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RFE EVALUATION AND ANALYSIS DEPARTMENT

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Background ReportRumanian Unit  
(A.Gh)PROPAGANDA AND TRUTH ABOUT THE DISTRIBUTION OF FOOD  
IN RUMANIA

The dimensions of Rumanian economic planning are no doubt impressive and one cannot deny that the achievements in certain sections of the economy have been considerable. But in a society where social justice means anything the rewards to the population, in the form of a higher standard of living, should at least be commensurate with the economic progress of the country as a whole.

The Rumanian regime claims, of course, that this is the case in its country and the recent congress of the Communist Party was full of grandiose (and vague) claims about the betterment of the lot of the people. That the Rumanian peoples' condition, compared with, say, five years ago, has in certain respects improved is true. But the universal consensus of balanced opinion, is that the standard of living in Rumania remains very low and that in the context of the new economic plans it has no possibility of a marked improvement.

The regime sometimes unconsciously admits this through the inconsistency of its own propaganda. It has recently done so with some figures on production in the consumer goods sector and on the distribution of food. These figures reveal not only an unjustified discrepancy between the production and the distribution of consumer goods but also inconsistencies in the figures for the distribution itself.

Here are the figures and their background.

Consumer Goods and the Distribution of Food

On October 11 Radio Bucharest announced that the over-all production plan of the Ministry of Consumer Goods had been fulfilled to 102 per cent in the first nine months of 1960. Since the 1960 plan provided for an increase in the production of consumer goods by 13 per cent over 1959 (1), one may calculate (if one assumes a uniform increase of production throughout the year (2)) that there has been a 12.6 per cent increase in the

- (1) Gheorghiu-Dej report on 1960 plan, "Scinteia" 6.12.59
- (2) It is safer to do this in the case of consumer goods than in the case of heavy industry since several heavy industrial projects are due to be commissioned in the second half of the year.

production of consumer goods in the first nine months of this year as against the corresponding period last year.

Now, even allowing for consumer goods exports, one would expect that there would be a roughly parallel increase in the distribution of consumer goods, particularly of the most vital commodity, food.

Let us examine the provisions of the 1960 plan for the distribution of food.

Gheorghiu-Dej at the Central Committee plenum in December 1959 (3) reported that in the whole of 1960 there would be a three billion lei increase over 1959 in the value of food distributed to the population through the socialist trade network. The increases scheduled for meat, edible oil and milk were as follows (4):

Meat	--	15.7 per cent
Edible oil	--	23.8 per cent
Milk	--	60 per cent

What kind of progress has been made toward achieving these scheduled increases?

An Agerpress release on October 13 purported to give the answer to these and other questions. But it made no real attempt to give valid answers and the figures it did give were accompanied by a great deal of propaganda verbiage which was clearly designed to distract attention from the poor progress which had obviously been made in these three and in other commodities.

In the first place Agerpress speciously tries to compare progress in the first three quarters of 1960 with the same period in 1949. This is a ridiculous comparison because a) the population of Rumania was by 1.7 million smaller in 1949 than it is now (5) and b) the socialist trade network then was a great deal smaller than at present. Now, nearly all food is distributed through this network; then, there was a strong private trade sector which handled about one third of the sales of consumer goods (6). In the second place Agerpress lists the results expected in this sphere for 1965! To the Rumanian population this must sound very much like a "pie in the sky" argument.

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(3) "Scinteia" 6.12.59

(4) "Probleme Economice" No. 12 (December) 1959

(5) "Statistical Breviar" of the RPR - 1960

(6) Ibid



The figures which Agerpress supplies are worth very little on their own, but if one takes them along with the provisions of 1960 plan and the results achieved in 1959 one can get a rough picture, which the regime is anxious not to exhibit. The following calculation is in comparative percentages, i.e. in terms of achievements in 1959 and in terms of the plan for 1960. The whole year is taken as 100. Three quarters of a year is, therefore, considered as 75 per cent. Thus the third column shows the difference between the comparative percentage actually achieved in the first three quarters of the year and this 75 per cent.

	In % of whole year of 1959	In % of planned figures for whole year of 1960	Difference to 75 per cent for 1960 (3/4's of planned figures)
Total Value of Food Sales (Soc Sect) during first three quarters of 1960	79 %	67 %	- 8 %
Meat	75 %	65 %	- 10 %
Meat products	63 %	-	-
Bacon and Fat	16.6 %	-	-
Milk	86 %	53 %	- 22 %
Sugar	68 %	-	-

In addition to the serious lagging shown by the three figures in the last column, there is obviously a serious deficiency in the distribution of bacon and fat. The 16.6 per cent is an amazingly low figure (2,000 tons in the first three quarters of 1960 as against 17,000 tons distributed for the whole of last year) and may be partly accounted for by a considerable stepping up in exports. One should also point out the fact that at the same time as the wage increases and price cuts of July and August last year the prices of such vital food items as meat and dairy products were quietly raised by up to 25 per cent (7). Therefore, the overall price of goods in the first nine months of 1960 was higher than in about the first seven months of 1959. Consequently the comparisons of the value of the food distributed in the first nine months of 1959 and 1960 do not necessarily reflect comparable quantities of food, since the volume distributed in the first seven months of 1959 was apparently larger than reflected by the figures representing its value. (It should be pointed out here that the Agerpress figures of October 13 representing the value of the foods distributed in the first nine months of 1959 did not state that the calculation was made at the prices of that period -- including the mentioned lower prices for the first seven months of 1959.)

(7) "The New York Times" 7.9.59.

### Individual Consumption and Exports

What do these disappointing figures mean in terms of individual consumption? This is a very difficult, almost impossible question to answer. One is dealing here only with the socialist trade network and there does, after all, still exist a free market, although, as is pointed out below, this is getting smaller and smaller. It is also true that the peasantry, to a great extent, supplies its own food needs and is happily not so dependent on the socialist trade network. But, despite these important reservations, the following calculated figures do tell a story -- one of which the regime has no reason to be proud. (The figures are calculated on the basis of a total population of the country of 18.5 millions.)

#### Consumption per head in first nine months of 1960

Meat	5.4 kg
Meat products	1.6 kg
Bacon and fat	0.15 kg
Milk	5 liters
Sugar	5 kilograms

In view of these figures the population can hardly take kindly to some of the regime's export plans. Exports of meat increased from 4,400 tons in 1958 to 16,800 tons in 1959, and since the production of meat in the first six months of 1960 amounted to only 42 per cent of the quantity planned for the whole of 1960 it can be assumed that this year's export commitments have again dictated a reduction of planned sales on the domestic "socialist" market. The probable exports of considerable quantities of bacon and fats have already been mentioned and one may assume that the list does not stop here.

### The Prospects

The force of these arguments is underlined by the fact that the opportunities for the population to supply its basic food needs outside the socialist trade network are getting less and less. The private trade sector has been almost entirely liquidated and direct sales on the free market by producers are also decreasing, causing an increase in their prices. Furthermore, because of the decrease of the private sector in agriculture and the new trend by which even the quota of products allocated to the kolkoz members is partly "valorized" by the kolhoz (8), the peasant's surplus which could be made available for sales is also decreasing. There again, if the demand is great and the supply is small, prices on the free market are likely to increase.

(8) See Evaluation and Research Section Background Report: "Wages and Working Conditions in Rumanian Collective Farms" 21.10.59.



This, then, despite Agerpress and its comparisons with 1949 and its promises for 1965, is the real situation for 1960. It is hard to see how the situation will improve toward the end of the year since in this sector one cannot generally apply the well known Communist technique of "final assaults". For an acceleration of sales more money is needed in the pockets of the people. One would like to think that it was there.

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