms.
- p. Former Voina Factory, Bucharest: Agricultural machinery.

Not all factories of this type belonged to the Department. Those which had formerly been German or other enemy property belonged to a special Sovrom Department of the same Ministry, as for instance the former Ausnit Works, appropriated by the Germans under the Antonescu government and renamed Goering Works.

5. Other Sovrom factories were:

- a. Sovrommetal (formerly Margina Resita Works)
- b. Otelul-Rosu, Ferdinand (formerly Titan-Nad-Rag-Calan)
- c. Nadrag and Calan Works
- d. Sovromtractor (Formerly IAR Stalin).

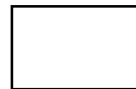
6. The Section for Special Orders supervised the armaments factories. It had been decided in the summer of 1950 to switch all the above factories over to the armaments industry. This plan was not accomplished as the necessary machinery and materials ordered from the USSR and her satellites failed to arrive in time. The following factories already worked for the armaments industry:

- a. Ilie Pintilie Factory, Ploeni, Prahova district.
- b. 6 March Factory, Tochanul Vechi, Stalin district.
- c. Bela Breiner Factory, Stalin.
- d. IMS, Sibiu.
- e. Steagul Rosu Factory, Stalin.

7. Orders for machinery and materials were sent to Moscow by a special committee for approval. Orders that could not be filled by the Soviets themselves were passed on to the satellite countries. Materials for armaments could be ordered

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from Western countries until the supply of strategic material to Communist countries was banned in April 1951. Ball bearings, for instance, were produced by the Steagul Rosu factories at Barlad and Stalin, but not in sufficient quantity, and of bad quality. As the Soviet-made bearings were also poor [redacted]

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[redacted] These consignments were also cancelled in April 1951. Imports were made through Masinimport and other import and export companies belonging to the Ministry of Foreign Trade.

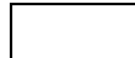
8. The Soviets sent large quantities of materials that had not been ordered, and were not needed, but nobody dared to refuse them. As the quality of these materials was very often not in accordance with specifications, the finished products were of inferior quality. Delivery terms were always fixed by the Soviets at three months, but seldom kept, so that the factories could not work according to plan. The IMS factory at Cotroceni repaired Zis cars belonging to the Government. Parts sent for this purpose by the Soviets were of such poor quality that the manager of the factory, Petroianu, an engineer, invited a commission to study the position. The commission decided to refuse acceptance of the goods, which were to be returned to the suppliers. As a result, the manager and all members of the commission were arrested and have been detained ever since. On one occasion, when a large consignment of utility radio sets was sent from the USSR the engineer responsible who had read in a Soviet magazine that these were unsatisfactory and had many defects refused to accept them and was also arrested. He was later freed again owing to the magazine report. The radio sets were sent to the Supply Section, which had them overhauled and altered by the Vestitorul (formerly Standard) Radio Works. In 1950 the following goods were delivered: Steel, iron lathes up to 2,400 m/m capacity, iron planes and shaping machines, tractors, grind stones, colophonium, natural and synthetic rubber and tires, and crude iron.

Sovromtractor also produced tractors. According to reports in the papers the number of locally produced tractors was 5,000 in September 1951, whereas Rumania needed a minimum of 25,000.

9. Large lathes up to 3,000 m/m and calcium fluoride for smelting purposes were imported from Poland.
10. Calcium fluoride for smelting purposes and large quantities of copper were imported from Bulgaria. [redacted] the copper formerly came from Yugoslavia.
11. Imports from Czechoslovakia were:
- Cars, Tatra and Skoda (civilian and military) Prag (trucks).
  - Tires.
  - Calibration instruments for cartridge chambers of rifles and guns. In 1950, 100,000 of these instruments were ordered, but delivery was slow, about 200 or 300 pieces being sent at a time.
  - Carborundum grind stones.
  - "Poldi" special steels for the cutting edges of lathes and other tools.
12. Special grindstones from the Reick factory, Dresden were imported, along with "Boehler" special steel for knives and tools.
13. Grindstones were produced locally, 150 tons yearly, by the Colentina factory near Bucharest. Production was not sufficient and the stones could not be

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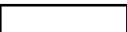


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used for all purposes, as they were all large, from 600 m/m upwards, and coarse in texture. In 1951, a new grindstone factory was erected to Turda, 25X1 yearly production of which was said to be 1,000 tons.

14. Special steels were obtained from Eastern Austria, chrome-nickel wire for dynamite cartridges in diameters of 0.03 - 0.04 m/m, was used by the Pirotechnica factory at Cotroceni. The Hungarian heavy and light industries held an exhibition in Bucharest in 1950, which led to large orders from the Rumanian heavy industry. Among the pieces of equipment ordered were:
- a. Heavy lathes.
  - b. Planes, and shaping machines.
  - c. Large iron milling machines from the Rakosi Matyas Factory (formerly Manfred Weiss, at Csepel).
  - d. Electro-motors.
  - e. Transformers from the Ganz factory.
  - f. Electrical material.
  - g. Ignition magnets.

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Imports  consisted of internal combustion engines, electro-motors, and large heavy lathes of 3,600 m/m.



17. Though all factories worked under pressure and ran labor competitions which caused bad production, they could not reach their quotas for lack of equipment and material. The 23 August Factory - the largest in Rumania - did not achieve its planned quota because 25,000 working hours were lost during 1950.

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18. LEGEND TO APPENDIX IDiagram I.

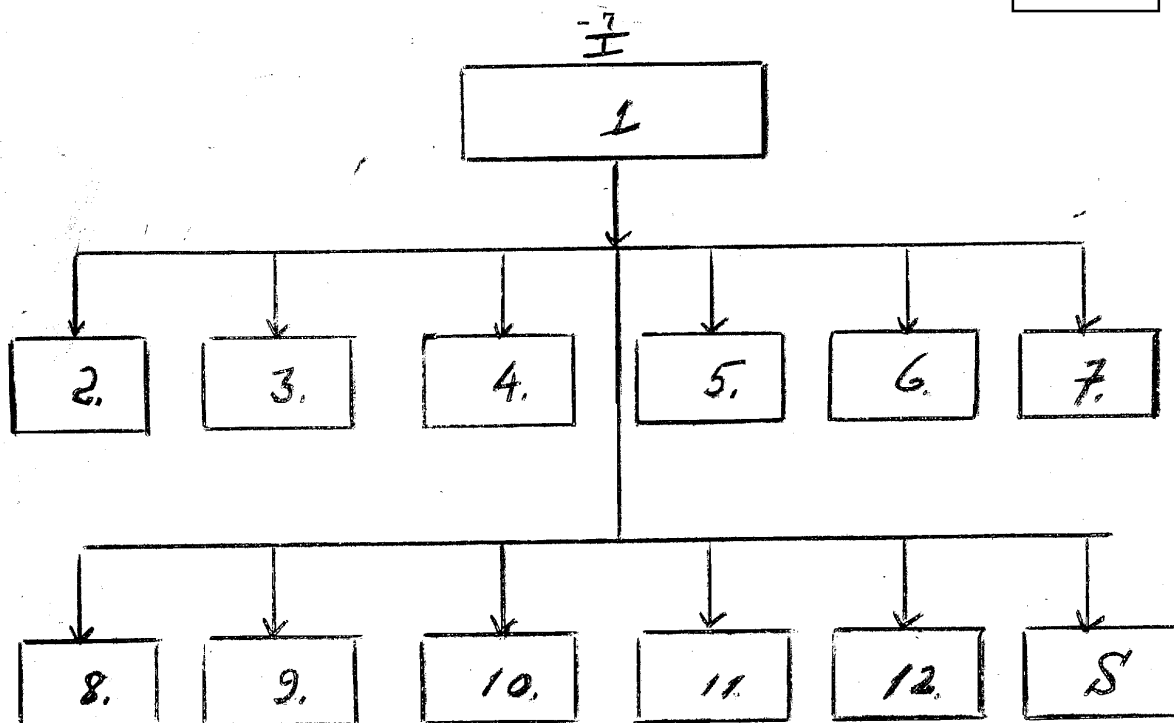
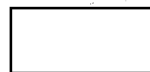
1. Ministry of Metallurgy and Chemical Industry.
2. Smelting Works Department.
3. Chemical Section.
4. Department of Mines.
5. Metal Working Department. (Light Industry).
6. Department of Machinery and Heavy Industry.
7. Supply and Distribution Department.
8. Administration Department.
9. Bookkeeping and Finance Department.
10. Personnel and Political Cadres Department.
11. Investments Department.
12. Planning Department.
8. Political Adviser.

Diagram II.

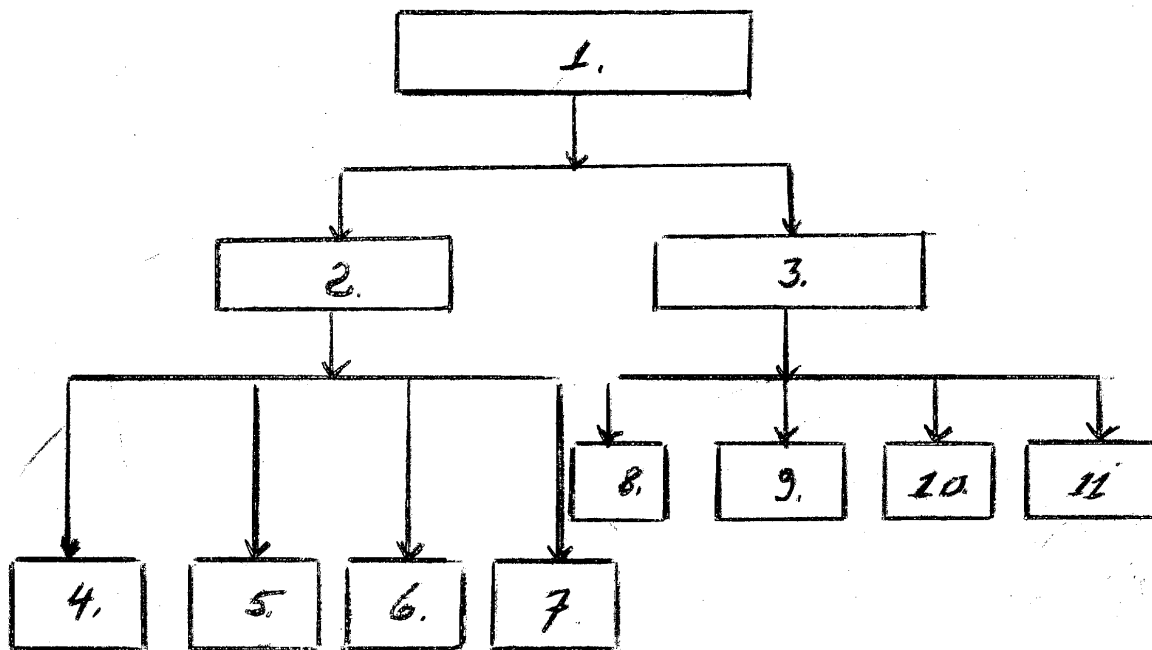
1. Department of Machinery and Heavy Industry.
2. Technical Management.
3. Administrative Management.
4. Investments Section.
5. Technical Execution Section.
6. Planning Section.
7. Section for Special Orders.
8. Supply Section.
9. Bookkeeping and Finance Section.
10. Administrative Section.
11. Personnel Section.

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II



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