

---

RFE EVALUATION AND ANALYSIS DEPARTMENT

---

Background Research

STATISTICS ON THE DEVELOPMENT  
OF THE RUMANIAN ECONOMY IN THE  
FIRST HALF OF 1960

Rumanian Unit

STATISTICS ON THE DEVELOPMENT OF THE RUMANIAN ECONOMY IN  
THE FIRST HALF OF 1960

Introduction

In contrast to the practices adopted by some other East European regimes in recent years, no detailed returns of the first six months of this year's state economic plan have been published in Rumania. The titular head of state, Ion Gheorghe Maurer, simply stated in a speech on August 22 that the planned overall production of "socialist industry" had been fulfilled to 104 per cent in the first semester of 1960.

But the Statistical Bulletin for the second quarter of 1960, published by the Central Directorate of Statistics, has supplied a whole series of figures on production, investments, productivity, etc. If these figures are compared with the corresponding figures last year and with the planned figures for 1960, one can get a fairly accurate picture of the overall development of the Rumanian economy and its serious problems in certain sectors.

The figures will certainly point up some of the difficulties which the economy has run into. But it should be stated at the very outset that some of the figures -- as for example in production -- should not necessarily be considered as a trend. It can be expected that some of the laggings in the production sector during the first half of the year will be made up in the second half by the commissioning of new production capacities. Also, some cases of low productivity may be improved by the installation of more modern machinery and by a more rational use of the labor force.

Total Industrial Production

For total industrial production (in the socialist sector) the Statistical Bulletin provides the following figures, showing the dynamic in the first and second quarters of recent years.

<u>First quarter of 1955 = 100</u>	<u>Second quarter of 1955 = 100</u>
First quarter of 1956 = 100	Second quarter of 1956 = 108
First quarter of 1957 = 109	Second quarter of 1957 = 118
First quarter of 1958 = 122	Second quarter of 1958 = 128
First quarter of 1959 = 130	Second quarter of 1959 = 142
First quarter of 1960 = 155	Second quarter of 1960 = 166

These tables show that industrial production increased by about 19 per cent in the first quarter of 1960 and by about 17 per cent in the second quarter as against the same periods in 1959.



The overfulfillment of the plan by four per cent in the first half of 1960 is calculated on the basis of a planned increase of industrial production in 1960 by 14 per cent over 1959.

### Breakdown by Production Branches

The following tables show the development of production in the key branches of the industrial economy.

#### 1. Production of Electric and Thermic Power (not including power stations managed by the People's Councils)

First quarter of 1955	= 100	Second quarter of 1955	= 100
" "	1956 = 110	" "	1956 = 106
" "	1957 = 128	" "	1957 = 122
" "	1958 = 152	" "	1958 = 140
" "	1959 = 171	" "	1959 = 161
" "	1960 = 197	" "	1960 = 181

Production increased by about 15 per cent in the first quarter and by about 12 per cent in the second quarter of 1960 over the corresponding periods of 1959. The 1960 Plan provided for an increase of 20 per cent over 1959.

#### 2. Fuel Production

First quarter of 1955	= 100	Second quarter of 1955	= 100
" "	1956 = 98	" "	1956 = 103
" "	1957 = 107	" "	1957 = 111
" "	1958 = 117	" "	1958 = 117
" "	1959 = 126	" "	1959 = 130
" "	1960 = 137	" "	1960 = 140

Production rose by about nine per cent in the first quarter and by about 8.5 per cent in the second quarter of 1960 over the corresponding periods of 1959.

#### 2. (a) Coal Industry

First quarter of 1955	= 100	Second quarter of 1955	= 100
" "	1956 = 96	" "	1956 = 103
" "	1957 = 106	" "	1957 = 113
" "	1958 = 118	" "	1958 = 118
" "	1959 = 123	" "	1959 = 132
" "	1960 = 128	" "	1960 = 140

Production increased by about four per cent in the first quarter and by about six per cent in the second quarter of 1960 over the corresponding periods of 1959.

#### 2. (b) Oil Industry

First quarter of 1955	= 100	Second quarter of 1955	= 100
" "	1956 = 97	" "	1956 = 102
" "	1957 = 106	" "	1957 = 108
" "	1958 = 111	" "	1958 = 111
" "	1959 = 119	" "	1959 = 123
" "	1960 = 129	" "	1960 = 131

Production increased by about nine per cent in the first quarter and by about 6.5 per cent in the second quarter of 1960 over the corresponding periods of 1959.

2. (c) Extraction of Methane Gas

First quarter of 1955 = 100	Second quarter of 1955 = 100
" " 1956 = 124	" " 1956 = 100
" " 1957 = 129	" " 1957 = 109
" " 1958 = 143	" " 1958 = 116
" " 1959 = 162	" " 1959 = 132
" " 1960 = 203	" " 1960 = 165

Production rose by about 25 per cent in the first quarter and also by about 25 per cent in the second quarter of 1960 over the corresponding periods of 1959.

3. Extraction of Iron Ores

First quarter of 1955 = 100	Second quarter of 1955 = 100
" " 1956 = 79	" " 1956 = 118
" " 1957 = 74	" " 1957 = 114
" " 1958 = 77	" " 1958 = 113
" " 1959 = 104	" " 1959 = 154
" " 1960 = 135	" " 1960 = 169

Production increased by about 30 per cent in the first quarter and by about 10 per cent in the second quarter of 1960 over the corresponding periods of 1959.

4. Ferrous Metallurgical Industry (Siderurgy)

First quarter of 1955 = 100	Second quarter of 1955 = 100
" " 1956 = 101	" " 1956 = 109
" " 1957 = 109	" " 1957 = 123
" " 1958 = 125	" " 1958 = 138
" " 1959 = 171	" " 1959 = 183
" " 1960 = 236	" " 1960 = 265

Production increased by about 38 per cent in the first quarter and by about 45 per cent in the second quarter of 1960 as compared to the corresponding periods of 1959.

The 1960 Plan provided for an increase of 28 per cent over 1959.

5. Non-ferrous Metallurgical Industry

First quarter of 1955 = 100	Second quarter of 1955 = 100
" " 1956 = 106	" " 1956 = 120
" " 1957 = 121	" " 1957 = 135
" " 1958 = 145	" " 1958 = 145
" " 1959 = 160	" " 1959 = 178
" " 1960 = 190	" " 1960 = 201

Production increased by about 19 per cent in the first quarter and by about 13 per cent in the second quarter of 1960 over the corresponding periods of 1959.



# 6. Machine Building and Processing of Metals

First quarter of	1955 = 100	Second quarter of	1955 = 100
" "	1956 = 111	" "	1956 = 123
" "	1957 = 129	" "	1957 = 146
" "	1958 = 142	" "	1958 = 153
" "	1959 = 161	" "	1959 = 177
" "	1960 = 193	" "	1960 = 215

Production rose by about 20 per cent in the first quarter and by about 21.5 per cent in the second quarter of 1960 over the corresponding periods of 1959.

## 6. (a) Machine-Building Industry

First quarter of	1955 = 100	Second quarter of	1955 = 100
" "	1956 = 114	" "	1956 = 128
" "	1957 = 133	" "	1957 = 157
" "	1958 = 151	" "	1958 = 167
" "	1959 = 176	" "	1959 = 191
" "	1960 = 223	" "	1960 = 259

Production increased by about 27 per cent in the first quarter and by about 30 per cent in the second quarter of 1960 over the corresponding periods of 1959.

The 1960 Plan provided for an increase of 17 per cent over 1959.

## 7. Chemical Industry (Not including rubber, cellulose and paper industries)

First quarter of	1955 = 100	Second quarter of	1955 = 100
" "	1956 = 105	" "	1956 = 115
" "	1957 = 127	" "	1957 = 137
" "	1958 = 156	" "	1958 = 159
" "	1959 = 181	" "	1959 = 196
" "	1960 = 197	" "	1960 = 215

Production increased by about nine per cent in the first quarter and by about 10 per cent in the second quarter of 1960 over the corresponding periods of 1959.

The 1960 Plan provided for an increase of 22 per cent over 1959.

## 8. Building Material Industry (including extraction of materials for construction)

First quarter of	1955 = 100	Second quarter of	1955 = 100
" "	1956 = 89	" "	1956 = 136
" "	1957 = 111	" "	1957 = 154
" "	1958 = 114	" "	1958 = 153
" "	1959 = 124	" "	1959 = 171
" "	1960 = 131	" "	1960 = 174

Production increased by about six per cent in the first quarter and by about two per cent in the second quarter of 1960 compared to the corresponding periods of 1959.

9. Textile Industry (including knitwear)

First quarter of 1955	= 100	Second quarter of 1955	= 100
" " 1956	= 101	" " 1956	= 99
" " 1957	= 98	" " 1957	= 104
" " 1958	= 110	" " 1958	= 109
" " 1959	= 110	" " 1959	= 112
" " 1960	= 122	" " 1960	= 130

Production increased by about 11 per cent in the first quarter and by about 16 per cent in the second quarter of 1960 compared to corresponding periods of 1959.

10. Food Industry

First quarter of 1955	= 100	Second quarter of 1955	= 100
" " 1956	= 91	" " 1956	= 93
" " 1957	= 81	" " 1957	= 89
" " 1958	= 97	" " 1958	= 104
" " 1959	= 94	" " 1959	= 105
" " 1960	= 123	" " 1960	= 118

Production increased by about 31 per cent in the first quarter and by about 12.4 per cent in the second quarter of 1960 over the corresponding periods of 1959.

The preceding tables include all types of products (even derivatives) under a certain production branch. For instance the production of the oil industry includes crude oil but also the production of derivatives.

The most revealing aspects of the official statistics for the first half of 1960 are the difficulties affecting the chemical industry. Despite the provisions of the 1960 Plan for an increase of overall production of 22 per cent over 1959 the rate of increase of the first and second quarters of 1960 over the corresponding periods of 1959 are only nine and 10 per cent. Labor productivity (see page 10) in the first and second quarters of 1960 decreased about five per cent. The increase of the production of artificial fertilizers badly needed in agriculture is very slight and the production is far from half of the goal set by the 1960 Plan. It is true that the share of investment in the chemical industry in total investments in industry has decreased in 1960 over 1959, but its absolute value has not decreased since overall investments and investments in total industry are planned to increase considerably in 1960 over 1959.

It can be expected of course that new capacities are being commissioned in the second half of 1960, but the decrease of

2



of productivity and the failure to supply in time the expected amount of synthetic fertilizers to agriculture certainly remain a setback for the regime (x).

The increase in the rate of production was also relatively low in the building materials industry and in the fuel industries, particularly in the oil (xx) and coal sectors.

Note, however, the big strides in the extraction of iron ores (xxx) and in the ferrous metallurgical industry. Substantial progress has also been made in non-ferrous metallurgy, in machine building and in the food industry (xxxx).

It should be stressed that all the figures given above represent an average growth of production in the branch concerned without priority being given to important products within that branch.

---

x One should note, however, that Radio Bucharest on October 13 announced that the plan for the chemical and oil industries for the first three quarters of 1960 to 102.1 per cent. The announcement stated that, during the period under review 20,390 tons of calcinated and caustic soda, 10,000 tons of sulphuric acid, 30,000 tons of phosphate fertilizers and 28,700 synthetic fibers are produced in excess of the plan.

xx See however, previous footnote for regime claims in oil during first three quarters of year.

xxx Agerpress of October 15 reported that iron ore output this year will be 2.2 times greater than in 1955. It stated that in the first nine months of this year miners of the Teliuc, Ghelar, Bocsă and other pits extracted about 52,000 tons of iron ore in excess of the plan. The metal content of the ore delivered so far was by 17,000 tons bigger than envisaged.

xxxx Radio Bucharest announced on 11 October 1960 that the plan of the Ministry of Consumer Goods was fulfilled 102.6 per cent in the first nine months of 1960. (Meat products, confectionery and sugar are leading items.)

"Agerpress" reported on October 13 that in the first nine months of 1960 food worth 13,335,700,000 lei were sold through the "Socialist trade" against 12,292,700,000 lei in the first three quarters of 1959. The market reportedly was supplied in the period from January to September 1960 with 99,600 tons of meat, 29,600 tons of meat products, 2,950 tons of bacon and fat, 941,000 hl. of milk and 96,000 tons of sugar.

According to the Six-Year Plan, by the end of 1965, meat production should increase 2.5 times, edible oil 3.3 times, milk four times and sugar 1.9 times over 1959.

# The Main Industrial Products

The following tables supply information (in absolute figures) on the achievements in the first six months of 1960 concerning main industrial products.

Products	First half of 1960	Half of 1960 Plan target	Half of 1959 production
Cast iron	501,685 t		423,375 t
Steel	879,539 t	850,000 t	709,250 t
Plain rolled products	603,222 t	570,000 t	410,810 t
Steel tubes	152,722 t		137,310 t
Iron ores	674,994 t	700,000 t	531,868 t
Manganese ores	93,841 t		98,389 t
Metallurgical coke	389,296 t		304,704 t
Coal	4,065,294 t		3,988,499 t
Oil	5,673,257 t		5,718,917 t
Gasoline	1,354,952 t		1,348,781 t
Petrols incl. white spirits	671,817 t		639,359 t
Motor-oil	1,141,986 t		1,138,346 t
Fuel oil	1,885,660 t		1,973,667 t
Methane gas	3,411,332,000 m <sup>3</sup>		2,891,171,000 m <sup>3</sup>
Oil well gas	1,767,613,000 m <sup>3</sup>		1,761,364,000 m <sup>3</sup>
Electr. power	3,684,000,000 kwh	3,850,000,000 kwh	3,412,000,000 kwh
Calcin. soda	80,117 t		53,077 t
Caustic soda	34,606 t		32,196 t
Artif. fertilizer (active subst.)	27,317 t	35,300 t	26,037 t
Organic dyes	1,752 t		1,875 t
Motor (intern. combustion)	3,328 pieces (172,180 HP)		2,794 pieces (165,120 HP)
Electr. motors	249,667 kw		233,385 kw
Tractors	7,860 pieces	7,500 units	5,500 pieces
Lathes	869 pieces		603 units
Ball-bearings	2,097,000 pieces		1,766,000 units
Timber	2,004,000 m <sup>3</sup>		1,807,000 m <sup>3</sup>
Cement	1,516,390 t		1,424,998 t
Radio sets	77,611 pieces		83,437 units
Cotton cloth	119,711,000 m <sup>2</sup>		109,000,000 m <sup>2</sup>
Woollen cloth	14,850,000 m <sup>2</sup>		14,065,000 m <sup>2</sup>
Footwear	15,081,000 pairs		14,102,000 pairs
Meat (ind. product.)	121,160 t	149,000 t	120,499 t
Meat products	20,525 t		24,855 t
Milk (ind. product.)	604,353 hl.		567,697 hl.
Cheese (ind. product.)	18,434 t (x)		18,142 t
Vegetable oil & fats	60,431 t	57,500 t	38,454 t
Butter	5,450 t		5,477 t
Sugar	85,448 t (xx)	162,500 t	121,089 t
(production of first 4 months of 1960 only)			

- x The peak of cheese production is in May and June.  
 xx Most of the production of sugar is obtained in the August-March period (after the harvesting of sugar beet).



Noteworthy is the drop of production of manganese ore and radio sets in the first half of 1960 over the corresponding period of 1959. On the other hand the production of tractors has not only considerably surpassed half of the production target for the whole year of 1960 set by the Directives of the Second Party Congress, i.e. 3,000 units plus 1,000 tractor engines, but also half of the goal set by the 1960 one year plan, i.e. 7,500 units.

The production of meat is considerably lagging behind half of the target of the 1960 Plan, and shows along with the production of milk and cheese a slow increase if not stagnation in comparison to the production of the first half of 1959. The production of butter has decreased over the production of the first half of 1959.

The production of steel, and plain rolled products is ahead of half of the target of the 1960 Plan. The production of iron ore increased considerably over that of the first half of 1959 and might, after gaining momentum in the second half of 1960 reach the goal set by the 1960 Plan: 1,400,000 tons.

The production of artificial fertilizers seem to be seriously lagging behind (half of the 1960 target) but increased slightly over the production of the first half of 1959.

#### Comparison with Second Congress Directives

The following table shows a comparison, in the case of some important commodities, between the achievements for the first half of 1960 and half of the target set for 1960 by the second Party congress directives of December 1955. This congress approved the third Five-Year Plan (1956-1960) of which 1960 was to be the last year. Now, however, 1960 has been incorporated as the first year, into the new Six-Year Plan to 1965. It may, therefore, seem somewhat academic to refer back to the 1955 directives but it remains interesting to see how far the directives have been borne out in reality.

#### Comparison With Targets Set for 1960 by the Directives of the Party Congress

Products	First Half of 1960	Half of 1960 Goal
Cast iron	501,685 t	570,000 t
Metallurgical coke	389,296 t	360,000 t
Coal	4,065,294 t	5,500,000 t.
Oil	5,673,257 t <sup>3</sup>	6,750,000 t <sup>3</sup>
Methane gas	3,411,332,000 m <sup>3</sup>	5,160,000,000 m <sup>3</sup>
Power Electr.	3,684,000,000 kwh	4,000,000,000 kwh
Cement	1,516,390 t	1,790,000 t
Radio sets	77,611 units	74,000 units
Cotton cloth	119,711,000 m <sup>2</sup>	152,000,000 m <sup>2</sup>
Shoewear	15,081,000 pairs	12,420,000 pairs
Calcinated soda	80,117 t	102,000 t
Caustic soda	34,606 t	43,500 t

It can be seen at a glance that irrespective of a possible or even higher rate of production increase in the second half of 1960 as compared to the first half, the achievements reached in the period of January-June 1960 indicate that the targets set by the Second Party Congress, in the sectors of the oil, methane coal and cement industries, will not be fulfilled. It is doubtful whether the targets set for the production of cotton cloth and some chemicals such as soda will be fulfilled by the end of 1960.

### Labor Productivity

The following figures give the development of labor productivity in socialist industry as a whole.

First quarter of 1957 = 100	Second quarter of 1957 = 100
" " 1958 = 93.3	" " 1958 = 102.6
" " 1959 = 103.8	" " 1959 = 108.4
" " 1960 = 114.9	" " 1960 = 120.8

Productivity increased by about 10.7 per cent in the first quarter and by about 11.4 per cent in the second quarter of 1960 over the corresponding periods of 1959.

The 1960 Plan provided for an increase of 11 per cent over 1959.

### Breakdown of Labor Productivity by Production Branches

#### 1. Coal Industry

First quarter of 1957 = 100	Second quarter of 1957 = 100
" " 1958 = 104.0	" " 1958 = 109.4
" " 1959 = 109.7	" " 1959 = 123.5
" " 1960 = 116.9	" " 1960 = 138.7

Productivity increase by about 6.9 per cent in the first quarter and by about 12.3 per cent in the second quarter of 1960 over the respective periods of 1959.

#### 2. Oil Industry

First quarter of 1957 = 100	Second quarter of 1957 = 100
" " 1958 = 98.3	" " 1958 = 99.0
" " 1959 = 105.2	" " 1959 = 108.9
" " 1960 = 110.1	" " 1960 = 112.6

Productivity increased by about 4.7 per cent in the first quarter and by about 3.4 per cent in the second quarter of 1960 over the respective periods of 1959.

#### 3. Ferrous Metallurgy (Siderurgy)

First quarter of 1957 = 100	Second quarter of 1957 = 100
" " 1958 = 102.9	" " 1958 = 110.8
" " 1959 = 130.8	" " 1959 = 134.0
" " 1960 = 161.3	" " 1960 = 176.1



Productivity increased by about 23.3 per cent in the first quarter and by about 31.4 per cent in the second quarter of 1960 over the respective periods of 1959.

4. Machine-Building and Metal Processing Industries

First quarter of 1957 = 100	Second quarter of 1957 = 100
" " 1958 = 99.5	" " 1958 = 107.5
" " 1959 = 107.3	" " 1959 = 115.7
" " 1960 = 119.4	" " 1960 = 131.0

Productivity increased by 11.3 per cent in the first quarter and by about 13.2 per cent in the second quarter of 1960 over the respective periods of 1959.

5. Chemical Industry

First quarter of 1957 = 100	Second quarter of 1957 = 100
" " 1958 = 107.0	" " 1958 = 107.9
" " 1959 = 118.9	" " 1959 = 123.1
" " 1960 = 113.2	" " 1960 = 117.9

Productivity decreased by about five per cent in the first quarter and by about 4.5 per cent in the second quarter of 1960 over the corresponding periods of 1959.

6. Industry of Building Materials (including extraction of materials for construction)

First quarter of 1957 = 100	Second quarter of 1957 = 100
" " 1958 = 98.2	" " 1958 = 106.4
" " 1959 = 105.4	" " 1959 = 112.4
" " 1960 = 109.5	" " 1960 = 123.8

Productivity increased by about four per cent in the first quarter and by about 10 per cent in the second quarter of 1960 over the respective periods of 1959.

7. Wood Processing Industry

First quarter of 1957 = 100	Second quarter of 1957 = 100
" " 1958 = 97.5	" " 1958 = 111.3
" " 1959 = 101.3	" " 1959 = 114.6
" " 1960 = 108.9	" " 1960 = 131.1

Productivity increased by about 7.5 per cent in the first quarter and by about 14.5 per cent in the second quarter of 1960 over the corresponding periods of 1959.

8. Textile Industry (including knitwear)

First quarter of 1957 = 100	Second quarter of 1957 = 100
" " 1958 = 100.3	" " 1958 = 98.5
" " 1959 = 99.9	" " 1959 = 101.2
" " 1960 = 104.9	" " 1960 = 108.9

Productivity increased by about 4.9 per cent in the first quarter and by about 7.6 per cent in the second quarter of 1960 over the corresponding periods of 1959.

### 9. Food Industry

First quarter of 1957	= 100	Second quarter of 1957	= 100
" " 1958	= 95.8	" " 1958	= 99.4
" " 1959	= 99.2	" " 1959	= 101.9
" " 1960	= 112.5	" " 1960	= 105.8

Productivity increased by about 13.4 per cent in the first quarter and by about 3.9 per cent in the second quarter of 1960 over the corresponding periods of 1959.

The preceding tables show that productivity decreased by about five per cent in the first and second quarters of 1960 in the chemical industry over the corresponding periods of 1959, that it increased vigorously in the ferrous-metallurgical industry (reconstruction of installations since 1958) and that it increased slowly in the oil and textile industries.

### Manpower

The Statistical Bulletin for the second quarter of 1960 supplied the following figures on registered wage earners employed in (Socialist) industry workers and employees: In brackets: workers.

#### I. Industry

	<u>First quarter</u>	<u>Second quarter</u>	<u>Third quarter</u>	<u>Last quarter</u>
1959	1,145,100 (975,800)	1,183,600 (1,014,500)	1,193,600 (1,021,9)	1,226,600 (1,045,700)
1960	1,226,800 (1,043,500)	1,237,500 (1,045,800)		

#### II. Registered wage earners in State sector of agriculture

In brackets: workers

	<u>First quarter</u>	<u>Second quarter</u>	<u>Third quarter</u>	<u>Last quarter</u>
1959	194,300 (155,600)	304,100 (264,700)	344,000 (304,100)	276,700 (235,500)
1960	209,000 (167,300)	316,300 (274,000)		

#### Out of whom:

A. in State Farms and farms annexed to institutions, zootechnical farms, etc.

	<u>First quarter</u>	<u>Second quarter</u>	<u>Third quarter</u>	<u>Last quarter</u>
1959	133,900 (114,400)	238,800 (218,600)	271,800 (251,200)	209,900 (188,300)
1960	155,300 (132,400)	258,900 (235,500)		



B. in MTS

	<u>First quarter</u>	<u>Second quarter</u>	<u>Third quarter</u>	<u>Last quarter</u>
1959	34,400 (26,700)	36,700 (29,100)	42,900 (35,000)	40,800 (32,900)
1960	39,600 (31,900)	42,200 (34,400)		

III. Registered wage earners in the "Socialist Trade Network"

	<u>First quarter</u>	<u>Second quarter</u>	<u>Third quarter</u>	<u>Last quarter</u>
1959	217,800 (184,700)	218,700 (188,000)	223,400 (191,100)	220,200 (188,200)
1960	209,000 (161,900)	215,200 (164,600)		

Note the increase of workers in industry, State Farms and MTS and the decrease of workers and the substantial increase of employees in the "Socialist Trade Sector" in the first and second quarters of 1960 over the corresponding periods of 1959.

Despite regime denials of even seasonal unemployment, figures for State Farms for the third quarter of 1959 and first quarter of 1960 and figures for "Socialist trade" sector for third quarter of 1959 and first quarter of 1960 show a substantial decrease of the number of workers.

IV. Registered wage earners in the Building Sector

	<u>First quarter</u>	<u>Second quarter</u>	<u>Third quarter</u>	<u>Last quarter</u>
1959	260,000 (209,400)	389,500 (336,200)	394,700 (339,800)	399,100 (344,500)
1960	296,600 (243,400)	414,200 (358,500)		

V. Registered wage earners in the sectors of Transport and Telecommunications

	<u>First quarter</u>	<u>Second quarter</u>	<u>Third quarter</u>	<u>Last quarter</u>
1959	169,000 (132,000)	182,000 (145,000)	186,000 (149,000)	182,000 (144,000)
1960	178,000 (141,000)	191,000 (154,000)		

The seasonal fluctuation of workers in State Farms and construction is normal.

Retail Trade of Goods Through "Socialist Network"

(millions of lei at prices of respective period)

<u>Total retail trade</u>	<u>State retail trade</u>	<u>Cooperative retail trade</u>
1955 27,765	1955 18,419	9,346
1956 30,554	1956 20,503	10,051
1957 34,801	1957 23,635	11,166
1958 34,698	1958 23,030	11,668
1959 36,117	1959 23,652	12,465
1960 18,881	1960 12,324	6,557
(first six months)	(first half of the year)	

In view of the fact that the value of retail trade was planned to amount to 42,117 million lei in 1960, it would appear that the achieved sales in the first half of 1960 are lagging. It should be taken into consideration however, that sales are usually increasing in the second part of the year. The increase of value in the first half of 1960 (18,881 million lei) over the corresponding period of 1959 (16,248 million lei), i.e. 16 per cent, corresponds approximately to the proportion between the planned value of sales for the whole year of 1960 and the value of the 1959 sales. It should be noted that in past years the planned targets have not been fulfilled in this sector. The average increase of about 16 per cent in value of goods sold in the first half of 1960 over the first half of 1959 results from noticeable increases in both sectors of food and industrial goods. Industrial goods are in the lead, and the urban sector is ahead of the rural one. This noticeable increase follows practically on stagnation or very slow increase in the first half of 1959 over the corresponding period of 1958 and the stagnation of 1958 over 1957. In the sector of public catering, there is only slight progress in the first half of 1960 over the corresponding period of 1959; the increase follows however on a decrease in value in the first half of 1959 over the first half of 1958. Despite some progress achieved in the first half of 1960 the value of retail trade as a whole is still very low.

Breakdown of total value of "Socialist trade" by urban and rural sectors

<u>Urban sector</u>	<u>Rural sector</u>
1955 20,778	6,977
1956 22,792	7,762
1957 26,151	8,650
1958 25,876	8,822
1959 26,955	9,162
1960 14,235	4,646
(first half of the year)	



Investments (in 'socialist sector' in million lei, at 1 Jan 1955 prices)

	Total	First quarter	Second quarter	Third quarter	Last quar.
1955	13,178.1	1,933.9	3,172.3	3,493.5	4,578.4
1956	14,804.3	1,835.7	3,641.9	4,337.7	4,989.0
1957	13,672.5	2,214.9	3,636.9	3,609.6	4,211.1
1958	14,864.9	2,214.9	4,043.2	4,117.6	4,489.2
1959	17,421.1	2,483.3	4,516.2	4,748.4	5,673.2
1960		3,461.8	5,513.6		

Out of which:

Construction and assembly works

1959	8,156.1	1,108.1	2,105.9	2,407.0	2,535.1
1960		1,559.2	2,623.6		

Capital investments in the "Socialist sector" of the economy in the first half year of 1960 total 8,975,400,000 lei against 6,999,500,000 lei in the first half of 1959, i.e. an increase of about 28.6 per cent. The investments for 1960 were planned to reach 23.5 billion lei (about 35 per cent more than in 1959). It is evident that investments in the third and last quarters of the year are generally higher than in the first quarters. Nevertheless if the yearly figure of investments should not reach in 1960 the planned goal, this may not necessarily be interpreted by the regime as a failure, since the possibility of exceeding planned productivity, savings of materials and use of compulsory labor exists. In this case, it remains to be seen however, if the production goals of the key branches of the economy will be fulfilled.

A Note on the Semestrial Fulfillment of the Budget Provisions  
(in million of lei)

	First half of 1960	Half of 1960 Target	Half of 1959 Results
<u>Expenditures</u>	23,194.7	27,965	24,129.7
Financing of national economy	13,900.9	16,781.3	14,525.3
Social-cult. expenditures	6,158.5	6,718.4	6,061.7
Defense (x)	1,735.7	1,752.5	1,722.9
State administration	730.6	785.6	770.2

<u>Revenues</u>	27,180.8	26,463.8	25,528.8
Turnover tax	8,411.1	15,746.0	7,704.2
Profit share from State enterprises	4,937.2		4,994.2
Income tax (on the population)	1,633.7		1,973.2
<u>Local Budgets (Revenues)</u>	2,548.3	2,455.5	2,104.2
<u>Social insurance budget</u>			
(expenditures)	1,724.7	1,713.5	1,524.4

x Not including allocations camouflaged in the chapter "financing of national economy".

Usually both revenues and expenditures increase in the second half of the year over the first one. It appears that the planned budget surplus of 870 million lei for 1960 will largely be exceeded which may be due both to savings of raw materials and increased compulsory labor.