

ROMANIAN ECONOMIC REALITIES – THE ECONOMIC REPRESSION OF 11TH JUNE 1948

MIRELA TĂRĂBÎC

”TIBISCUS” UNIVERSITY OF TIMISOARA

tarabic_mirela@yahoo.com

Abstract:

After the elections of 1948, the Communist authorities started the reorganization of the economic life, nationalising the means of production, thus destroying the private property and the economic power of the bourgeoisie, that had already been affected by the impact of the monetary reform launched on 15th August 1947.

By applying the Law of nationalisation of all means of production, adopted on 11th June 1948, all the main Romanian industries were nationalised and 8894 companies became state property. Nationalised were also the hospitals, the movie houses, the cinemas (November 1948), the pharmacies, the laboratories (April 1949), a part of the housing stock (April 1949), etc.

Through all these measures taken by the Romanian Workers' Party (Partidul Muncitoresc Român –PRM), all forms of private property in Romania were prohibited.

Key words: economic repression, the communist authorities, nationalising the means of production, the bourgeoisie, private property.

After the forced abdication of King Michael (30th December 1947), the Communist Party won the elections of 1948 and took control over all levers of state power. With the help of specialised security organs, the communist regime imposed its authority on the political scene. This approach paved the way for achieving total control over the economy. In order to achieve this goal the promulgation of a new constitution was necessary as it was meant to create the prerequisites of a legal transition of the economy under the control of the state.

Under the terms of Decree no. 729/13 from April 1948 the communist regime promulgated the new Constitution, thus creating the legal framework to regulate all actions. According to art. 11 of the Constitution the moment "the public interest requests means of production, the banks and the insurance companies that are owned by private individuals or legal entities may become state property, i.e. goods of the citizens, as provided by law" (Gabriel Sonea: 1968, p. 57).

In the period preceding the nationalization of the means of production, the Crown Domains became state property, as amended by Decree no. 983 of 27th May 1948. The Presidium of the Grand National Assembly decided that "all movable and immovable properties which on 6th March were still owned by King Michael I, or by other members of the former royal family, became state property the very same day." (Central Historical National Archives, Ministry of Internal Affairs, State Administration Division, file no. 27/1948, page 14). Moreover, in the same period, the Superior Nationalization Commission was established and it was composed of members of the Economic Council, Ministry of Industry, Ministry of Finance, Ministry of Justice, plus a technical committee of nationalization and thirty-five county commissions.

The most prominent party members appointed directors and maintained control over the trade unions. At the same time, the Ministry of Internal Affairs developed a plan to assist the takeover of the enterprises that were supposed to be nationalized.

Moreover reports were delivered every day regarding the mood of the population, the phases of the operations and the measures taken.

On 10th-11th June 1948 at the plenary session of the Central Committee of the Romanian Workers Party, Gheorghe Gheorghiu-Dej gave a speech about how the process of nationalization was prepared in our country: "For several months the party has been working in the main economic sectors in order to prepare the material for the nationalization process. Attention has been paid to the smallest detail. And there is more to it than that. It is not only the preparation of the legal framework for the nationalization of enterprises that we have been focusing on, but also the practical measures to prevent the exploiters from setting fire to the companies, from destroying the machines, from wasting raw materials to deplete the companies. The moment the Parliament, the Grand National Assembly will adopt this historic decision that advocates the *ownership of the means of production by the state*, enterprises, framed according to the plan, will have been taken over by the working class "(Central Historical Archives, CC of the RCP, Chancellery, file no. 11/1948, page 84). The Grand National Assembly voted unanimously Law no. 119 of 11th June 1948, the "Law for the nationalization of the industrial, bank, insurance, mining and transport enterprises" (Official Gazette, no. 133 bis, Friday, 11th June, 1948, p 5047-5066).

On 24th September 1948, according to Order no. 4628 of the Ministry of Internal Affairs, the following were abolished: the Merchants Meetings, the Craftsmen Associations, the Merchants Associations etc. Their offices were closed and the goods were confiscated. By nationalizing the means of production about 1050 enterprises became state property. Nationalised were also the hospitals, the movie houses, the cinemas (November 1948), the pharmacies (April 1949), a part of the housing stock (April 1949), etc. By the end of 1950 the private medical practices, the restaurants, the taxis, and the shops had also been nationalized. However, the "enterprises, or part of their capital, which are owned by a state that is part of the United Nations and which has acquired these assets implementing the Treaty of Peace or paying bonds for damages arising from state of war " did not become state property. (Ibid).

As far as the economic situation of Banat is concerned, after the Second World War, it is important to mention that this region was affected by the consequences of the war, the presence and the maintenance of the Soviet troops and the measures taken by the Romanian state which, with the passing of time imposed control over it. As shown in a statistics of the Chamber of Commerce and Industry Timisoara, during 1940 - 1945, 2,937 companies were set-up and 5279 were deregistered. (Bulletin of the Chamber of Commerce and Industry Timisoara, no. 8/1948, page 26). Timisoara was an important industrial center, enhancing a range of *industrial* processes, including *textile, leather* and footwear, food and, last but not least, metalworking.

In 1946, the situation in Timisoara was the following: metallurgy was represented by 12 companies (two with Romanian capital, 6 with Romanian and German capital, 2 with Romanian and Jewish capital, one with Romanian and Hungarian capital and one with Romanian and Slovak capital); the food industry had 18 enterprises (6 with Romanian capital, nine with Romanian and German capital , one with Romanian and American capital, 2 with Romanian and Jewish capital); the textile industry was composed of 28 enterprises (6 with Romanian capital, 8 with Romanian and German capital, 6 with Romanian and Jewish capital, 8 with Romanian and Austrian and Canadian capital) and the leather industry had 9 companies (3 with Romanian capital, 4 with Romanian and German capital, 2 with Romanian and Jewish capital) (National Archives of Timis county, Industrial Inspectorate of Timisoara, file 179/1946, pages 5-45).

The year before the enactment of the Nationalization Law, on 15th July 1947, according to Law no. 252, the Ministry of Industry and Trade imposed control over the industrial production, over the commodity prices and over the exports. (Official Gazette, no. 159 of 15th July 1947, p 52, George Onisoru: 1998, p 165).

On 11th June 1948, in Timisoara 110 large enterprises were nationalized and other 1547 private small units ceased their activity or were transformed into cooperative units. Both large and small private units were merged and transformed into large socialist enterprises owned by the state. Examples of such enterprises are the following: "Garofita" (through the merger of "Hemmer et Ney", "ITB, Uranus"); "Electromotor" Enterprise Timisoara (through the merger of "Industria Fierului S.A.R." and "Britania"); "ELECTROBANAT" Enterprise Timisoara - ELBA (through the merger of "IIS Electro - Banat", "Galvani", "Algalux", "Novalux"); "Tehnometal" Plant Timisoara (through the merger of "Partizan" enterprise which was set-up after the nationalization of the "Chains Factory" – Fabrica de Lanțuri); "Azur" Plant Timisoara (through the merger of "Fabricile Unite de Ulei și Săpun", "Fabrica Unită de Lacuri și Vopsele", "Tanara", "Chemotex", "Chimex", "Fabrica de Oxigen", "Fabrica Timiș"), "Dermatina" company (through the merger of "Emeryt-Volta" and "Fabrica Frații Șerb"); "Fabrica de Ciorapi" Timisoara (emerged after the nationalization of "S.A. Standard" Timișoara); "Fabrica de Tricotaje 1 Iunie" Timisoara (through the merger of "Fabrica de ciorapi și tricotate Florida", founded in 1925); "Teba" Enterprise Timisoara (through the nationalization of "Uzinele Române Textile S.A.") ,etc. (National Archives of Timis County, Department of Statistics of Timis County, file 139/1948, page 1-56).

The Banking system in Romania was also subject to nationalization. The economic crisis of 1929 - 1932 affected the Romanian banking system, banks having to face even bankruptcy. Starting with 1944, as stated by Law no. 478/1944, the Romanian state imposed its control over the country's banking institutions by appointing supervision administrators. Administrators were also appointed to some banking units in Timisoara such as: Sucursala Albina, Sucursala Societății Bancare Române, Sucursala Băncii Centrale de Economii etc.

Under the terms of Decree 197/13th August 1948 all credit institutions, the capital and the bank buildings became state property. The whole banking activity was subordinated to the economic policy of the communist regime which banned private initiative and personal accounts. After 1948 in Timisoara the only banks functioning were the central bank branches: B.N.R. Banca Agricolă, Banca de Investiții and Banca de Comerț Exterior.

As far as the mood of the population is concerned, after the enactment of the law of 11th June 1948 it is important to mention that the most affected were the owners of the nationalized enterprises, who, fearing repression, abstained from showing their dissatisfaction. On the other hand, intellectuals, considered this measure a hasty one and of serious detriment to the national economy while traders were concerned that the new law might affect them as well, theory which proved to be true.

At the end of 1948 the discouragement and resignation of the population were replaced by the hope for a return to democracy. By founding the Securitate (Romanian for *Security*) on 30th August 1948, each *form* of dissent and *resistance* of the population was annihilated and the coercive methods used by the Securitate forced the Romanians to accept the communist regime. Since 1948 our country has seen an increasing pace of transition from a democratic regime to a regime of "popular-democracy" which aimed to build a socialist society, copying the Soviet model.

In Romania the dictatorship of the proletariat, the single-party monopoly of power, the restriction of the civil rights, the elimination of the old political and cultural elite through police terror, the dissolution of the political pluralism and the freedom of

association, the abolition of the private property, etc, were imposed during 1948 - 1965 when Gheorghe Gheorghiu-Dej served as head of state.

REFERENCES

1. Arhivele Naționale Istorice Centrale, *fond Ministerul Afacerilor Interne, Direcția Administrației de Stat, dosar nr. 27/1948, fila 14.*
2. Arhivele Naționale Istorice Centrale, *fond C.C. al P.C.R., Cancelarie, dosar nr. 11/1948, fila 84.*
3. *Buletinul Camerei de Comerț și Industrie Timișoara, nr. 8/1948, fila 26.*
4. Direcția Județeană a Arhivelor Naționale Timiș, *fond Inspectoratul Industrial Timișoara, dosar 179/1946, filele 5-45.*
5. Direcția Județeană a Arhivelor Naționale Timiș, *fond Direcția de Statistică a județului Timiș, dosar 139/1948, filele 1-56.*
6. *Monitorul Oficial, nr. 133 bis, Vineri 11 iunie 1948, p. 5047 – 5066.*
7. *Monitorul Oficial, nr. 159 din 15 iulie 1947, p. 52.*
8. Onișoru, Gheorghe, *Realități economice: de la stalinizare la naționalizare, în Analele Sighet 6, 1998.*
9. Sonea, Gabriel, *Naționalizarea principalelor mijloace de producție în România, 11 iunie 1948, Editura Politică, București, 1968.*