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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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|----------------|----------------------|-----------------|----------------------|------------------|
| COUNTRY | USSR (Latvian SSR) | REPORT NO. | <input type="text"/> | (b)(3) |
| SUBJECT | Industry in Latvia | DATE DISTR. | 19 July 1953 | |
| DATE OF INFO. | Up to October 1952 | NO. OF PAGES | 14 | |
| PLACE ACQUIRED | <input type="text"/> | REQUIREMENT NO. | RD | |
| | | REFERENCES | | (b)(1) (b)(3) |

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The following is a general survey of the development and trends in Latvian industry at the present time, which aims to present an overall picture of conditions under the Soviet regime, rather than a detailed or statistical review. Opinions expressed are those of the source.

Industrialization

1. The basis of Soviet economy in Latvia is industrialization, and huge sums are allocated by Moscow for modernizing and enlarging factories. Approximately two billion rubles were devoted to restoring Latvian industry and transport during the five years 1946-1950, and, in subsequent years, an average of 350,000,000 rubles per year. A whole series of new factories was built with this money, and old factories were considerably enlarged and equipped with new machinery. It is undeniable that industry in Latvia is being well organized and developed and shows signs of becoming big industry, where consumer goods are being produced, and output is more or less evenly maintained. According to official figures, industry is now increasing by forty percent per annum.
2. In view of the skill of Latvian workers, the Soviet authorities, under directives from Moscow, are preparing to increase industry more and more, particularly in machinery production and shipbuilding. By creating a new industrial working class in Latvia, composed of local and imported workers, the Communists are progressively consolidating their political powers. Latvian farmers, ruined by dispossession, find it difficult to uphold a national ideology of patriotic opposition in the face of the foreign industrial workers to whom national feelings are quite strange. In this way, the industrialization of Latvia serves the Soviet authorities economically and establishes their political aims.
3. Most of the finished products of Latvian industry are destined for the Soviet Union. According to official calculations, which must be taken with some reserve, productivity of Latvian industries in 1951 exceeded the 1940 figures

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four times, and the 1945 figures six times. The latter calculation might perhaps be accepted, since in 1945 industry had not yet recovered from the war, nor had any new factories been built. During the last three years, Latvian industry is reputed to have yielded an income of 1,200,000,000 rubles. The center of Latvian industry is Riga, where the majority and the largest factories are concentrated. Other towns which are important from an industrial point of view are Lepaya, Daugavpils, Yelgava, and Ventspils. There are only lesser industries in the provinces; e.g., food, building materials, timber, and peat. Nearly all of the machinery, metal, chemical, textile, and rubber industries are centered in Riga. All Latvian industries, with the exception of those directly under the All-Union ministries and trusts, are administered by eight ministries, called Local, Light, Local Fuel, Construction Materials, Forestry, Food, Meat and Dairy, and Fish industries. The bigger metal works and machine-building factories, for example, VEF, Riga Railroad Car Factory, etc., are directly subordinate to the ministries in the Soviet Union, as are also certain building material factories, plywood, chemical, paper, and pharmaceutical concerns.

Metal and Engineering Plants

4. A leading place in industry is taken by metal industries and machine-building, which receive the greatest attention from the Soviet authorities. These account for forty percent of the total production of Latvian industry, employ the highest number of qualified workers, and pay the highest wages to workers. These industries were built up at high speed and received most of the capital. Most of the machines came from the USSR during the first years after the war. For example, during the years 1947-1949, in addition to larger machines, 3,000 cutting machines and 3,500 electromotors were received. It was only after the metal industry had been supplied with the necessary tools that the other industries started to be extended, chiefly the textile industry.

VEF Plant

5. The biggest factory, from the point of view of production and numbers of employees, is the VEF. The factory has been greatly extended, and new buildings have been erected. Its main products are telephone exchanges, commutators, and automatic and long-distance exchanges, all of which are sent to the USSR for the so-called "structures of Communism". Automatic exchanges are built with 105,000 numbers. The factory also produces various types of radio receivers and transmitters, telephone apparatus, mining shaft telephones, automatic recorders for mobile excavators, various radio-technical equipment, loudspeakers, etc. One of the products is the Miers thirteen-tube receiver, with six wave diapasans and two "dynamic" loudspeakers (sic). A special receiver, the Baltika, is being built for the Soviet propaganda building, the Warsaw Palace of Culture. Part of the equipment required for building telephone exchanges and radio sets comes to VEF from the Soviet Union, e.g., radio tubes from Novosibirsk. According to official figures which have been made public, VEF now produces forty times more telephone sets than before the war. It must be noted, however, that the factory did not fulfill last year's plan for the production of telephone exchanges.
6. In order to increase production, the factory had already, in 1948, established the conveyor belt system. The quality of the products deteriorated immediately, especially the radio receivers. The main reason was that, when enlarging the factory, many unqualified workers were employed. A campaign was started to raise the general level of education. New workers were enrolled in training courses and Stakhanovite schools. An electro-mechanical technical school was established at the factory for new specialists. This improved the standard of production; but, even today, VEF is still fighting against rejects, which are a typical feature of Soviet methods of production. This factory, in common with most others, works well during the first half of the month, and produces good quality goods, but this normal work does not fulfill the plan, and to do so is an iron rule of the Communists. Not to fulfill the plan means unpleasantness for the administration, and loss of bonuses to the workers. Toward the end of the month, therefore, there is a production rush and the result is a high proportion of rejects.

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7. The workers at VEF are comparatively well off. Qualified workers receive 1,500-2,000 rubles per month, less skilled workers 800-1,000 rubles per month. The factory is among those specially favored and receives regular bonuses. Big sums are paid for suggestions for rationalization. Several houses have been built for the factory workers. One such house, comprising fifty apartments, will be handed over to the workers this year (1952). As before the war, the factory has its own sports ground.
8. The number of Communists among the workers is several hundred. Nearly every workshop has its Communist cell. Of over 2,000 new workers, approximately half belong to the Komsomol. They, of course, receive preference as far as work and further education are concerned. Of approximately 600 young people who study at the Evening Technical and Working Youths' School, 400 belong to the Komsomol, and forty-seven members of the Komsomol work as extramural students. It is much harder for those who do not belong to the Komsomol, since there is nobody else to work on the night shifts.

Riga Railroad Car Plant

9. The former Vairogs factory is now named the Riga Railroad Car Factory (RVR) and subordinated to the USSR Transport Machine-Building Ministry. The factory has been greatly enlarged, and railroad car building workshops have been erected. The factory now also produces subway trains, electric trains, and streetcars. Nearly all the finished products go to the USSR. The only items that Riga receives from the factory are the electric railroad cars for the Riga-Kemerli line, and a few electric streetcars. The factory produces approximately twenty-five electric railroad cars, and approximately the same number of streetcars, per month. Lately, shortcomings have been noted in the production in this factory. During the first half of this year, the State plan was short by twenty-two cars. All the workshops do not work at equal speed, thus retarding others. The Soviet industrial disease is also in evidence in this factory, when the workers have to rush work at the end of the month, even working on Sundays, to make up for lost time. The yearly production plan is increased every year. This year's plan (1952) is for thirty percent more than last year's, and next year's will be for twenty percent more.
10. In connection with the intention to build a new type of electric train, it is planned to increase the size of the factory and enlarge the output. These electric trains are destined for traffic between various towns, will travel at greater speed, and have all passenger comforts. At the moment, the factory produces a new type of electric railroad car, with corrugated walls, and is to resume production of a train with exits to low platforms. The electric engines to drive the trains and streetcars are supplied by the Riga Electric Equipment Factory. Local industry also supplies some of the pig-iron and a form of steel (Latvian: dekapets) which is used instead of aluminum sheet. There is a research laboratory at the factory where production processes are studied. This laboratory is reputed to be one of the most modern of its kind in Latvia. Workers' wages, as in other important metal works, are up to 1,000-1,500 rubles per month.

REZ Plant

11. REZ is a new factory, located on the site of the former Provodniks Factory. The main products of this factory are electric motors for the Moscow subway, electric trains, streetcars, and also machinery and generators for the lighting of railroad cars. According to the plan for 1950, the factory also mass-produces household machines, mostly washing machines.
12. REZ commenced working in 1947, and at present there are 1,500 workers, most of them young people. The factory still has not got all the workers it needs and is one of the Riga factories which is constantly looking for workers. At present, most of the workers are Soviets. The shortage of labor can be explained by the fact that the factory has not provided sufficient housing. About one-third of its workers are now living in a narrow, over-crowded hostel. This is also the main reason why the factory has not fulfilled its plan.

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Ship Repair Works

13. The ship repair works located in Old Milgravis is one of the largest works in Riga. It occupies a large, hermetically sealed-off territory. Huge sums were spent on establishing it and it is to be even further expanded in connection with the new plans for shipbuilding. The factory is subordinate to the USSR Ministry of the Merchant Fleet. It already has floating docks. Besides repair work, powerful deep-sea tugs and metal barges are built. For the last year and a half, however, the factory has not fulfilled its plan; during 1951 it completed only eighty-two percent of the plan. Workers in the factory are mostly very young people with few qualifications; there are about 800 new workers. A campaign has been started in this factory to raise the standard of education, as many of the workers have had only five to seven years' schooling. Workers are sent to evening schools and put into training, to raise their qualifications. If schools are some distance away in the town, workers are even provided with transport by the factory. In connection with the extensive production plans of the factory, there is a lack of qualified engineers. To prepare qualified engineers, it is proposed to open a new shipbuilding faculty at the university.
14. As already mentioned, these shipbuilding works are shrouded in secret. Most of the workers and engineers are Soviets. No information on the number of workers employed is available, but it is estimated that there are several thousand. A new, small town has been built for the workers in South, or New, Milgravis, and three more houses were to be ready this year (1952). There is no doubt that the works will be further enlarged and will become one of the largest installations in Latvia.
15. There is a shipbuilding yard in Mangali, subordinate to the Ministry of the Fish Industry, which builds fishing boats for the Latvian fishing fleet.
16. The new Automobile Electrical Apparatus Factory is located on the enlarged site of the former German Army aircraft factory near Brasa railroad station. The factory employs 1,200 workers and is one of the largest in Riga. It was established in 1946 and is subordinate to the USSR Ministry of Automobile and Tractor Industry. The factory has the most modern machines, and the most highly qualified workers are employed there. The factory produces automobile instruments, mostly speedometers, which are sent to the automobile industry in the USSR. In 1952, measuring instruments worth 200,000 rubles were sent to the Volga-Don Canal. Workers receive bonuses regularly and are the best paid in Riga. The factory has been awarded the title of a "Stakhanovite factory."
17. There are several other metal and machinery plants in Riga which are subordinate to USSR ministries, but their production is on a smaller scale. Among these is the Machine-Building and Repair Plant subordinate to the USSR Ministry of the River Fleet, located on the site of the former CEPP. This plant produces floating grab-cranes for electric power stations under construction. In the second quarter of this year (1952), the plant produced four cranes for the Volga-Don Canal and is now building cranes for the Turkmen Canal.
18. The Mechanical Factory subordinate to the USSR Ministry for Forest Industry produces mobile electric power plants and electric saws, which are used in local forests and also sent to the Karelo-Finnish SSR, and woodworking machinery, which is used in the local wood industry and likewise sent to the USSR.
19. The Hydro-Meteorological Apparatus Factory produces instruments and apparatus of various kinds, such as instruments which automatically record the water level, which are sent to the so-called "structures of Communism".
20. The Etalons Factory produces precision instruments for local and USSR academies of sciences and scientific laboratories.

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21. The Machine-Building Plant subordinate to the USSR Ministry for Meat and Dairy Industry produces dairy equipment. One of the new products is a one-cylinder, two-stroke internal combustion engine, ND-9, for dairies, which is also sent to dairies in the USSR.
22. The remaining Latvian metal works and mechanical repair works, which are amalgamated as industrial combines, are subordinate to local industrial ministries.

Sarkana Zvaigzne (Red Star)

23. The largest metal plant subordinate to the Ministry for Local Industry is the Sarkana Zvaigzne Bicycle Plant. This factory was enlarged in 1952 by one new building. During 1950, it produced 75,000 bicycles, but in 1952 it has produced over 8,000 bicycles per month. Part of the finished products go to neighboring republics. The factory employs over 1,500 workers.

Radio Factory i/n of A.S. Popov

24. This is the former Radiotechnicka Factory, which has expanded rapidly. A new factory building has been erected; the factory has been completely reconstructed and supplied with new machinery. The radio receivers produced by Radiotechnicka were some of the best in the whole USSR. Lately, since conveyor-belt production was introduced, the finished product has deteriorated in quality. The factory employs all its former workers, including the director, who is the former owner, Apaitis, and the designers. Recently the factory started producing its largest receiving set, the Riga-10. In addition to radios, of which the annual output is approximately 45,000 sets, the factory also produces instruments for measuring the composition of alloys. These instruments are constructed in collaboration with the Academy of Sciences. It is also planned to produce television apparatus.
25. The Compressor Factory is worth mentioning. In addition to compressors, it also produces refrigerating machines. This factory has been enlarged by a new building.
26. The Imanta Agricultural Machinery Factory produces threshing and grading machines; production of the latter has been especially increased.
27. The Stars Tractor Repair Factory likewise produces agricultural machinery. It carries out major repairs for local motor tractor stations and also produces complete sets of flywheels.
28. The Riga Electro-Armature Factory produces lighting equipment and fluorescent bulbs. In summer 1952, 8,000 units of such lighting apparatus were sent to the new university building in Moscow. Electric lighting apparatus made of bakelite is also produced by the Speks Factory. The Elektron Electrical Equipment Factory produces electrical household apparatus.
29. Mention must also be made of the Spars Pig Iron Foundry; the Screw and Nut Factory; Rigas Metalists; the Daugavpils Bicycle and Motorcycle Chain Factory; the Omega Bicycle Factory; the Darba Spars Aluminumware Factory; the Metal Sieve Factory, and several artels producing consumer goods.
30. In addition to the above-mentioned metalworks, there are undertakings in other branches of industry subordinate to the Ministry of Local Industry, such as silicate, chemicals, etc., which will be reviewed in subsequent paragraphs. A total of 102 undertakings is subordinate to this ministry, mostly town and rural district industrial combines. These kombinat organizations are amalgamations of smaller undertakings in towns and provinces and include, for example, local weaving, brickworks, flourmills, sawmills, farm implements, furniture, shoemaking, tailoring, and mechanical workshops. The aim of these local industries is to produce consumer goods for the local population, i.e., foodstuffs, furniture, woolen cloth, building materials, lathework goods, simple farm

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equipment, etc. Local resources of raw material and farm produce are used. On the whole, the finished products are of poor quality. Repair work takes a long time and is carried out carelessly. Little check is kept on undertakings belonging to a Kombinat, and wily managers are able to make a profit, both from consumers and from workers. It is officially planned to increase the output of furniture and building materials for collective farms.

Light Industries

31. The rubber, leather, footwear, and textile industries are subordinate to the Ministry of Light Industry. Besides the building industry, this ministry and its undertakings caused the authorities the greatest concern in 1951. The main items were unproductive outlays, deterioration in the quality of products, non-fulfillment of plan, over-expenditure on raw materials and wages, causing losses amounting to 44,000,000 rubles. This was the reason why the chief, Cabi, was relieved of his post. The situation improved in 1952, so far as the quality of products is concerned, but there is still some juggling with the percentage figures of rejects. Rejects can scarcely be avoided, when undertakings produce forty-five percent of the plan during the last ten days of the month. The rubber factory, Meteors, for example, during the period January to July 1952, had a loss of 3,000,000 rubles due to rejects and of 175,000 rubles in excessive production expenses. In the textile industry, it is typical that the female workers are mainly interested in breaking all sorts of records - tending up to sixteen looms, tying threads quicker, etc.; thus, it must be assumed that, with the emphasis on speed, the standard of quality must inevitably fall.

Textile Industry

32. The textile industry is the next largest, after the metal industry. It must be acknowledged that, with the aid of Moscow, the authorities are doing a great deal to consolidate this industry. The factories are being reconstructed, enlarged, and supplied with new machinery. In spite of new equipment, the prewar level of production has only been raised one and a half times, with the exception of the production of silks, where the prewar level has not yet been reached. This estimate is according to official figures, and it is probably not quite so high in actual fact. Cotton materials are plentiful in the shops, but good quality woolen materials and silks are difficult to obtain. Knitwear is plentiful, so it can be assumed that production exceeds the prewar level, certainly not, as reported, by five times, but only by two or three times in most cases. There is even the impression, at times, that there is over-production of knitwear. Compared with the first years after the war, when it was very difficult to obtain knitwear, the position has definitely improved. It may be assumed that the production of silks will improve shortly, as the Rigas Audums Factory has received sixty looms from Tbilisi. So far as quality is concerned, textiles in general do not reach the prewar standard. Until recently, patterns on materials were still very poor, and there was no variety, but conditions have improved recently. Materials for mens' suits are generally of poor quality, wrinkle easily, and are not long-wearing. There are, however, good materials available, but the demand is very heavy and consequently they are difficult to obtain.
33. Production figures in the textile industry, of course, are never officially divulged. The public is only given some overall figures concerning over-fulfillment of the plan, and percentages. The industry employs over 20,000 workers, of whom 6,000 are new workers. The industry continues to expand, and there is a heavy demand for workers. The factories Zaslauka Manufaktura and Bolsevicka have become combines where new workers are being trained. There are special technical schools in Riga for the light industries, which also prepare workers for the textile industry.
34. The output of cotton materials amounts to up to approximately 11,000,000 m per year. A quantity of the finished products goes to Belorussia and other parts of the USSR, for example, Sverdlovsk. The authorities have planned to increase the output of cotton and woolen textiles. Raw materials for cotton manufacture

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are imported from the republics of Turkmen, Kazakh, and Uzbek in Central Asia. Flax is imported from Belorussia and the Kalinin area, but imports have been reduced lately because of local flax crops. A new flax-processing plant is under construction in Daugavpils. There are also plans for sheep-raising in Latvia, in order to reduce the imports of wool.

35. In Riga, there are six large combines and approximately fifteen factories working for the textile industry. A great many private spinning concerns have been amalgamated in the combines. The only factory in Latvia producing silk goods is Rigas Audums, which has been completely renovated and supplied with new machinery. This combine produces several types of material: washable silks, crepe-de-chine, a crepe material woven from a mixture of artificial and natural silk, and also improved textiles of artificial fiber.
36. The Bolsevicka Combine, formerly Buffalo, produces woolen and cotton materials; part of the latter is sent to the Belorussian SSR. Lately, production technique has been improved by rapid-spooling and other machines.
37. The Zaulauka Manufaktura Factory was completely rebuilt in 1949. New machines and new looms on the Kananina system were installed, giving up to 9,000 threads an hour (sic). One weaver operates from twelve to sixteen looms. The combine has developed into the most modern textile factory in Latvia, and the cotton yarns it produces are so far of very good quality.
38. The spinning mill of the Rigas Manufaktura is being reconstructed and supplied with new machines. This combine produces the colored textiles preston and makan, finished and semi-finished materials, and cotton yarns.
39. The Parizes Komuna Combine, formerly Dancigers, produces only woolen cloth and suit and coat materials.
40. Sarkana Tekstiliece produces cotton materials, yarn, and cotton-wool. Although the combine employs some 1,300 workers, its level of production is low, with many rejects, and output is not large.
41. There are a number of other textile factories in Riga, for example, Juglas Manufaktura, Kurzemes Manufaktura, Merino, 8. Marts, Sarkana Baltija, Rigas Tekstilfabrika, Lenta (knitwear goods), Mara, Sarkanais Rits (hosiery), Aurora (produces only kaprona stockings), Kosmos, Kemdzijufabrika, Rigas Filca Fabrika (felt), etc.
42. The biggest textile factories in the provinces are the Jelgavas Linu Verptuve, with 10,500 spindles and 500 looms, and the Mazsalacas Tekstilfabrika. The latter receives flax from Vidzeme and produces canvas, sacking, and toweling. Canvas is dispatched to the USSR, especially for the "structures of Communism". The factory equipment, except for automatic combing machines and new looms, is old.
43. The Mara knitwear factory is at present setting up forty new machines for silk knitwear, by which production is to be increased threefold.

Rubber Industry

44. All three rubber factories in Latvia have been working on the conveyor-belt system for some years. The equipment has been only partly modernized. The factories have been enlarged, and the number of workers has also increased. For raw material, they use natural rubber and kok sagyz.
45. The biggest rubber factory is still the Sarkanais Kvadrats, and its main products are galoshes and rubber boots. The output in comparison with 1940 is reputed to have been doubled. In this factory, as in the Meteors Factory, which has a similar type of production, there is a high percentage of rejects, and workers' discipline is bad. In producing rubber boots, the hot vulcanization method is used; this is given as one reason why output has risen. Production at the Sarkanais Kvadrats is approximately 3,000,000 pairs of rubber boots a year.

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46. The Varonis Factory has a specialized type of production - rubber sheets, tubing, rubberized drums, inner tubes for bicycles, bicycle tires, transmission belts, rubber soles, etc.
47. Of rubber goods, rubber shoes which have imitation leather uppers are most in demand. Because of their price, seventy rubles, they are the people's footwear.

Leather and Footwear Industry

48. There are nine leather-processing factories in Latvia, four footwear, and two leather goods factories. The biggest is Komunars, which processes leather. The biggest footwear factory is the newly built I. Maijs, which produces approximately 1,800,000 pairs of footwear a year. Marked extensions of the leather industry cannot be anticipated, since leather is in short supply and allocations are rationed. Such goods as suitcases, briefcases, gloves, etc., are being produced in small quantities. Goods of this type are mostly made of imitation leather.

Building Materials Industry

49. There is a great demand for building materials, owing to the repairing of war damage and the new industrial construction. Therefore, the building materials industry was quickly restored and even enlarged. The total output, however, could satisfy only the larger industries and the communal housing projects. All other builders had to draw their materials from small producers and from farms. As a whole, there is a shortage of building materials, especially bricks. Many plans, therefore, for building on kolkhozy remain on paper only, and lately the kolkhozy have been producing bricks for their own needs. Likewise because of the shortage of bricks, buildings in towns are being constructed with many interruptions. In order to obtain an uninterrupted supply of bricks, the authorities have set up a brickyard in Bolderaja. The opening ceremony this summer (1952) was attended by all the "big comrades". This factory has the most modern equipment, all production is mechanized, and bricks are produced with revolver-presses. These yards are reputed to produce about half the total of brick production in Latvia (approximately 60,000,000), part of which also goes to the USSR. All other brickyards are in production; one of the bigger yards in Kalnciems produces 6,000,000 bricks per year. Some factories are employing new methods in order to increase the supply of bricks—producing bricks with the addition of slaked lime, after which the bricks harden without the necessity for baking.
50. The Brocens Building Materials Combine has been considerably extended and modernized. It is reputed to produce the best cement in the Soviet Union, and has the largest output of slates, up to 13,000 slates per shift. A large proportion of the finished product, especially slates, is sent to other Soviet republics. The Riga Cement Factory is also working. The building material factories in Cesis and Nigrande have been supplied with new equipment, and the latter produces approximately 2,700 tons of lime per annum. These factories also have a new product—ground, unslaked lime. Slates are also produced in the Riga and Lepaya slate factories, and part of their products go to the USSR, mostly to power stations under construction on the Volga. The Riga Slate Factory produces approximately 3,000,000 slates per annum. The Riga Gypsum Factory produces dry plaster, gypsum insulation plates, and light concrete. The yearly output is approximately 1,000,000 sq m of gypsum plates, which are also sent to the USSR. The Bolderaja Ceramics Factory produces 285 tons of drainage pipes per month, approximately one-sixth of which output consists of rejects. The gypsum plant in Salaspils has been supplied with modern machinery and employs modern techniques. This plant is producing gypsum plaster plates for the new Kolkhoz House in Riga. Part of the products also are sent to Leningrad. The Segums Factory produces roofing felt.

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51. In the first years after the war, before the glass factories were restored, there was a severe shortage of glass in Latvia. Later, the so-called "record glass", produced by Stakhanovite methods, came on the market, but was of low quality, badly formed and containing air bubbles. Only recently has the quality become more or less acceptable, and supply adequate. The largest glass factory is in Sarkandaugava Riga, and until recently it produced only window panes but has now started to produce foam and quartz glass. This factory received the Stalin Premium for the world record for quick pulling of glass with Furko machines. The most modern glass factory in Riga is Komsunars, on Lacplesa iela, which has been supplied with new machinery. It produces bottles, vials, laboratory vessels, etc. The total output of window panes in Latvia at present is approximately 1,800,000 sq m per annum.
52. The Riga Porcelain and Pottery Factory, formerly Kuznecova, produces, besides porcelain and crockery, high-voltage insulators for USSR power stations. The factory has recently been completely reconstructed and supplied with new machinery. The factory cannot boast of its crockery, however, as only an occasional dinner service is without a flaw. Because of the low quality, the factory had a loss of 400,000 rubles during the first half of 1952.

Forestry and Timber Industries

53. Recently, the forestry industry has received great attention. The university and forestry schools prepare an increasing number of experts whose task it will be to carry out the official forestry policy—to plant new forests and cultivate the old ones, especially in marshy districts. Extensive drainage work is carried out in marshy areas. It is felt in Latvia that it is high time this was done, since just after the war the Communists followed the Germans in ruthlessly cutting down the forests. This reduced the overall area under forest to a considerable extent.
54. During 1950, forestry improvement work was carried out on an area of 174,000 ha and 60,000 ha were replanted. All Latvian forests are divided into two classes. To the first belong 154,310 ha of forest on which felling is not allowed; all other forests belong to the second class, which it is permissible to cut only within prescribed limits and subject to reforestation.
55. The authorities are aiming to mechanize all forest work by supplying modern equipment—electric saws, mechanical loading machinery, trucks, and tractors. Some success has been achieved; during 1947, 14,600 cu m of timber was mechanically prepared; in 1951, this figure was already over 500,000 cu m. Machinery, however, is not yet sufficient, and difficult forest work still rests heavily on the manual worker, especially on the kolkhoz farmer. As in bygone days, when every farm was expected to prepare a certain amount of timber, now every kolkhoz is expected to fulfill a certain quota. For example, a total of 81,000 cu m was produced by the Mazsalaca forestry organization, of which 64,000 cu m was for industrial purposes. Of this, 30,000 cu m was prepared by the forestry lumbermen and the rest by farm workers. Loading is more mechanized. During 1951, the Latvian forestry industry produced 3,400,000 cu m of timber, of which 1,500,000 cu m was mechanically transported. During the same year, the industry produced 244,000 cu m of lumber.
56. The forestry industry, which is subordinate to a special ministry, has many shortcomings, which are also acknowledged by the authorities at all their congresses. The machinery for preparing and transporting timber likewise has many shortcomings, and is thus not being utilized to full capacity. The floating of the timber is delayed every spring and, as a result, it has to be transported by rail. The cost of wages is too high, because the South Trust and the North Trust between them have 1,041 employees more than planned. In consequence, the cost per cubic meter has risen, and the State has lost profits amounting to some 15,000,000 rubles.
57. A worker's earnings in the forestry industry are as high as those of a skilled worker in the best metal plant, reaching 2,000 rubles a month. Many city people who are physically well-developed take up forestry work in order to earn better pay. With increased mechanization, forestry work has become less arduous. The earnings of a kolkhoz farmer are on a considerably lower scale.

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58. In addition to timber, the forestry industry produces resin, which is processed by the Jugla Chemical Plant, Riga, into colophony and turpentine. This factory has recently been supplied with modern resin-processing and clarifying equipment, which is reputed to speed the process by forty percent.
59. Nearly all the timber produced for industrial purposes is processed by local woodworking concerns - sawmills, plywood, match and furniture factories, and the newly established shoe-last and tar factories; pit-props for the mines in the Don basin are exported to the Soviet Union, as are railroad ties. Finished products, however, such as plywood, furniture, prefabricated houses, matches, woodtar, wooden parts of tools, etc., are exported in large quantities to the USSR. This is the reason for the considerable enlargement and reconstruction of the woodworking factories in Latvia, the introduction of new techniques, and the increase in the number of workers, especially in the plywood and furniture factories.
60. There are four plywood factories in Latvia at present: Latvijas Berzs, Furniers, and Lignums in Riga, and Vulkans in Kuldiga. The latter has been especially enlarged and employs approximately 1,000 workers. Latvijas Berzs has been transformed into a woodworking combine; its products are sent all over the Soviet Union to the furniture, railroad car, and shipbuilding industries. It must be assumed that plywood is sent to the aircraft industry, because aviation plywood is also produced by all these factories. The four plywood factories between them cannot satisfy the demand and are constantly raising their output.
61. There are three match factories: Vezuvs and Kometa in Riga, and Sarkana Baltija in Lepaya, and the output of the latter has been considerably increased.
62. A special, standard prefabricated house industry has been established which, in conjunction with the Spars sawmill, produces 1,000 prefabricated houses per year. These are exported to the Soviet Union, the projects on the Volga, and even as far as the Georgian SSR.
63. The furniture industry has expanded rapidly. There are five furniture combines and two factories in Latvia where furniture is mass produced. Furniture is sent all over the Soviet Union, especially to Moscow and Leningrad, where there is a demand for good furniture, and craftsmen are carrying out all the orders for the new university building in Moscow. The largest furniture factory in Latvia is now under construction in Valmiera.

Paper Industry

64. More or less respectable writing paper is now available, but this was not the case even a few years ago, when writing paper could scarcely have been worse. Books were also printed on poor-quality paper. Although the quality of paper has now improved, the local paper industry is capable of producing a much higher quality.
65. The Sloka Paper Combine has been developed into the biggest paper and cellulose undertaking in Latvia, which also produces most of the newsprint. This factory also produces ethyl alcohol from paper by-products. An ultra-modern alcohol factory has been established for this purpose. Other paper works to be mentioned include those at Ligatne, Jugla, and Jaunciems (which produces only cardboard), and Staicele. There is a total of fifteen factories in the paper industry. Part of the output goes to the Soviet Union, mostly to neighboring republics.

Chemical Industry

66. The largest chemical factory in Latvia is the completely reconstructed Riga Superphosphates Factory, which was destroyed during the war. According to plan, this factory was to produce 180,000 tons during 1950, but there are indications that its productivity has increased. The finished product is sent to the Lithuanian SSR, Belorussian SSR, and the Ukrainian SSR. All other chemical factories are of secondary importance.

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Pharmaceutical Industry

67. In recent years, a pharmaceutical industry has been established in Riga. The few pharmaceutical laboratories previously existing have been enlarged and supplied with essential equipment, and new factory buildings have been erected. There is a new penicillin factory on Maskavas iela, Riga, which employs several hundred workers. The Riga Pharmaceutical Factory, formerly Skaf, produces a new preparation, "Pask" (para-amino-salicylic acid), from wood, in accordance with methods of Professor A. Kalnins and others. This preparation is used effectively against throat and skin tuberculosis. The Experimental Vitamin Factory produces vitamin C from rose-hip syrup, vitamin B from medicinal brewer's yeast, and the preparations histamine and histidine.

Peat Industry

68. In an endeavor to offset the funds which are expended on the import of coal and the preparation of firewood, the authorities have started to step up the production of peat. The Latvian peat bogs are rich in fuel, and economists advocate that they should be developed. The production of peat in Latvia has now become an industry, all of which has been enlarged and supplied with equipment such as peat "aggregates", excavators, and other machinery. Six new factories have been established. In Latvia there is now a total of 25 peat factories, which employ some 8,000 workers. The yearly output is 60,000 tons of peat. There are also factories which produce insulation plates made of peat. In the Baloz, Tireli, and Seda marshes, there are peat briquette factories with a combined output of approximately 70,000 tons per annum. At present, one-third of all peat production is mechanized. It is planned to make peat production completely mechanical, and to raise the output considerably. The largest peat works are in Skrunda, Olaine, Sloka, Salaspils, Friedaine, Rezekne, etc.

Power Stations

69. Besides Kegums, which at the moment is operating with all three turbines, the power stations in Riga, Daugavpils, Lepaya, and Ventpils have been enlarged and their output increased. In rural areas, numerous hydroelectrical power plants, with an output of 50 - 200 kwh, have been erected to serve the kolkhozy. The largest of these is in Aglona. The total output of electrical energy in Latvia is over 500,000 kwh. This is not yet enough for the planned economy, and more plants are to be constructed. It is planned, in the nearest future, to build a thermal power station in Riga which will use peat as fuel. It is also planned to install new turbines in Kegums and Lepaya power stations.
70. Kolkhozy have started building small electric power plants for rural requirements with their own building materials. Lately it has been planned to build a new hydroelectric power station on the Daugava River in the Flavinu area, to supply electricity for Latgale. This plan, however, is for the future.
71. Experiments for technical improvements are being made at the Kegums power station—auto-synchronization of hydro-aggregates. There was a severe shortage of electricity in autumn 1951, because of the low water-level which prevented the turbines at Kegums from working to capacity. In order to secure enough power for industry, nearly all electric current was cut for private consumers for over a week.

Food Industry

72. The food industry is probably the only one where the output has not changed, except perhaps the fish industry. The authorities have succeeded only in restoring the prewar level, though in some cases, for example, in the meat industry, this has not been reached; and, on the whole, production, especially in the meat and milk industries, has not yet been stabilized. This depends largely on the supply of raw materials, i.e., the extent to which the number of cattle breeding on the kolkhozy will be increased. According to the official plan, during 1950 the food industry was to produce 28,000 tons of meat, 18,000 tons of butter, 34,000 tons of sugar, and 1,700,000 decaliters of alcohol. These figures were only achieved or surpassed in the last three commodities.

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73. The meat industry is in a deplorable state and, although the population has increased, the meat products of the former Riga Bekonaeksports have not yet reached the level of prewar output.
74. Milk products undertakings have been restored and output is up to prewar level, with the exception perhaps of Vidzeme and Latgale areas, where more modern dairies have been built and the prewar output exceeded. Butter and other dairy produce are not up to prewar output level, the main reason being that Latvian dairy cattle are still in rather poor condition, but lately the situation has shown signs of improving.
75. In the bread and flour branches of the industry, small bakeries have been amalgamated into bakery-factories, and new bread combines have been established, for example, one in the former Volfsmit territory, but this industry cannot boast about its output and quality. Rye bread is produced in sufficient quantities and is always available, but other types of bread are in short supply, especially in the Riga area. Wheat is imported from the Ukraine, and upon this depends the quality and variety of the bread. Flour products such as macaroni and semolina have only recently been firmly established as consumer products.
76. The local fish-processing industry has developed remarkably in connection with increased fishing activities. The old fish-processing plants have been enlarged and a number of new ones have been built in the provinces. The combined output of the Lepaya and Ventspils canning factories exceeds 6,000,000 cans per annum. Latvia now has nine old and five new fish-processing undertakings. Factories have been built in Skulte, Roja, Merarags, and Sloka. A good market for canned fish is Moscow.
77. Sugar was formerly in very short supply, but the situation has improved considerably and sugar is now obtainable in any quantity at any time. The three sugar factories in Krustpils, Yelgava, and Lepaya have been restored and supplied with modern machinery. The Krustpils factory produces a thousand tons in 24 hours.
78. The confectionery industry has been enlarged considerably, compared with prewar standards. The two largest factories are Laima and 17. Junijs (former V. Kuxe), which now exceed their prewar output quite considerably. Major reconstruction has been carried out at the former Geogingers Candy Factory. Candies are being sent to the USSR and even as far as the industrial towns in the Urals.
79. The Citric Acid Factory is a new undertaking, producing citric acid from molasses. The Stalin Premium was awarded to the factory engineer for inventing a new method of production.
80. The beer and alcohol industry has, of course, been highly developed. This industry must supply all the small bars which have sprung up on nearly every street corner in Riga. In Riga alone there are four breweries, all of which have increased their output. Most of the alcoholic drinks come from the Riga Liquor Factory. All distilleries in the provinces have been restored and new ones built. The people are encouraged to drink, as such expenditure all comes back to the State as revenue.
81. The tobacco industry has been enlarged and not only satisfies the local market but also permits exports to the Belarussian SSR. Raw tobacco is imported from southern Ukrainian SSR and Bulgaria. The quality of tobacco products has undoubtedly improved. All processing of tobacco takes place in the two big tobacco factories in Riga.
82. There are cosmetic, vegetable oil, and fodder factories in Riga. The latter cannot satisfy the demand for cattle cake.

Handicraft Artels

83. Besides the industrial undertakings referred to above, there are several hundred artels in Latvia in which craftsmen are amalgamated. These artels

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are subordinated to the cooperative producer associations, and few private workshops are still in existence. They are not permitted to employ paid labor and are heavily taxed. Tailors, shoemakers, painters, joiners, etc., are associated into artels. All these artels have their workshops and shops, for example, artels which repair radios and watches, do woodwork, weaving, process various spices, etc. The workers in the artels are paid sixty percent of the income of the artels; but, since every craftsman usually takes unofficial work on the side, his earnings can be quite high.

Raw Materials

84. Raw materials such as metals, chemicals, high-quality clay, apatites, coal from the Dombass and Poland, oil, and machinery (mostly from the Krasnyy Proletariy Factory in Moscow) are imported from the USSR. Although the Soviet Union boasts about its wealth in various metals, it is interesting to note that at the moment there is an intensified drive for the collection of ferrous and non-ferrous metals scrap. The government even awards bonuses to those collecting the most.

Labor

85. During 1948, 200,000 workers were employed in industry, transport, and building. In industry, this was an increase of 75,000 workers above the 1945 figures. At the moment it is not known how many workers are employed in industry. The authorities publish the numbers of leading workers, shock workers, and Stakhanovites, giving a total of 122,000 in 1952. It is estimated that the number of industrial workers at present is around 250,000. A sharp increase in numbers took place in the metal, building materials, timber, and textile industries.
86. During 1949, approximately 5,000 engineers, designers, technicians, and economists arrived from the USSR and developed the Latvian industry according to their views and desires. It must be assumed that this number has since increased. It must also be taken into account that the universities are preparing new Latvian engineers. People who are already employed are sent to evening courses at the universities, where they are educated as engineers in the machine-building, technology, electric power plant and network, and industrial and civil building branches. The engineering faculty already has 200 students and this autumn (1952) 75 more were accepted. A large number of experts are engaged in extramural studies. There is a heavy demand for power and electric-machinery-building personnel, so it is planned to open a polytechnic school in Riga.
87. Youths destined for special industrial branches qualify at labor reserve reserve trade schools (FRA schools). There are now more than twenty such schools in Latvia. New personnel is being trained in the two-year courses. The trade schools are well equipped; this year (1952) they have 86 specialists' class rooms and 800 work-benches. As a rule, trade schools are based on factories which supply the pupils with teaching materials and where they do practical work. There are frequent meetings between the young specialists, at which they exchange experiences. There are now 40,000 young people employed in Latvian industry, which is twice as many as two years ago. The level of education is low and therefore they are sent to evening schools, of which there are 124. During 1951, 3,363 young workers attended such schools in Riga. In the whole of Latvia, approximately 14,000 attended but only 10,000 graduated from such schools. Young workers are participating in a campaign to make production more economical. During 1951, young workers made 3,000 suggestions for economies which gave a total saving of 12,000,000 rubles.
88. Education, minimum technical courses, and Stakhanovite schools are the communist vogue at the moment, in order to raise the qualifications of the personnel in new industries. Second-grade specialists are prepared in various subjects—textiles, food, milk, etc. In Latvia, on the republican level, there is a scientific engineers' and technicians' association; in Riga there is a scientists'-technicians' house, which is under the patronage of the Academy of Sciences and the university. Various lectures are given and technical problems

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and questions of economy in production are discussed. Meetings are often held in factories, especially the metal works, where new scientific working methods are discussed. Thus, the Soviet authorities try to stabilize the newly created industries, to safeguard the funds and equipment, and also raise output and improve quality.

89. At present, a campaign for economy and over-fulfilling the plan is sweeping through Latvian industry. It has been planned and undertaken that industry will produce, over and above the plan, goods to the value of 300,000,000 rubles; stockpiling will be carried out to the value of 60,000,000 rubles above plan; fuel will be saved to the value of 250,000 rubles, 5,000,000 kWh will be saved; and material and raw materials to the value of 8,000,000 rubles will be economized.
90. The means to making the workers build a communist paradise are not lacking. Propaganda (there is no shortage of agitators) is painting a colorful picture of the dream state of the future; and, with the socialistic emulation competitions, the shock workers, the Stakhanovites, and all sorts of other organizations, the workers have to work ever harder. This all serves only one aim; to produce more and cheaper goods. This is the same policy as that followed everywhere else in the USSR. The army of workers, of course, must be provided for. Wages in industry, especially the metal industry, are kept artificially high, and suggestions for economizing in production often prove a boomerang which raises the output but, at the same time, increases the norm. The average earnings of a worker in Latvia are approximately 800 rubles per month. Big factories where there are many new workers are even building small towns to house them. In Riga, for example, such factories are the shipbuilding plant, VEF, the railroad car factory, various textile undertakings, and others. All capital thus invested can, of course, be recovered once the new workers are involved in the network of socialist competition.
91. It is undesirable that industry is on a higher level, the capacity of industry has increased, and factories have been supplied with new machinery and techniques, thus increasing the specific wage of industry, especially of the metal industry. Yet this Soviet industry is improving only in quantity by building new undertakings and enlarging the labor force. As far as quality is concerned, it will have to struggle for a long time to improve its production, organization, and standard of living. The problem of quality is a long-term one which is not likely to be solved in a half-communist society.

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