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RUMANIA

FINANCE
Banking

Organization Of The Central Office Of The
State Bank

SOURCE ATHENS: Former employee of the bank.
DATE OF OBSERVATION: June 1952.

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The Central Offices of the Bank of the Popular Republic of Rumania, Bank of the State (Banca Republicii Populare Romane, Banca de Stat) are located at 25 Lipskani street, BUCHAREST, in the old building of the National Bank of Rumania, which is connected with the so-called "new building" fronting on Carada, Doamnei and Smardan streets. The two structures now form a single building.

On the ground floor are located the BUCHAREST Branch Office, police station, postoffice, transport section and treasury; first floor, offices of the president, vice-presidents, counsellors and secretariat; second floor, Personnel, Credits and Organization Departments; third floor, Accounts and Inspectors offices; fourth floor, Statistics Department, and fifth floor, Lecture Hall, Theater and Child Care Station.

Another building on the Calea Victoriei houses the foreign relations and press departments, canteen and gymnasium.

The source said that the key department of the State Bank is the Organization Department (Directia Organizarii.) It was created in 1948 under the name of Branch Offices and Agencies Service (Serviciul Sucursalelor et Agentiilor;) with the passage of time it grew and took on the status of a separate department. Director of the department is ALMAJANU Traian; there are two assistant directors, one GHEORGHIADU (fnu) and CALINESCU Marin.

The Organization Department comprises three sections, as follows:

1. Organization Section (Sectorul Organizare, Rationalizare,) of which the chief is MATEESCU Mihail. There

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are three sub-sections:

- a) Plans Sub-section (Divizia Planuri): chief NEDELCU Eugenia;
- b) Work Planning Sub-section (Divizia Normarea Muncii): chief MIRCEA Simeon;
- c) Organization Sub-section (Divizia Scheme de organiz.): chief CONSTANTINESCU Alecu.

2. Work and Wages Section (Sectorul Munca si Salarii.)
The source does not know the name of the chief of this section.

3. Budget Section (Sectorul Budget.) Chief DURET Zaharia.

The department employs 145 persons. All the officials named above are Communist Party members, according to the source. Director ALMAJANU is the state bank's contact with the Ministry of Finance and the State Planning Board (Comisia de Stat Planificarii) in regard to the number of bank employees, their salaries and kindred matters.

The Plan Sub-section of the Organization Section is responsible for the hiring and classification of new employees. In addition to Sub-section Chief NEDELCU, it has three planning employees of grade A, three planning employees of grade B, one accountant and one typist. The source said that some sort of secret work was going on in this sub-section when she left the employ of the bank, in April 1952. She was not able to discover anything about the nature of the work, but she knew that the papers pertaining to it were kept in steel safes in room 207 on the second floor of the "new building."

The two chief functions of the Work Planning Sub-section of the Organization Section are the definition of the norm for each job and the encouragement of "Socialist competition." Virtually everything at the bank is done on the norm system - that is to say, the time for the completion of a task is pre-defined sharply. The source pointed out that, considering the variety of tasks and the diversity of human skills, it is not easy to define a norm rationally. She said there have been many experiments in the bank to develop the norm, system on a sounder, more practical basis. In one experiment, all the employees of the bank's central offices were divided into three categories - excellent, good and mediocre - and their performance of certain tasks was timed in an effort to find an average, or norm. The source gave some examples of the norms obtaining when she left the bank:

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Writing a cable, two minutes; typing one page, 18 minutes; writing a letter, six minutes. The time required for the preparation of the task is included in the cited norms.

"Socialist competition" is carried out at the bank under the auspices of the employees' trade union and the Communist Party. The employees participate individually, in pairs and in teams. The trade union usually suggests the type of competition, such as: exceeding the norm by a certain percentage, the reading of a certain number of Communist theoretical books, assistance to professionally "weaker" employees, etc. The employees undertake in a written statement to achieve the goal of the competition and the statement is read out at a meeting of the trade union. Participation is compulsory. The winners are proclaimed "leaders of production" and if the winner happens to be a Party member he or she gets a cash bonus, according to the source.

The Organization Sub-section has charge of assigning the employees to the various departments and branches of the bank and it also makes the preliminary studies of all projected changes within the bank's structure, such as the transfer of employees, the establishment of new branches, etc. Its studies then go to the Ministry of Finance and the State Planning Board for final approval. Under the Organization Sub-section is the Commission for Rationalization and Inventions (Comisia de Rationalizari si Comisia de Inventii,) which has a full-time staff of director, one planning employee and one stenotypist. When this body sits as a commission several other directors participate as ex-officio members. The commission considers suggestions, which the bank employees turn in on how to attain higher standards of efficiency and economy. If an employee's suggestion is accepted, he gets a bonus and the suggestion is put into effect throughout the bank and its branches.

The Work and Wages Section handles the employees' wage scale, vacations, absences, sick leave and overtime, and the Budget Section has charge of drawing up the bank's administrative budget.

This concludes the source's analysis of the Organization Department of the state bank.

She then took up the Department of Plans and Coordination (Directia Planificarii,) whose chief responsibility is the control of the currency circulation in close cooperation with the Ministry of Finance. On the tenth day of each month the department collects from all branch offices

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reports on the amount of currency each branch had put into circulation during the previous month. These reports must tally with the accounting books of the branch office.

Every enterprise in Rumania, private and state, must keep a detailed accounting of its capital - in cash and bank deposits - and render quarterly reports on income and expenditure to the state bank. Special commission of the Plans and Coordination Department audit the quarterly reports to keep close check on the amount of currency in circulation.

Control over currency volume is also exercised through the Accounting-Inspectors Corps (Corpul Revisorilor Contabili,) which is empowered to survey the financial situation of every company dealing with the bank and decide on whether it should be permitted to withdraw sums from its deposits in the bank. The source said that during last January's devaluation many inspectors in the branch offices were arrested and interrogated by police, because they were held responsible for the fact that state enterprises lacked sufficient funds to pay the workers' wages in the new Lei.

The Accounting-Inspectors Corps was formed in 1948, when the system of "preventive accounting control" was introduced into the bank. Under the system, the corps' expert accountants must check on and approve all transactions put through by bank employees before the transactions become valid. The system was necessary because of the large number of Communist Party members without technical banking knowledge who were appointed to responsible posts in the bank.

Continuing with her analysis of the bank's departments, the source said that the Personnel Department (Directia Cadrelor) has two main branches - the Professional Staff Branch and the Political Staff Branch.

The Professional Staff Branch handles most of the details concerning personnel, such as the employees' personal dossiers, the bank's vocational training schools, etc. The source asserted that vocational schools for on-the-job training exist not only in the bank but in virtually all the big state companies in Rumania. The reason is simple: the Communist Party dictated wholesale appointment of its members to jobs, regardless of their qualifications, and these people had to be trained after they started to work. The bank's vocational schools have twice a week sessions of three hours each; at the completion of the course, the employee takes an examination and if he passes he gets a certificate giving him the right to request a post commensurate with his training. The source

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said that the following vocational courses exist at the BUCHAREST offices of the bank:

Accountants School for Beginners (Contabilitatea Normata Pentru Incepatori,) Accountants School for Graduates of Commercial Academies (Contabilitatea Normata Pentru Avansati-absolventii Academiei Comerciale,) Administrative Employees School (Scoala Administrativa,) Illiterate Persons School (Scoala de Alfabetizare,) and courses for typists, stenographers, file clerks and planning employees. There is also the inevitable Russian-language school. Similar courses exist at the provincial branch offices.

The source said that the Graduate Accountants School enrolls 120 students every year, but that usually no more than 40 complete the course. The courses are not popular, she said, because they take up too much of the employees' private life; thus, in addition to the two night lessons a week, plus study and homework, there are the meetings of the various trade unions, Party and front organizations, which the employee must attend. If the planned number of students fail to enroll voluntarily, the quota is made up by "conscripting" the necessary number of employees for the course. Exemption is possible only in the case of poor health, duly certified by the bank's doctors.

Subjects in the Graduate Accountants course include political economy, Marxism-Leninism, Plan Problems and First Aid (the latter in connection with civilian defense.) Party members deliver the lectures on Marxism-Leninism, which include such themes as "Industrialization in the Soviet Union," "Electrification of Rumania, "Cooperatives in the Socialist State," "The Rumanian Communist Party," "The History of the Liberation of Rumania by the Red Army," "The Road to Socialism for Rumania," etc.

Only Communist Party members who are not illiterate are eligible for the Administrative Employees School. The graduates of this school have a fair chance to rise high in the bank.

The Illiterate Persons School is chiefly for the bank's service employees, maintenance workers, etc. After graduation they are given an elementary school certificate. The source knows several Party members who, after graduation from the Illiterate Persons School, went on to attain responsible positions in the bank. She mentioned one - a former servant girl named IOANID Ecaterina, who is now an inspector in the Political Staff Branch.

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Marxism-Leninism is also taught in the strictly vocational courses, such as the school for typists and stenotypists. The Stahl Method of stenotyping is taught by an instructor named BOIA (fnu); students are awarded a graduation certificate when they are able to take 100 to 110 words per minute.

The source said that the bank's employees show little interest in the Russian-language course; she added that for a time the course had to be discontinued for lack of students.

One reason why the various vocational school have difficulty in recruiting their full quota of students, according to the source, is that despite the appointment of many unqualified Party members, some 70 per cent of the employees at the Central Office are veterans of the dissolved National Bank of Rumania and most of them are graduates of higher commercial academies.

The source said that the last word in matters of transfers, promotions, etc., of employees lies with the Political Staff (Cadrele Politice) of the Personnel Department, which operates under cover. The director of the Political Staff is always a Party member, of course, and he is appointed directly from Party headquarters. Just before she left the bank, she heard that the director of the Political Staff had been a man named DRAICHLINGER (fnu) who "disappeared" shortly after his appointment. The same thing happened, she said, to his successor - a former service employee of the bank whose name she did not know.

The chief task of the Political Staff is to spy on the other employees of the bank, in close cooperation with Securitatea. The spies pry into the employees' friendships, family background, ideas, etc., to see whether anything has been kept hidden from the eagle eye of the Party. The source mentioned the case of a female employee in a branch office in CONSTANTA, who had not stated in her curriculum vitae that she had owned 50 hectares of land before the expropriation. This was considered sufficient reason for her dismissal by STEFAN Ion, political officer in the branch office, after consultation with the Central Office.

The source said that there is a political officer in each of the provincial branches; he invariably has a private office with a steel safe in which to keep his papers. As soon as a new political officer arrives at a

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branch, his first act is to confer with the local Securitatea commander. The political officer has custody of the personal dossiers of the employees, which list the employee's social origin, political ideas, personal property, etc. The dossier is compiled on the basis of the curriculum vitae, which each employee must file with the bank's authorities, and the statements in it are carefully checked.

The source said that the Accounts Department (Directia Decontari) comprises the Treasury Branch (Sectorul Trezoriei Statului,) the State Budget Execution Branch (Sectorul Executarea Budgetului Statului) and the Section of Payments by Counterbalance (Sectorul de Decontari Prin Compensatie.)

The main task of the State Budget Execution Branch is to supervise the operation of the state budget. Its director is CONSTANTINESCU Dumitru.

The Section of Payments by Counterbalance implements a method of payments, which has been imported from the USSR. The method consists of clearing accounts of the state enterprises by balancing the payments and collections between the various companies. The source illustrated the method as follows: Company Y owes Company X 5,000 Lei, Company Z owes Company Y 18,000 Lei, Company M owes Company Z 9,000 Lei and Company X owes Company M 4,000 Lei. The Section counterbalances these accounts as follows:

Company X - Credit	-	1,000 Lei
Company Y - Credit	-	13,000 Lei
Company Z - Debit	-	9,000 Lei
Company M - Debit	-	5,000 Lei

The source concluded her description of the departments with whose work she is familiar by mentioning the Corps of General Inspectors (Corpul Inspectorilor Generali.) The Inspectors visit the provincial branch offices in four-man teams at least four times a year. The teams consist of a general inspector, a credits inspector, a plan and coordination inspector and an inspector of current business. Each inspector files to the Central Office a separate report on the part of the branch's work which he has surveyed; the Inspector General correlates these reports and prepares a comprehensive report giving a detailed study of the branch office's work in relation to the work of the state bank as a whole.

EVAL. COMMENT: Excellent report; source has proved reliable. Names could not be confirmed, here.