

ITEM NO. 11168/54

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RUMANIA

<u>INDUSTRY</u>	/1700/
Mining Industry /Uranium/	/1706/
Oil Industry	/1706a/
Forced Labor	/1926/
<u>FOREIGN RELATIONS</u>	/1500/

HEAVY INDUSTRY.

SOURCE ATHENS: A Greek schoolteacher and ex-employee of the Rumanian Foreign Ministry, formerly a resident of BUCHAREST, who was repatriated in October 1954.

DATE OF OBSERVATION: September 1954.

EVAL. COMMENT: "La Nation Roumaine," Rumanian exile paper published in PARIS /in French/ reproduced in its issue of February 1 1954 a report published in the "Donauschwäbische Rundschau" /exile paper of ethnic Germans from Rumania/ about 600 political prisoners working in two uranium mines in north-western Transylvania. It is doubtful whether in the era of the New Course, the regime will resort to mass arrests in order to make manpower available for the reported projects; but it is rather probable that it will use labor battalions as in Bulgaria, if additional manpower is needed. Another method to force indirectly the workers to accept jobs in these mines and thus endanger their health because of insufficient security precautions is to make them lose their jobs elsewhere by mass firings. Please see in this connection ATHENS RFE Item Nos. 7396 and 9672/54.

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Similar methods are reported from Eastern Germany where the "Wismuth AG," which has been exploiting the uranium mines since 1946, was at first set up as a Soviet enterprise, and then transformed into a mixed Soviet -GDR company under the terms of the agreement of August 23 1954. Although no official reference has been made in the Rumanian press, exile papers reported from time to time about a similar company in Rumania /"Sovromcuart," or "Sovrom-Mica," etc./ It is significant that despite recent agreements with Bulgaria, Eastern Germany and Rumania on the sale of Soviet shares of the mixed industrial companies, the Soviets maintained their full control and share in the enterprises for the exploitation of uranium ore.

RFE Item No. 6621/53 reported about natural gas deposits in Transylvania /see also RFE Item No. 6642/53/ and mentioned the interstate agreements between the RPR, on one side, and the GDR and Hungary, on the other, for the joint exploitation of Rumanian methane resources and the build-up of the Rumanian chemical industry.

According to a Reuter report of August 30 1952, Hungary and Rumania were to establish within the frame of their economic compact a joint chemicals-manufacturing company; a new factory planned in Hungary was to be operated by natural gas supplied by means of pipelines from Rumania. Little has been heard about this project since then.

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Following the discovery of uranium in the Muntii Apuseni mountains, the government is planning to use slave labor in the mines now being surveyed by Russian and German experts and shortly to go into production.

The decision to utilize forced labor contingents was reached as a result of the reluctance of free workers to go to work in the Muntii Apuseni, where housing conditions are primitive and supplies a problem. Because a large number of workers will be required for these mines, there are rumors

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that a new wave of arrests may be expected to enlarge the existing slave labor force, the bulk of which is comprised of prisoners formerly employed on the Danube-Black Sea canal and at BICAZ.

Engineers from the area in question - who supplied this information - said that the uranium deposits were discovered when an improvement project was started on bauxite mines located there. The uranium ore, they added, would be mined under the supervision of the same Russian and German engineers now engaged in surveying and planning the site.

A number of specially trained chemists were sent to the SIBIU area early this year to work on a large scale construction project which will increase the output of methane gas from plants located there.

The scientists in question first completed a special training course at the Institutul de Proectari Chimice in BUCHAREST - an establishment set up last year for purposes which were not disclosed to the public; the trainees themselves, evidently following strict instructions, observed a close silence about their activities.

A pipeline is planned for the transportation of methane from SIBIU to Hungary. The entire project is jointly financed by Rumanian, Hungarian, and Polish funds; it is supervised by a body of engineers which includes Russians as well as Rumanians, Hungarians, and Poles.

The gas is to be used for the manufacture of methane bombs - a type of missile tested in the Soviet Union and said to pack a powerful explosive punch. A plant to produce the bombs is in the process of construction in Hungary /location unspecified/ and will constitute the receiving end of the pipeline from Rumania.

Rumanian workers employed on the SIBIU project - somewhere between the towns of SARMAS and COPSA MICA - are carefully screened before being signed on, and receive considerably higher wages than regular industrial workers.