

ITEM No 3097/53

2600
3309
E
1404

G
26 Mar
VII-411 k

RUMANIA

COLLECTIVE TRADE

PROPAGANDA

TAXES

The Munca Pacii Cooperative of BUCHAREST.

SOURCE TRIESTE: Emigrant

DATE OF OBSERVATION: July 1952

EVAL. COMMENT: An interesting report which reveals many "technical" aspects of Communist propaganda in Rumania.

One of the most striking anomalies discovered by Rumanian soldiers in Soviet cities during the operations for the consolidation of the liberation of Bessarabia and the Bucovina, were the so-called Stalin factories which manufactured dolls and propaganda articles and were busy with the mass production of STALIN and LENIN portraits. It was quite inevitable that this practice would spread to the Sovietized Satellite countries where many such factories received contracts for production of busts and portraits of Communist bigshots.

Although Rumania is known to be a great producer of paper, the consumption for propaganda purposes is so large that it contributes, in addition to the forced exports, to an acute shortage felt even in the shops, which are practically not in a position to wrap the items bought by the customers. On 20 March, 1952, the Rumanian Government issued a decision on the improvement of the activities of cooperatives. The new program includes courses for professional training, improved medical assistance, political indoctrination, tax reduction and vigilance against "saboteurs."

We would like to mention that the mentioned cooperative is not entered in the Telephone Directory.

The Munca Pacii Cooperative of BUCHAREST, at Baratiel str. N. 35 manufactures dolls and propaganda articles. Among other things they produce portraits of Communist bigshots, large box letters used for the Communist slogans and busts representing Communism's four leaders: MARX, ENGELS, LENIN and STALIN.

Over

(1)

This cooperative was constituted in February 1950. All the small artisans who were doing that sort of trade were obliged, by various methods, to adhere. Besides the outrageous taxes applied to private firms, there was also a decree issued which prohibited all Government institutions to purchase propaganda material from private enterprises. Up to that date the absurd adulation for the Communist heads was exploited by these private firms, which used to sell busts of the bigshots at outrageous prices, at 2,000 to 2,500 Lei each, while the cost price raw material and taxes included, was not more than 300 Lei. These busts were manufactured in bulks, just in plain plaster, which successively was pointed over with a coat of black-red or imitation bronze color. Whenever these busts were offered to the director of a State enterprise or institution, he dared not refuse them because the offer was made in such a way that the director would be made to understand, a refusal might be interpreted as a lack of faithfulness to the regime. In addition, nobody could purchase just one bust alone: each firm bought at least two, if not the set of four complete. Thus, the manufacturer of busts had a very profitable business. Up to a certain moment these sales were made without issuing any invoices - and when the mission of invoices to the buyers was made compulsory, the fiscal authorities were unable to specify under which article of the Code for indirect taxation (cifra de afaceri) these sales were to be included. The merchandise in question could not be classified as "works of art" being produced in series - nor as knick-knacks. Thus, the small artisans were able to bargain with the authorities regarding the tax to be paid on these sales and naturally, managed to establish the minimum percentage of 2 per cent to be applied. Up to 1949 things went this way, when a new law decree on indirect taxation established a percentage of 33 per cent to be paid on all sales; but even with such a heavy taxation the profit margin in the bust business was still quite satisfactory.

Today the Munca Pasii factory produces the same busts, with the same sales methods, but business is not as it used to be during the past years - because there are only few people who are still without these busts. The greatest demand is for the busts with a coat of red paint, which are exposed in the so-called "red corners" of the Party's headquarters and in the State enterprises.

End.