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CENTRAL INTELLIGENCE AGENCY

CLASSIFICATION

SECRET

SECURITY INFORMATION

INFORMATION REPORT

REPORT []

CD NO.

COUNTRY Rumania

DATE DISTR. 19 May 1952

SUBJECT Sovromconstructie

NO. OF PAGES 5

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NO. OF ENCLS. 1 (LISTED BELOW)

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SUPPLEMENT TO 50X1-HUM REPORT NO.

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1. Sovromconstructie, a joint Soviet and Rumanian enterprise engaged in the building of various civil, industrial and military projects, has its headquarters on 4 Strada Atena in Bucharest. It is divided into seven independent administrative units called Directorates. The Directorates which cover particular geographical areas, specialize in the construction of special projects, have branches in many districts and towns of the country. Following are the Directorates of Sovromconstructie []

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- a. Sovromconstructie No. 1 is located at 33 Strada Coltei in Bucharest. A development of the nationalization of the former Prager Building Enterprises, this Directorate forms one of the main Rumanian contributions to the Sovromconstructie agreement.
- b. Sovromconstructie No. 2, with offices on Strada Regala in Bucharest, has its headquarters in Arad. This Directorate was formed from the nationalized assets of the former Via Enterprises of Arad.
- c. Sovromconstructie No. 3 has its offices at 117 Strada Stefan Cel Mare in Bucharest, where the Rumpel Enterprises were formerly located. Its headquarters are in the town of Iasi.
- d. Sovromconstructie No. 4 is located at 19 Strada C. A. Rosetti in Bucharest in the offices of the former Beton Monier Enterprises.
- e. Sovromconstructie No. 5 is located at 44 Bulevardul Dacia in Bucharest. This Directorate is engaged solely in the construction of bridges and aqueducts.

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- f. Sovromconstructie No. 6, located in Bucharest in the offices of the former Derubau Enterprises at 14 Calea Dorobanti, is engaged solely in the construction of roads and highways.
- g. Sovromconstructie No. 7 has its headquarters in Constanta.
2. All Directorates are organized in the following sections: the Administrative Section, the Personnel Section, the Technical Section, the Accounting Section, the Section for Materials, the Transportation Section and the Special Works Section.
3. The Special Works Section deals exclusively with works of a special character such as secret military projects. In the Sovromconstructie No. 1 Directorate the plans of the projects of the Special Works Section are entrusted to Nicolae Tanasescu, head of the Technical Section, and to an architect named Mircea Cristescu [redacted] 50X1-HUM
4. The Sovromconstructie also controls and operates the following plants and offices:
- a. A cement and lime factory at Comarnic, near Sinaia.
- b. A tar paper factory located at 240 Strada 13 Februarie in Bucharest.
- c. Sovrom STUC located at 505 Soseaua Giurgiului in Bucharest. This firm controls the equipment, machinery and tools necessary for the construction projects.
- d. The Project Planning Office located in the Nestor Building on Calea Victoriei in Bucharest. This office, previously located at 188 Strada Stirbey Voda, provides the plans for all projects executed by the various Directorates of Sovromconstructie. Works of a special character, however, such as military or naval projects, are planned by the Project Planning Section of the ministry which orders them.
5. There follows a list of various projects executed by Sovromconstructie in the past two years:
- a. An aqueduct at Arcuda, near Bucharest, was completed in autumn 1950. The aqueduct is constructed of reinforced concrete, is 1.20 meters in diameter and 13 kilometers long. It carries water from the Arcuda filtering station along the same route as the older aqueduct which was inadequate for the city's needs.
- b. A new dam was built at Crivina for the diversion through a canal of the waters of the river Arges to new filters and water reservoirs near the village of Rosu, on the outskirts of Bucharest.
- c. Two factories, one at Beresti near the town of Suceava and another near Botosani, were built for the Office of Cotton and Hemp. These plants will ret, break and scutch flax.
- d. Two thread spinning factories were built in 1951 at a cost of 400 million lei each. One is located in the town of Iasi, and the other in the town of Botosani in the buildings formerly occupied by the gymnasium near the Stefan Cel Mare barracks.
- e. An expansion project which cost two billion lei was completed in 1951

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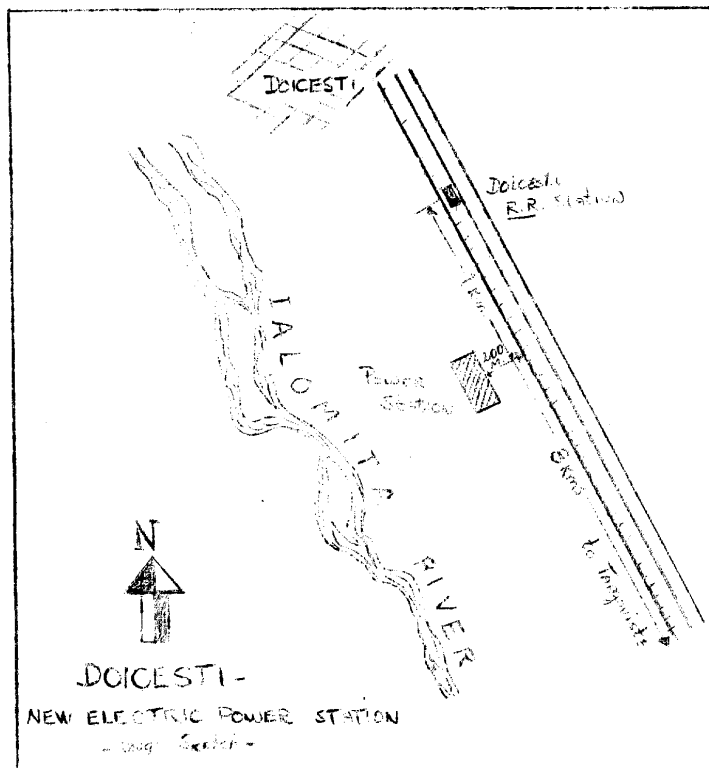
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at the Sovromtractor Industry (former IAR factories) near the city of Stalin (formerly Brasov). The project included the installation of an electric power plant and a transformer station, the building of junction roads, the building of living quarters for the workers, as well as the construction of workshops and an assembly hall. The floors in most of the plant buildings are between five and six centimeters thick and are made of cast iron plates. In order to supplement the electric supply of the Sovromtractor Industry, a power line linking it with the Horeoani electric power plant was installed.

- f. The construction of a new hydroelectric power station was commenced in 1949 in the village of Ficheni near Horeoani. The project, which calls for an expenditure of two billion lei, is scheduled to be completed in 1952. The waters of the Ialomita River will be contained by a dam erected northeast of Ficheni and then diverted into a tunnel three meters in diameter and 500 meters long. The tunnel, a part of which has been drilled through rocky mountains, will provide the waterfall for the hydroelectric station.
- g. A thermoelectric power station, to supply electricity to the oil fields and coal mines of the Targoviste area, was completed in 1951. The power station is located one kilometer southeast of the Doicesti railroad station and 300 meters west of the railway track. Illustrated below is a sketch of the area where the new power station is being built.



- h. A Martin blast furnace and a foundry have been added to the Otalul

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Rosu steel mills formerly known as Uzina Ferdinand, located on both banks of the Bistra River at a distance of approximately 28 kilometers from the town of Caransebes. Water for the mills is supplied by a new pipe line, six kilometers long, which brings the water down from the hills into a reservoir located on a nearby hill of the same altitude. Forty buildings to house the workers, a hostel for apprentices, and a school for apprentices in metallurgy, were built in 1951 at the cost of 400 million lei. The Otelul Rosu steel mills employ approximately 4,000 workers.

- i. A new railroad track and a new locomotive workshop were added during 1951 to the Calan Works near Hunedoara. The total cost of this project is estimated at 200 million lei. The Calan Enterprise employs 2,000 workers.
6. There follows a list of various projects executed by the Special Works Section of the Sovromconstructie during 1951:
- a. The reconstruction and enlargement of the former Regele Mihai I barracks at Otopeni, approximately 17 kilometers north of Bucharest.
 - b. The excavation of a tunnel in Bucharest linking the building of the Ministry of Interior with the neighboring buildings, Dragomir and Excelsior, both occupied by the Securitate.
 - c. The building of a new central telephone exchange called the Sud Est, located at 235 Strada 13 Septembrie in Bucharest. (The street number is approximate).
 - d. The reconstruction and reconditioning of an abandoned building, located between kilometer 6 and 8 on the Baneasa-Otopeni highway. The building, formerly occupied by a training school for pilots, has now been equipped with the most up-to-date installations and underground shelters. It is rumored that it is intended for use by members of the government in case of air attacks.
 - e. Completion of additional installations for the airfield at Otopeni, located approximately 20 kilometers north of Bucharest and east of the Bucharest-Ploesti highway. The old runway which was 1,200 meters long has now been extended an additional 1,300 meters. The present width of the runway is 80 meters. [redacted] the extension plans for the runway called for the support of weights up to 60 tons. The project was speeded up in the autumn of 1951 with the use of 70 trucks and 20 concrete mixers capable of laying 1,100 cubic meters of cement daily. (Attached herewith as Attachment A is a sketch of the works at Otopeni).
7. The director of Sovromconstructie No. 1 is Duhrin Sterlcof (sic), a Russian who is paid a monthly salary of 50,000 lei. His assistant is one Nicholae Tanasescu, an engineer, whose salary is 40,000 lei a month. The monthly salary of all other engineers and higher ranking employees ranges from 18,000 lei to 34,000 lei. Seven hundred lei per diem and an additional 12 percent of the basic salary is given to the Director and the technicians when they are out of town on firm business. The managing personnel working on the construction site are entitled to a 3,500 lei per month quarters allowance and an additional 30 percent of their salary, in addition to the other bonus of 12 percent. Technicians and high ranking employees are also entitled to a maximum two hours overtime allowance per day. The Soviet personnel employed in Sovromconstructie have a relatively high living standard. They live in luxuriously furnished villas and have cars at their disposal. Practically all buy expensive carpets, furniture and pianos. In the lower brackets, the minimum salary for an employee is 4,000 lei per month. The workers' salaries range from 5,200 lei to 6,800 lei per month for unskilled workers and from 9,000 lei to 12,000 lei per

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month for skilled workers.

- 8. The Administration of Soviet Properties, located at 68 Strada Dionisie Lupu in Bucharest, is in charge of the control, coordination and administration of all Soviet properties in Rumania.
- 9. Lumber, iron bars for concrete, and cement are very much in demand for projects throughout the country. [redacted] on some such sites work was interrupted because of the lack of necessary building materials. In some instances, the intervention of Chivu Stoica, Minister of Industrial Production, and that of Dumitru Praporgescu, Minister of Construction, had to be obtained for the delivery of such materials.

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Comment: [redacted] location of the seven sub-directorates of Sovromconstructie as follows:

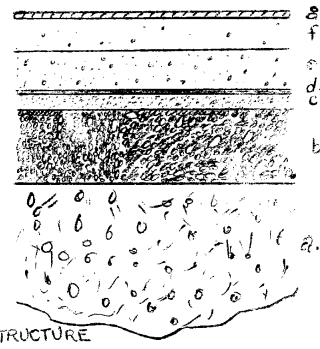
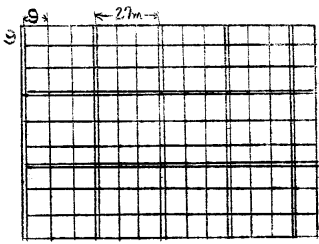
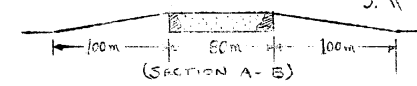
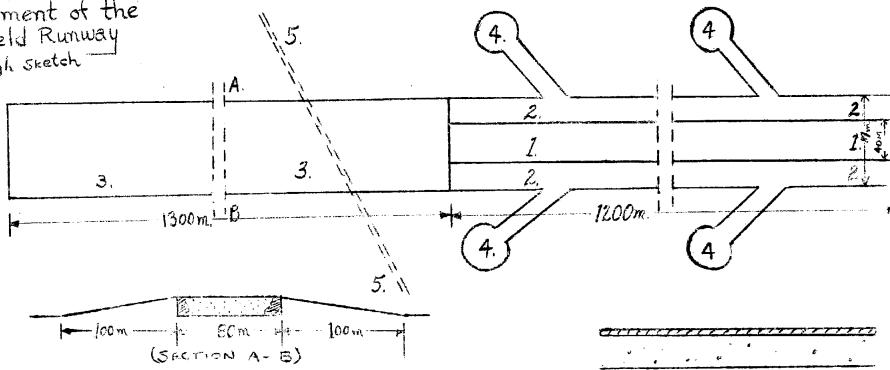
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- Bucharest
- Arad
- Stalin (Brasov)
- Iasi
- Galati
- Craiova
- Constanta

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OTOPENI -
 Enlargement of the
 Airfield Runway
 - rough sketch



1. Old runway, 40 meters wide and 1200 meters long. Made of concrete with a layer of asphalt.
2. Widening of the old runway from 40 to 81 meters.
3. New runway
4. Auxiliary maneuvering runs. 10 on each side.
5. An underground drain 300 meters long.

Structure:

- a. 2-3 meters compressed gravel
- b. 18-20 cms. gravel
- c. 2-3 cms. sand
- d. Tar paper which weighed 200 grams per sq. meter
- e. 8 cms. concrete - 350 kilos per cubic meter.
- f. 8 cms. concrete - 400 kilos per cubic meter
- g. Layer of bitumen

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INFORMATION REPORT

REPORT [redacted]

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[redacted]

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1. In November 1951 [redacted] a train passing through the Chitila railroad station headed in a westerly direction. On the train there were 20 trucks, guns covered with tarpaulins, mobile kitchens and Soviet soldiers.
2. [redacted] since January 1952 an increasing number of Soviet women and children were seen on the streets of Bucharest and Constanta. Soviet families in the country live a segregated life and do not mingle with the Rumanian population. 50X1-HUM
3. Persistent rumors were being circulated throughout Rumania to the effect that new "groups" of reserve officers will be called for service. Local conscription officers were reportedly working hard to deliver individual envelopes with sealed instructions to the draftees.
4. The General Direction of the Labor Service and the Direction of Military Labor Forces, the latter located at the corner of Calea Mosilor and Bulevardul Carol in Bucharest, are two services in charge of the organization and control of all labor battalions. The labor battalions are military units composed of "politically unreliable" conscripts.
5. The former Velodrom motorcycle race track has been converted into an athletic instruction center for the Militia at a cost of 250 million lei. The center, which is provided with several halls and sport fields, is now called Dinamo. It is located on Soseaua Stefan cel Mare in Bucharest.


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6. A Rumanian military unit is billeted in a five story building located on the corner of Bulevardul Lascar Catargiu and Strada General Manu in Bucharest. Another unit is billeted in a building located on the corner of Bulevardul Lascar Catargiu and Strada Nicolae Iorga. A Rumanian frontier guard unit is billeted on the upper floors of a building housing the Restaurantul I Mai, on Strada Academiei in Bucharest. A unit of the factory guards is housed in a building located on the corner of Strada C. A. Rosetti and Strada Cantacuzino in Bucharest.

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REPORT
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1. Direct appointments with high ranking employees as well as access to the various ministries are prohibited to the public. Those desiring appointments must first apply to the information office which will handle the case.
2. Upon closing the offices all scrap paper must be burned daily and all files must be secured in safes locked with three different keys held by three different persons.
3. Ten to thirty percent of all state employees have been dismissed from their jobs since January 1952 following the enforcement of a regulation dealing with the reorganization of the administrative personnel in the various state enterprises. Many technicians, bookkeepers, et cetera, were moved to similar jobs in other towns, whereas a good many employees moved from one town to another, had to accept jobs as common laborers. Both the dismissals and the transfers of the employees were carried out by the Personnel Section of the cadre. Under the threat of being considered saboteurs, the employees can no longer change their jobs or refuse the jobs assigned to them without the previous approval of the cadre. In order to help enforce this, all identity cards have been rubber stamped by the cadre. While some employees are dismissed, others are hired. Those hired are mainly recruited from among those who were dismissed by other firms and who remained jobless for a while. It is believed that this method of periodic rotation of personnel will increase the discipline of the employees.

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[REDACTED] 50X1-HUM

[REDACTED] as of January 1952 the naturalization laws were modified. According 50X1-HUM
to the new law, the granting and the withdrawal of Rumanian citizenship
has been vested in the Presidium of the Republic. Henceforth, the Ministry
of Justice, which in the past had these powers, will only receive the
applications. After investigation by the Ministry of Interior and the
Aliens Department, the Ministry of Justice will submit its report on the
application to the Presidium. Reportedly, the law has already been pub-
lished in the Buletinul Oficial.

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INFORMATION REPORT

REPORT []

CD NO.

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DATE DISTR. 19 May 1952

SUBJECT The Aftermath of the Monetary Reform

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1. A government regulation issued after the monetary reform compelled the peasants to pay the first and the second quarter of their income taxes no later than 25 February and 25 March respectively. The regulation was a device to force peasants to sell their products on the market.
2. Private telephone subscribers were forced to pay in advance within ten days from the date of the monetary reform their quarterly subscriptions, under penalty of having their subscriptions cancelled. The cost of a monthly subscription for a private telephone and a business phone is 20 new lei and 30 new lei respectively. Telephone tokens for public telephones cost 0.25 new lei in Bucharest and 0.30 new lei in Constanta. The new price for inter-city telephone calls is calculated on a ratio of 20 old lei for one new lei.
3. As of January 1952, all building assessments for tax purposes were increased by 0.66 percent ad valorem. The amounts thus collected reportedly were to create a fund, at the disposal of the Ministry of Construction, for the erection of technical schools.
4. [] soon after the monetary reform, long lines could 50X1-HUM be seen in Bucharest in front of the savings banks offices. The people who were waiting in line to withdraw their savings could read bright posters saying "Welcome depositors of new lei".
5. As of January 1952 food ration cards were to be issued monthly instead of quarterly. Clothing ration cards are now to be issued bi-annually. According to the new regulation, former owners of property now nationalized or those who still possess some wealth are no longer entitled to ration cards.

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6. In Bucharest, there is a great shortage of meat. Liver, kidneys and brains are, however, in good supply. cattle are still being slaughtered but the meat goes mainly to the Soviet Army and to the canning factories for stockpiling.

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7. There follows a list of prices on the Bucharest free market:

- a. Beef 20 new lei per kilo
- b. Fresh butter 24 " " "
- c. Sunflower seed oil 22 " " the liter
- d. White cheese 18 " " per kilo
- e. Fresh milk 3 " " " "
- f. Eggs 12 " " per dozen

8. Prices in Soviet operated cooperatives and canteens are much lower than those the Rumanian population have to pay for rationed goods. Soviet soldiers are known to have sold items bought in Soviet establishments on the open market. Ham was sold for 30 lei per kilo, whereas they cost only 15 lei and 10 lei respectively at the Soviet stores.

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