

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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1. After nationalization in 1948 the metallurgical works of Hunedoara, Otelul Rosu (Ferdinand), Nadrag, Resita, Roman, Copsa Mica, 23 August (Malaxa), Targoviste, and IAR Stalin (Brasov) were incorporated in the State Enterprise for Metallurgy (IMS).
2. In 1949 the Office for Metallurgical Processing (Oficiul Industriei Metalurgice Prelucratoare - OIMP) was created as successor to IMS, and two months later this was changed to the Center for Metallurgical Processing (CIMP). One month later this, in turn, became the Central Department for Metallurgical Processing (DCIMP). In 1950 all metallurgical works and heavy industries were placed under the Ministry of Metallurgy and Chemical Industry.
3. The Hunedoara, Resita, and Otelul Rosu (Ferdinand) works are under the Foundry Department of the Ministry of Metallurgy and Chemical Industry.
4. The Metallurgical Department of the Ministry of Metallurgy and Chemical Industry has 11 sections, of which those concerned with heavy industry, light industry, and special orders (armaments) are the most important. The IMS Roman, Laminorul (Bucharest), Copsa Mica (Cugir), Gh. Gheorghiu Dej (Targoviste), and Pirotehnica (Dudesti) factories are under the Special Orders (Armaments) Section.
5. The Section for collection of ferrous and nonferrous metals has about 160 employees in the Ministry and large numbers in both the district centers and factories.
6. Ludovic Farkas, head of the Collecting Section
7. The Section for collecting ferrous and nonferrous metals has the additional responsibility for control and utilization of all metal reserves stored as raw materials in factories. It is authorized to examine the stores held by every factory and to determine whether a given quantity of metal is needed for the fulfillment of the factory's plan. All surplus metals must be sold to the Ministry at the price which appears in the factory's books.

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8. Scrap iron is collected and sent to the iron works at prices calculated by the Ministry. If a factory needs some of its own scrap, it must buy it back from the Ministry at amended prices, not those shown in its own books. Scrap which appears on the books of a factory as "written off" at a value of 0.04 lei per kilogram can be collected by the Ministry at this price and resold to other factories at a price which includes the Ministry's expenses or at the market price. Permanent supervisors are stationed with every enterprise, and officials are sent to factories in all 28 districts of Rumania to make inventories.
9. Since three different ministries claim scrap, each enterprise must make out three different lists of its scrap material: one each for the Ministry of Metallurgy, the Ministry of Finance, and the Ministry of Armed Forces.
10. Waste accruing from production must be sold to the Ministry, which resells it. A grenade-fuse factory, for example, is not allowed to remelt its bronze shavings, but it must deliver them to the Ministry at a fixed price.
11. Stocks on which an enterprise receives a loan or which are pledged to the Ministry for taxes become the property of the Ministry of Finance. Stocks which were originally captured enemy war material or materials requisitioned by the War Office are claimed by the War Office.
12. Following a dispute with the Ministry of Armed Forces and the Rumanian Railroads, it was decided at the end of 1951 that the two institutions would collect their materials separately and deliver them to the Ministry, which alone would be in touch with the foundries.
13. Most of the material collected is forged iron and steel. Only 40 per cent is cast iron and, at the most, .5 per cent of nonferrous metals. In 1951, 280,000 tons of forged and cast iron were collected and distributed.
14. The annual production plan is worked out with regard to the type, quality, and quantity of article to be produced. Factories try not only to fulfill their plan, but to be able to announce in the press that they have exceeded it. They sometimes surpass the plan in types made, but not in either quantity or quality. The last two deficiencies are usually kept quiet, and supervisors who point them out are usually in trouble with the Party.
15. The Otelul Rosu Factory was to manufacture T-iron, U-iron, and double T-iron in certain specified dimensions. The factory produced only the largest dimensions, which were the easiest to make. The lack of smaller sizes later held up production in the factories needing them, and these factories could not fulfill their plan.
16. The Soviets have delivered crude castings and crude iron in large quantities for manufacturing machine parts which they had ordered. They have later refused to accept the finished parts, stating that the material was of inferior quality. They ordered the factories to accept the castings, but to use their own materials to fulfill the Soviet order. The factories were forced to comply and had to use the Soviet castings as scrap for remelting.
17. The plan for 1952 calls for collecting 705,000 tons of steel and forged iron, 112,000 tons of cast iron, and approximately 1,500 tons of nonferrous scrap. Nonferrous scrap would include copper and copper scales, bronze, brass, hard and soft lead, tin, zinc, and aluminum. Steel and forged iron scrap would be collected as follows: 200,000 tons by the purchase of British Navy units remaining at Constanta (this was accomplished in February 1952); 200,000 tons from old Rumanian Railroads rolling stock, 25,000 tons from captured enemy war material and stores purchased as scrap from the Ministry of Armed Forces and 280,000 tons to be collected in all 28 districts of Rumania.

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