

July 16, 1959

Radio Bucharest carried the decision of the Central Committee Plenary Session of July 13-14 to increase wages, pensions, military pay, to exempt monthly wages of up to 500 lei from taxes and to reduce taxes on wages up to 1500 lei. According to the regime radio, there will be a general wage increase of 10% which, when coupled with the reduction of taxes would amount to a net wage increase of 14% for lower categories of workers and approximately 20-23% for workers in the higher categories.

Pedagogues are to receive a wage increase of approximately 18%, officers in the Romanian Army from 24-35%. Those in the Ministry of Interior, Security Forces, Militia and other units receive an increase of 20-22%. Non-commissioned officers will receive an increase of 15-20%. Increase of old-age pensions, according to the radio, will average 63%, ranging from 350 to 1200 lei monthly. Pensions for dependents of deceased workers will be increased by an average of 62% while pensions to war invalids, orphans and widows will be increased by an average of 41%. This sweeping increase in wages, reduction of taxes and further benefits for pensions is estimated to cost the regime 4.7 billion lei and, when coupled with the wage increase granted immediately after the Hungarian revolution in 1956 (18%) as well as a probable increase of 2% in 1958, amounts to 32% increase in annual wages within a three year period.

Simultaneously, the regime appealed to the working people to save more than 1 billion lei in cost of production, equipment, etc., in order to help meet this general increase. Feeling here is that regime can afford this measure primarily because of the abysmal wages paid prior to 1956 and because there are certain factors such as voluntary labor brigades, which supply the regime with thousands of man hours labor at no cost.

The Romanian regime recently announced a government surplus of expenditure of 3 billion lei. The withdrawal of Soviet troops from Romania is a contributing factor in supplying funds to meet the wage increases and tax reductions.