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Social Present and Future of Romania

During the three decades having elapsed since the Liberation, the Romanian people, under the leadership of the Romanian Communist Party, have obtained remarkable achievements in every socio-economic sector, having radically changed the country's aspect, its citizens' lives, Romania's place in the world arena.

From a marked agrarian country, today, Romania offers the image of a country with a fully rising industry, a steadily modernizing agriculture, a high standard of public instruction, capable of ensuring the population's well-being, a high material and cultural standard of life. The relations among the society's members, the organization and management of every field of social life have been permanently perfected, democracy has developed, an increasingly active participation of the people as a whole in management, in carrying out our state's policy being ensured.

Based on the single national plan, the activity of every unit in industry, agriculture, transportation, commodity circulation, research, education and the other socio-economic fields, developed according to a unitary conception, harmoniously coordinated throughout the economy, by branch and territorially.

The *single*, *indivisible* national plan ensures the mobilization and rational use of the resources for purpose of a sustained growth of the productive forces, the steady strengthening of the socialist property, the continuous perfectioning of the socialist relations of production, the increase in efficiency, the systematic raising of the living standard.

Of historical importance for the whole people are the Directives for the 1976—1980 five-year plan and the guiding lines of Romania's socio-economic development for the years 1981—1990.

The orientation toward the *rapid growth of the productive forces based on scientific and technological achievements* stands out as a defining line of our State's strategy. In this view, industry and agriculture, basic branches of material production, directing the entire development of the Romanian society, were and are the central main point of the policy of building up the new system.

The level reached makes it possible for our economy, to attain high rates of growth in the long run as well, the filling of the gap between it and the economically advanced countries being thus sped up.

Intensive Process of Industrialization

The country's industrialization is a fundamental option of our state's policy. Our own experience points eloquently out that it is only by setting up an industry capable of making good use of the country's material and labour resources, that we can solve the complex problems of a speedy economic growth, that we can ensure the abundance of goods required to meet the material needs of the people as a whole.

Under the conditions of the low industrial standard from which we started, the carrying into effect of the country's industrialization required outstanding efforts. Before World War II, Romanian industry was characterized by a slow development and an inadequate structure of production, poor technological equipment, ultimately determining a reduced share in the formation of the national income [1]. In 1929—1938, the average rate of growth in the industrial output went no higher than 4%; in 1938, the participation of industry in the formation of the national income was of about 31%, while the motive force available in most industrial units went no higher than 20 HP in each.

Considering the country's development retrospectively, the picture of Romanian industrial evolution, of its structural shifts, is impressive. Owing to the efforts of our heroic working class, of the people as a whole, a strong industrial potential was set up during the socialist construction, the branches and sectors ensuring a high standard in terms of processing and turning the natural riches and the working people's creative capacities to good account, enjoying priority development.

The orientation toward the priority growth of the branches decisive for the promotion of technical advance, for ensuring and extending reproduction, gave the Romanian industry a new structure, a new profile, getting permanently modernized. Branches characteristic for a modern industry

[1] The economist Mitiţă Constantinescu notes that the industrial advance "...was, on the one hand, by far too low for the country's demands and possibilities, and, on the other hand, was developing both anti-economically and unorganically, according to the initiative of private interests, by axis and in disjunction with the decisive imperatives of economy, independence and national defence." *Politică economică aplicată* (Applied Economic Policy, vol. 3, Ed. Tiparul românesc, Bucharest, 1943, pp. 13).

have been developed, e.g.: engineering, chemistry, electric power, metallurgy. In this framework, a more rapid development was experienced by sub-branches, groups of products and products particularly important for the advance of the whole economy: electrotechnics and electronics, precision engineering, machine tool production, complex technological equipment, automation machinery, ship building, alloy steels, aluminium, petrochemicals, etc.

The *high rate of growth*, placing our country among the economically most dynamic ones, is defining for our industrial evolution. In 1974, the industrial output of our country was 28 times higher than in 1938; Romania's entire industrial output obtained that year is currently produced in one single county — Argeș. More than 8.8 million tons of steel were produced in 1974, against only 284,000 tons in 1938, while the electric power output got as high as 49.1 billion kwh, as compared to only 1 billion kwh, in 1938.

In 1974, the national income produced by industry was about 35 times higher than in 1938, while the whole of it increased more than 9.3 times over the whole period of time.

It is this strong dynamics which was the crucial element of the deep changes in the structure of the national income, industry accounting for 56% of it.

BASIC SHIFTS IN NATIONAL INCOME STRUCTURE

	(%)			
	1938	*1960*	*1965*	*1974*
— Industry	30.8	44.1	48.9	56.0
— Agriculture	38.1	33.0	28.9	16.5

In the industrial evolution of the country, we should mark out the decade 1966—1975, when industry stepped into a *new stage of development*, characterized both by *an accelerated growth of production and profound structural changes.*

Over the years 1966—1975, the *average annual rate of growth of* industrial production, of more than 13%, is superior to that achieved in the preceding decade (12.4%), considering that each percentage by which production was increased represents a considerably higher value. The fact that the surplus industrial output obtained in 1975 against 1965 is 3.5 times bigger than that achieved over the preceding decade is illustrative of the new dimensions being acquired by Romanian industry.

High rates were attained both by the branches producing means of production [2] and those producing consumer goods. Within engineering, which over the years 1966—1975 has had a growing rate of 17.0%, a much more rapid advance is experienced by the branches carrying the technical advance:

[2] Referring to the situation before World War I. N. Arcadian wrote in his survey "Industrial Equipment": "The low proportion to which today we substitute our own production for the consumption of industrial and equipment sets off the reduced standard of industrialization of the country in the capital goods sector". *Enciclopedia României (Encyclopaedia of Romania,* vol. 3, pp. 827).

electronics — 24.1%, electrotechnics — 19.3%, precision engineering and optics — 20.9%, machine-tools — 26.6%. The steady concern of our state leading bodies with a faster development of the branches producing consumer goods is strikingly emphasized by the fact that the average annual rate of growth of light industry during the decade beginning as of 1966 is of more than 13.1%, as compared to 9.8% over the period 1956—1965.

As a result of these orientations, particularly important changes have occurred in the *industrial production structure:*

SHARE OF ENGINEERING AND CHEMICAL INDUSTRIES IN INDUSTRIAL PRODUCTION

(%)

	1938	*1950*	*1965*	*1970*	*1975*	*1980*
Engineering	10.2	13.3	21.2	25.0	30.9	34
Chemical Industry	2.7	3.1	6.7	10.1	13.2	15

Consequently, engineering and chemistry, rightly called industrializing industries, will give more than 44% of the whole industrial production of the country in 1975, against about 13% in 1938 and 28% in 1965.

We must point out that modernization is not limited to branch levels; it crosses the sectors of activity and the groups of products within each branch and sub-branch; the sectors which are the expression of science and advanced technologies and ensure the manufacturing of goods of great value embodying complex work and high skills, have developed more rapidly.

For example, in 1974, the share of electrotechnics and electronics within the total engineering production was over 18%, as compared to 13% in 1965. The production of chemical fibres and yarns, which, in 1965, accounted for 5.6% of the chemical industry structure, reached 14% in 1970, and will attain 18% in 1975.

The Romanian industrial progress was achieved under the conditions of a vast activity carried on by our state for the purpose of perfecting socio-economic organization and management. The industrial centrals, important economic units, successfully solving the essential problems of the modern economy, of planning and scientific organization of production and material goods circulation, have been set up. Significant results were obtained in terms of unit and production specialization and, consequently, inter-plant cooperation improved continuously.

The setting up of industrial centrals, the creation of collective management bodies, the extension of unit's attributions, the other measures for perfecting the industrial organization resulted in the overall improvement of that branch activity, in obtaining superior economic results.

The industrial development was sustained by a vast investment program amounting to 460 billion lei (i.e 57.4% of the total investments of the state) in 1966—1975, which is more than that invested in the entire economy over the years 1951—1965. A large number of industrial objectives equipped with modern technology were put into operation, their fixed assets volume reaching about 450 billion lei at present, against only 145 billion lei in 1965.

In accordance with the basic orientations set down for the period 1976—1980, the country's resources, the working people's efforts are directed toward the strong furthering of the industrialization policy, propelling force of our whole economy. Industrial production growth by an average annual rate of 9—10%, its structure further modernization will contribute in speeding up the extended reproduction process, in equipping every branch with advanced technology on a larger scale, will impel the rise in social labour productivity, the country's more intensive participation in the world-wide exchange of material values.

One of the directing lines of the economic policy of the state was *to broaden its own basis of raw materials, to mobilize home resources*; these conditions, to a great extent, the development and modernization of industry, of all national economy branches.

To this end, sustained efforts have been directed towards developing geological surveys for which in the years 1966—1975 investments of about 30 billion lei have been allotted, 1.8 times more than in the years 1956—1965.

Together with a vast reasearch activity for detecting new deposits of useful minerals and their being promoted to the category of industrial reserves, measures have been taken to concentrate prospecting and exploitation works on first-hand objectives so that an increase in oil extraction, coal production, ferrous and non-ferrous minerals should be obtained for broadening the basis of raw materials required by the program of the country's industrialization. New systems of mining grounded on lasting programs and modern technique have been applied.

One of the characteristics of our State's policy in the raw materials field, which has been especially emphasized these last few years, is the most judicious management of energy and fuel, of all material resources.

Following these lines in 1974 the net coal production reached about 27 million tons, as compared to 2.2 million tons in 1938, the rise being obtained especially through introducing brown coal resources into the economic circuit and through the rational extraction of mineral coals; the oil production — to which after the World War II the capitalist trusts predicted an inevitable decrease — has grown from 6.6. million tons in 1938[3] to 14.5 million in 1974; the ferrous minerals extraction reached 3.2 million tons as compared with only 139,000 tons in 1938; the bauxite production, practically non-existent until the beginning of the last decade, will reach 335,000 tons in 1975.

In keeping with the requirements of the development of national economy and taking into account the general problems existing at world level, in the next five-year plan special attention will be paid to broadening our own basis of raw materials and resources of energy, to their judicious utilization.

In direct connexion with this objective, geological prospecting will be intensified in order to detect new deposits so that the oil, gas, ferrous

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[3] Paul Gr. I. Dragomir in his study "Economia energetică a României" (The Energy Economy of Romania) wrote: "The real cause of the deficiencies in turning to account our oil products has to be searched in the excessive desire of high profits of oil societies and in the play of interests of big capitalists controlling the oil industry of Romania" *(Enciclopedia României*, vol. III, pp. 607).

and non-ferrous mineral resources should increase in a relatively short lapse of time.

For completely meeting the demands of the economy while making efforts for turning to account the own resources of raw materials and for their judicious utilization, we also pay special heed to the development of the international cooperation activity, in the field of production, with the countries possessing such resources.

The electric power production, of a special importance for the advance of society, for raising the people's level of civilization, has known and will know a most quick development. The electrification of the whole country, which was looked upon formerly by the ruling classes as something unachievable[4], is today an accomplished reality.

This year the whole production of electric power obtained in 1938 will be produced in about 8 days; the consumption of electric power per one industrial worker reached over 13,000 kwh in 1974, as compared to about 7,000 kwh in 1965, and only 1,500 kwh in 1938.

Further ensuring a rapid development of electric power, in the next five-year plan an installed power bigger than that of the whole period 1950—1970, will be commissioned, the electric power production having to reach in 1980, 75—80 billion kwh, and by the end of the ninth decade 130—140 billion kwh. The envisaged growth of production will provide for the requirements for energy of all branches of economy and of the population, under optimum, judicious conditions.

Concomitantly with the increase in electric power production, important changes occur in the structure of the resources used for its production, namely of the specific weight of coal and hydropower as well as of the nuclear power, together with the errection of nuclear power stations in the next five-year plan.

The strong and steady development of the *metallurgical industry* is one of the main results of the process of industrialization. Following the progress achieved in metallurgy, the steel output per capita — suggestive indicator of a country's economic potential — grows from 18 kg in 1938 to more than 400 kg in 1974, being planned to get as high as 800 kg in 1980 and over 1,000 kg in 1990.

In harmony with the general demands of economy and, particularly, those of engineering, the metallurgical production is, to a growing extent, directed toward high quality steels and valuable assortments of rolled products involving a high processing degree, e.g. cold-rolled plates and straps, rustless tubes and plates, high quality electrotechnic plates, drawn and welded tubes, zinc- and tin-coated plates. Hence, the share, of alloy and superior alloy steels in the total production rises from 6.4% in 1970 to 9.1% in 1975 and will reach more than 13% in 1980; in the last year of the current decade, the output of alloy steels of good quality and low-alloy carbon steel will exceed the whole 1975 production of steel of the country.

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[4] In "Buletinul Institutului Român pentru Energie" of 1935, vol. 2, pp. 830, one can read: "The recommendation often made: electrify the country, build big power stations, near mines, and then deliver energy cannot even be taken into consideration..."

Engineering, which has a central place in our industrial development strategy, has enjoyed during the last three decades some of the highest rates in terms of production growth and structure modernization. In this branch, of a crucial importance for a highly technological industry, a powerful technical and material basis has been created, providing today, within only 3 days, a production equal to that obtained in 1938. It is significant that each of the 23 counties, which have engineering now, gets annually productions higher than that of the whole branch in 1938.

A particularly strong development was marked by engineering over the last decade and, particularly, in the present five-year plan, owing to specific programs aiming at a substantial rise in the potentials of certain sub-branches like electronics, electrotechnics, technological equipment, machine-tools, precision engineering, optics, ship-building. These years, products like automation and data processing equipment, calculus equipment, semi-conductors, industrial electronics equipment, machine-tools with numerical control, thermo-power equipment for 330 MW groups, complex technological machineries, Diesel and electric locomotives, cars, heavy-duty trucks, deep-sea ships of up to 50,000 tdw, aeroplanes, helicopters have been turned out.

In the next five-year plan, engineering — which will further develop by an average annual rate superior to that of industry as a whole — is mainly directed toward products with high technical and economic parameters, toward the firm promotion of modern, metal processing technologies. It is meant to concentrate on a list of efficient and competitive priority products which should permanently be in harmony with the highest world technological standards. This industry is due to give its contribution to equipping economy with products of a high technical level — complex equipment, big-capacity plants and complete lines for chemical industry, metallurgy, energetics, engineering, wood-processing, pulp and paper, food industry, machines and equipment for agriculture and transportation, electronic computers including peripherals and data transmission devices, electrotechnic and electronic consumer goods. Considering the prospective trends of the technological advance, electronics and electrotechnics, precision engineering and optics, the production of machine-tools and technological installations will account for more than one third of the total engineering production in 1980, as compared with about 27% in 1975.

In chemical industry — the most dynamic branch of Romanian industry, completely built up during the socialist construction — production has considerably gone up and continuously diversified. In 1974, in only 2 days a production of a value equal to that of the chemical industry in 1938 is obtained; currently, this branch yields more than 6,000 products, against only a few of them produced in the pre-war period. A rapid development was experienced by the sectors producing plastics, synthetic fibres and yarns, synthetic rubber, chemical fertilizers, herbicides and fungicides, medicines and others.

Chemical industry is planned to develop at a rapid rate in the next five-year plan as well. Through a better use of the natural resources —crude

oil, gas, salt, wood, etc. — in 1980 the chemical industry will exceed the 1975 level by 60—80%, will supply increasing amounts of goods, in a most diversified assortment, both for domestic needs and for raising exports. On this line, we should say that the planned level of production will make it possible to cut down wool and cotton imports, to produce substitutes for metal, wood, natural leather and construction materials. The chemical industry will contribute to meeting the growing demands of agriculture by extending the production of fertilizers and other products required by the chemicalization of agriculture. Substantial increases will be obtained in the production of dye-stuffs and organic pigments, cosmetics, medicines and other products of high value which, while making a good use of the resources, ensure a stepped up efficiency for this branch.

In the framework of the industrialization policy, particular attention was and is paid to production growth and diversification in the *industries of wood, pulp and paper and construction materials* during the next five-year plan too, being intended to raise the degree of industrialization and to better process domestic raw materials.

At the same time with the branches producing the means of production, the sectors supplying *consumer goods for the population* enjoyed a sustained development; thus, their production went up more than 15 times in 1974 as compared with 1938. Consequently, important rises in production per capita were recorded:

INDUSTRIAL PRODUCTION PER CAPITA

	1938	1965	1975*
Woven material— s.m.	8.1	22.7	48.0
Footwear — pairs	0.3	2.2	4.8
Meat — kg	10.9	16.2	38.7
Oil — kg	1.1	9.0	14.4
Sugar — kg	6.1	21.1	26.1

* Provisions

Over the 1976—1980 five-year plan, by modernizing the equipments and refining technologies, by enhancing raw material resources, it will be possible to further obtain important rises in production, in the consumer goods industry.

Light industry — which according to provisions will achieve a growth rate of 7—8.5% — is projected to diversify its product — mix and produce more and more fine tissues and light hosiery of a high finishing degree, ready-made clothes and footwear of superior quality; to reach the highest mobility and adaptability to domestic and foreign markets demands.

In food industry, whose production is meant to grow annually by an average of 6.9—7.3%, stress is laid on goods with high nourishing value, being expected to appropriate new technologies liable to extend the product and improve food.

Towards a Highly Efficient Agriculture

Deep transformations in organizing and equipping agriculture, in the processes of agricultural production have marked the three decades following the country's liberation.

Although having a preponderent place within the economic structure, Romanian agriculture had an extremely low level of development in the past. Suffice it to mention that only about 4000 tractors were used in land tilling while animal-traction was still the most important. One third of the agricultural households, i.e. about one million, did not possess even one plough[5].

Even for the small number of machines used in agriculture, Romania was to a great extent indebted to foreign countries; in 1937, Romanian industry supplied only 16.2% of the necessary though reduced consumption of agricultural machines[6].

The essential problem whose solution was to open the way towards an intensive agriculture of high efficiency was the socialist transformation of the village. According to the concept of our State,this transformation has been carried out along with the setting up of the fundamental conditions: the technical-material basis, mechanization, chemicalization, irrigations, training of specialists, and the task of persuading the peasantry on the advantages of the large-scale agricultural production.

The development of the whole national economy, first of industry, was the premise of the systematic consolidation of *the technical-material basis of agriculture.* Today 116,800 tractors and tens of thousands of other agricultural machines are working on the fields of our homeland — an average of one tractor per 83 ha arable land as compared to 684 ha in 1950 and 121 ha in 1965. The funds assigned to agriculture allow that by 1980 the process of mechanization both in vegetable production and zootechny should be, in broad lines, concluded. This would mark an important step forward in the transformation of agricultural work into a variant of industrial work.

Chemicalization, as an essential factor in intensifying agricultural production has known a continuous extension. As compared to only 25 kg of chemical fertilizers, active substance, administrated in 1965 per ha of arable land, vineyards and orchards, in 1975 it is envisaged to reach about 140 kg., and 250—280 kg. at the end of the present decade.

At the same time, the biostimulators, insecto-fungicides, herbicides, etc. consumptions have continuously increased.

Plants varieties and animal breeds are being continuously improved in accordance with the pedoclimatic conditions in each zone of the country.

Irrigation works have become widespread, especially after 1965; the surface fitted up for irrigation, of 229,900 ha in 1965, is in 1974 of more than

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[5] *Enciclopedia României* (Encyclopaedia of Romania), 1940, vol. III, pp. 340.
Referring to the results of the monographic investigations carried out in 1938, the Romanian sociologist Dimitrie Gusti wrote: "In 30 villages of the plain and hill areas, living on agriculture, only every second household has a plough and only every fifth one possesses a pair of cattle for land-tilling. The peasants I called poor have, generally, neither cattle, nor plough." (60 *Romanian villages*, The Institute of Social Sciences of Romania, Bucharest, 1941, p. VI—VII).

[6] Virgil N. Madgearu: *Evoluția economiei românești* (Evolution of Romanian Economy). 1940, pp. 75.

1.4 million ha and by 1975 it will be of about 2 million. That surface is expected to be one million larger by 1980, and by 1990 is to reach 5 million ha.

Socialist agriculture has proved its superiority by ensuring a rational utilization of land — one of the most valuable assets of our nation, of the technical means and labour force, thus contributing to the increase in the national income, to a better supply of the population, to satisfying the other requirements of the economy.

The first and most important problem of agriculture is still the good management of the material basis, first of all of the landed fund.

The new five-year plan provides an average cereal production of 18—20 million tons annually, while for 1990, 28—30 million tons are expected. A main direction of activity to this end is the improvement in the structure of all crops with a view to extending areas under technical crops, ensuring a better utilization of land in various zones of the country; vegetable-growing will have to fully satisfy the consumption of the population and also other demands of the national economy; orchards of various kinds and vineyards, particularly highly productive species will be widely extended.

In guiding agriculture, special heed is being paid to the development of zootechny, so that its specific weight within the total agricultural production reach about 40 per cent in 1980 and about 50 per cent in 1990. As a matter of fact this means one of the aspects of the intensification and increase in agricultural efficiency, thus providing it with a modern structure.

A better technical equipping of agriculture, modernizing of its structure, rising in the cultural and professional level of the workers in this domain have brought about and will still bring in the future deep shifts in the physiognomy of the Romanian village, in raising the living and working conditions of peasantry to a higher level.

The broadening in scope and increase in complexity of the national economy have imposed and still impose that concurrently with the priority attention paid to industry and agriculture, all the other branches should develop in a correlated and harmonious manner.

Under the impact of investment activity, constructions have been considerably extended, their industrial character being more and more emphasized. Within 1950—1974, the production of this branch has increased 15 times, the material basis has been greatly developed by its being endowed with machines and equipment of high efficiency. According to the investment program the production in constructions will grow, between 1976—1980, 1.5 times under the conditions of enhancing the level of industrialization of works and of fully mechanizing the main processes of execution.

The activity in *transports* has developed in close connection with the increase of the flow of raw materials, final materials and products, with the requirements of the national economy and of the population.

Special attention has been paid to equipping and modernizing transports, to the best utilization of the powerful material basis of this sector.

The Directives assign important investment funds in the following years for the endowment with high capacity road, water and air transport means with a view to optimizing transport flows, to diminishing goods routes, to mechanizing the loading and unloading of products so that rapid and cheap transports are ensured.

Ample Investments Programs

In the years of socialist construction ample programs of investments have been carried out, which broadened and modernized the technical-material basis, ensured the growth of production capacities, of the amount of fixed funds, especially of the productive ones.

Investment orientation has consistently followed the basic directions of the economic policy of the state, most of their part being permanently assigned to the development of the branches of material production. As shown by the data below, in the last decade, the dimensions of our investments programs have continuously broadened and their structure has been improved:

INVESTMENTS BY MAIN BRANCH

	1956—1965	1966—1975 bilion lei	1966—1975 against 1956—1965
Total Investments	*296.7*	*886.4*	*3.0 times*
out of which:			
— Industry	143,3	464.9	3.2 „
— Agriculture	46.5	121.5	2.6 „
— Constructions	7.2	31.6	4.4 „
— Transports and Telecommunications	25.5	87.8	3.4 „
— Science	2.0	5.2	2.6 „
— Education	4.7	12.9	2.7 „
— Health protection	3.8	8.6	2.3 „
— House building	40.4	81.9	2.0 „
— Communal economy	8.6	21.4	2.5 „

The implementation of the investment program is being materialized in *fixed assets*, whose value per total economy reached over 1000 billion lei, out of which about two thirds have been commissioned in the period 1966—1974. These data are proof of the strong renewing process of the technical-material basis in the last decade, the newness of the technical equipment of our national economy. Out of the total fixed assets, about 72% are in the productive sphere, making the ground of the high rates of development in Romania's economy. The value of fixed assets in the socio-cultural sector represents over 260 billion lei, thus providing the material basis for carrying on the activity in the field of education, culture, health protection, communal economy, better housing conditions.

According to the provisions of the Directives, in the period 1976—1980, the investments will amount to 920—960 billion lei, overstripping the total investments of the 1966—1975 decade. Efforts are further being directed to the productive sectors, to whom about 90% of the state investment funds are being allotted. The share of industry will be of about two thirds of the productive investments D.C.S. and out of the latter, four decisive branches — energetics, metallurgy, engineering and chemistry — will get about 70%, which will enhance their level of equipment with new technique.

Big investment funds, over 90 billion lei, are provided for the development of the technical-material basis of agriculture; transports and the other branches of economy will also enjoy higher investments as compared to the present five-year plan.

Investments approximately 1.5 times bigger than in 1971—1975 will be allotted for socio-cultural constructions, especially nurseries, student's hostels, schools, hospitals, for the extension of the housing stock.

The carrying into effect of the investments program will bring about a substantial growth in fixed assets whose value in 1980 will be 700 billion lei bigger as against 1975.

Such investment programs are indissolubly connected to the way in which the State conceives *the allocation of the national income to the consumption fund and the fund of socio-economic development.* Based on an ample analysis, President Nicolae Ceauşescu has scientifically substantiated the relationship between the rate of the development fund and that of the consumption fund, pointing out: "Practice, life demonstrate that without allotting an important part of the national income to the development fund, neither the socio-economic progress of the country nor the rise in living standard could be achieved". The President of Romania has convincingly proved the profoundly realistic nature of this thesis, revealing how crucially important it is for this country to maintain a high rate of the development fund, as a long-standing option, meant to bring us closer to the countries strongly developed from the economic point of view. This option is the more imperative for us as the developed countries themselves assign great funds for accumulation in order to keep abreast with the exigencies imposed by the revolution in science and technology.

The fundamental political decision, in the economic strategy of our state, of distributing about one third of the national income to the development fund, is a convincing proof of the deep knowledge of the laws governing society and, at the same time, an act of high responsibility towards the future of the Romanian country and people.

The history of our development after the Liberation stands proof of the fact that the assignment of an important share of the national income for the creation of a powerful economy ensures a sound basis for an ample extended reproduction, a decisive element of the economic-social progress, of the population's wellbeing.

The fact that in the last two five-year plans, 29—30% and over 33%, respectively, of the national income have been allotted to the development fund, has ensured a powerful development of the technical-material basis, modern capacities for the quick progress of industry and agriculture, of the other branches, and, at the same time, necessary resources have been created for an enhanced growth of the consumption fund as compared with the preceding periods when the rate of the development fund had been lower. In the next five-year plan (1976—1980), when 33—34% of the national income will be distributed for development, the sustained economic advance and, directly related to this, a bigger amount and one of the highest rates in the increase of the consumption fund over the whole period of the socialist construction of the new system are ensured.

A Highly Efficient Economy

Our State holds the socialist economy as a highly efficient one, able to turn to good account the whole material and human potential of the country. As part of this conception, the 1966—1970 and 1971—1975 five-year plans and more especially the next one have guided and still guide the whole management of the national economy, of branches, sub-branches and enterprises — on the ground of the single national plan — toward an optimum utilization of all human, material and financial resources. It stands to reason that only in this way we could manage to obtain high indexes of production, of labour productivity, diminution of material costs, higher efficiency of the economic activity, profitableness in all fields. The objectives imply to steadily continue the perfecting of organization, planning and management at all levels, improvement of order and plan discipline, a rigorous control of its rythmic execution.

Economic efficiency growth acquires a new dimension in the present stage, when our productive potential increases greatly. Of course, year by year, progress was recorded as regards the efficiency of fixed assets, this essential component of the national wealth. However, there are important reserves for increasing production, exports, and net income per 1000 lei productive fixed assets. The leadership of our State has many a times pointed out that the efficiency obtained cannot fully satisfy as against the amount and technical level of the fixed assets in economy. That is why, sound analyses of the economic activity per branch, subranch, industrial central and enterprise, in territorial profile, should be systematically carried on, in order to find new ways and means for increasing efficiency in all sectors.

Labour productivity playing a fundamental role in raising production and economic efficiency, has known a high rate of growth. In 1975, labour productivity in industry doubled, as against 1965; each growth percentage of labour productivity in this decade is twice as much as that in the period 1956—1965. Growth of labour productivity in industry as well as in the other branches of economy was stimulated by a set of factors, among which the decisive ones are the promotion of technical progress, improvement of management and labour organization, higher training.

The Directives provide, for the 1976—1980 five-year plan, a consistent growth of labour productivity which shall contribute, by about 70%, to industrial production growth. The carrying out of such tasks implies the elaboration of measure programs, detailed by enterprises, so that conditions for speeding up the rise in labour productivity should be ensured at every place of work. Such tasks can and must be carried out not by intensifying physical effort but through a continuous modernization of production, through perfecting technologies, by largely introducing mechanization and automation, by improving management and labour organization , by higher training of knowledge and skills.

It is a well-known fact that the national income depends not only on the growth of production but, to a great extent, on *the level of material costs*; the smaller these costs, the bigger the national income obtained and greater the availabilities for speeding up the development of economy and rise of living standards.

The share of material costs within the social product, which in the present five-year plan has marked a continuous diminution, will have to further decrease, so that in the next five-year plan the national income should grow by an average annual rate of 9—10%, as against 8—9% of the social product.

Saving of metal, wood, cement, hides, wool, cotton and of other basic raw materials is an important direction in the activity of diminishing material costs. Thorough analyses going down to the product must identify solutions for the judicious utilization of energy and fuels and for the diminution of specific consumptions especially in industry as a branch utilizing about 60% of the electric power resources of the country. To the same effect, of saving energy and fuel, will cooperate the improvement of the industrial structures, the reduction of the weight of some products involving high power consumption and also the perfecting of technologies in all branches.

The diminution of material costs is thought to be obtained under the conditions of a steady rise in the quality of products. The efforts made by the State for equipping the economic units with modern technique and for raising qualification have resulted in a considerable improvement of products parameters, in a continuous growth of the specific weight of high quality products. Our development programs envisage further improvement of the technical-economic parameters, reliability and competitivity of products, so that by developing new products and redesigning, the requirements of home market and of foreign markets should be ever better satisfied.

In the *investment policy*, the State has most determinedly directed the efforts towards a *rise in the efficiency of the funds* spent, with a view to obtain the best results in the shortest time. It is for that reason that the Directives set, for every enterprise, central and ministry, for all workers in our economy, the task of pursuing the efficiency growth in every stage involved in preparing, executing and running the new projects. Within this framework, an essential problem is the steady improvement of investments structure, by increasingly using them to purchase machines and equipments having a direct contribution to production growth, by concentrating the efforts towards the execution of objectives and their putting into operation in due time. Through their profiles, through their construction and technological solutions, the new objectives should be able to ensure higher outputs in terms of production, productivity and profitableness, as compared to past achievements.

A basic demand of our economic development is the *rise in foreign trade efficiency*, in the qualitative standard of the commodities meant for export, as a condition of the competitiveness of Romanian goods on foreign markets, of making the best use of the national work embodied in the products which make the object of world economic exchanges. In order to raise our foreign trade efficiency it is essential to take steps for prospecting the world market systematically, having a good knowledge of realities and trends in the field of demand for and supply of goods, of price shifts, for a rapid adjustment of production to users' needs, for the precise observance of contract stipulations.

Effort concentration in every ministry, central, economic unit in the area of efficiency indices is one of the major ways of raising the national income rapidly, of creating the resources needed for a sustained economic development and for people's prosperity. The increased efficiency, based on lower

production costs and higher profitableness, has a significant contribution to price stability, to strengthening the national currency both on the domestic market and in relation with other currencies — decisive conditions of a sound economic development, of the continuous rise in the purchasing power of the population's incomes.

ALL ZONES OF THE COUNTRY ADVANCING ON THE PATH TO PROGRESS

Our State has assumed the complex but extremely important task, politically and socially, of harmoniously distributing the productive forces on the country's territory.

Three decades ago, the economy of Romania was characterized not only by a low economic level and disparities between branches, but also by disparities between zones. Suffice it to show that in 1938, about 70% of the industrial production was concentrated in Bucharest, Ploiești, Brașov, Cluj, Hunedoara, Timișoara, Reșița and the surrounding localities. Most counties were *terra deserta* from the industrial point of view. Such a distribution of the productive forces on the territory negatively told on the development of the national economy and on the living standard of people in numerous regions.

In the years of socialist construction, our State has granted special importance to the judicious distribution of the productive forces on the territory, aiming at *blending the economic criteria with the social ones, at raising the economic potential of all country's zones* in setting up the new economic, socio-cultural objectives. This is an objective necessity for a higher utilization of the material and human resources, for a rapid and balanced development of the national economy as a whole. The judicious territorial distribution of the productive forces is responsible for conditions favouring a real economic equality among all members of society, the general growth of the living and civilization standards of the people on the whole country's territory.

The strategy of the harmonious territorial distribution of the economic objectives, especially of the industrial ones constitutes an integral part of *the general policy of our State of implementing, on the whole Romanian territory, the working class*, the leading class of our society, focussing the activity of all the other social categories.

The policy of distributing the productive forces on the whole territory was endorsed by a vast program of investments which favoured the rapid development of the technical-material basis. In this respect, it is worth mentioning the change recorded *in the classification of counties according to the value of productive fixed assets*. In 1965, the value of fixed assets was not bigger than 10 billion lei in 35 counties; only 4 counties' fixed assets value ranged between 10—25 billion lei. In 1974, the value of fixed assets ranged between 10—25 billion lei in 22 counties, and in 9 counties over 25 billion lei. Such county as Gorj, on whose territory in 1938 there were only 8 enterprises — small workshops —, which totalized 103 employees, has come to possess tens of modern industrial enterprises with approx. 40,000 workers.

The investment program, the policy of setting up the new objectives of the next five-year plan, will influence the harmonious development of all country's zones, will ensure a higher rate of economic growth especially in industry, in the counties lagging behind.

The shifts in the classification of counties according to the value of the total industrial output are illustrative for the new economic-social physiognomy of our homeland, and for the new prospects opened by the Directives:

Total Industrial Output	Number of counties			
	1965	1970	1975	1980
up to 5 billion lei	30	19	6	—
5.1—10 „ „	6	12	13	—
10.1—15 „ „	3	5	7	17
15.1—25 „ „	—	3	9	12
over 25 „ „	1	1	5	11

The table shows that while in 1965 only 4 counties had an industrial output surpassing 10 billion lei, in 1970 their number had reached 9, and in 1975 it will be 21. *By the end of the next five-year plan each county will obtain an industrial output of at least 10 billion lei*, which reflects the consistency in extending the economic-social activities in all counties having a lower level of development. Following this orientation, industry will become predominant not only per global economy but also within the framework of each county separately.

The implanting of industry in all country's zones will naturally bring about the development of other economic and socio-cultural activities, as well as *changes in the structure of the active population of each county.* By the end of this decade, in 50% of the counties, the number of the population active in industry will be superior to that active in agriculture. At the same time, the number of counties, in which the employees per 1000 inhabitants surpassed 200 persons, has increased from 18 in 1965, to 31 in 1975 and will reach 38 in 1980.

The development of the productive forces on the territory has brought about a *rise in the degree of urbanization*, in the technical-urban and socio-cultural endowment in all counties. The number of the urban population has increased by 2.6 million in the period 1966—1974 only i.e. by 39.9%, while the total number of the country's population has increased by 10.5%.

The Directives provide that in the next five-year plan, the urbanization of at least 100 rural localities will be carried out, localities having a relatively great number of inhabitants and favourable conditions of economic development. This process will acquire new dimensions in the prospect of the 1981—1990 period, when some 300—400 new urban centres will be set up, so that the number of the urban population will double as against the year 1970.

When selecting the rural localities that are to be involved in this process heed is paid to a unitary complex of criteria referring to: the present and prospective economic functions; population and social life; the housing stock, the socio-cultural and urbanistic endowment; the natural environment; the location of localities on the territory.

The socio-economic impact of this process is of the greatest importance. The rise of the urban localities to the quality of centers towards which the rural neighbouring zones are gravitating, corroborated with the other measures provided by the National Programme of Systematizing the Territory, the Urban and Rural Localities, represent a main way of raising the civilization and general living standards in villages.

PROMOTING SCIENCE AND TECHNICAL PROGRESS

Our State consistently starts, in its whole socio-economic policy, from the idea that science represents a primordial factor of contemporary progress, that the manysidedly developed socialist society and communism can be achieved only on the ground of the most advanced conquests of science and technology.

Education and research, which has promoted in Romanian science prominent schools and personalities enjoying world fame, witnessed a continuous development. The research network has been expanded and diversified; today the number of personnel active in research work is 60,000 as compared to 5,000 in 1938.

The State has systematically adopted measures for endowing research institutes with modern means of investigation, for linking organically science with technology, education with production. The meaning of these measures is to further the contribution of our own thinking, of our research institutes, of the plant laboratories, of the specialists from industrial centrals and enterprises, of the teaching staff, of all scientists, to solving the problems of economic and social developement, to enriching the country's scientific thesaurus, and ultimately, to turning science into a direct productive force.

Following the conditions created, these last few years the technical investigation recorded valuable results materialized in new assortments of metallurgical products, especially high quality steel brands, in large diversification of chemical products, in modern equipment for the automation of machine-tools, creation of new electrotechnical and electronic appliances and apparata, etc. At the same time, the scientific effort has brought about an important contribution to the technological renewal in all branches of material production, to the implementation of the investment targets based on the technical progress and to the modernization of the existing capacities.

The Directives are conceived so as to focus the policy of promoting science and technical progress towards all sectors of the economic-social life, towards expanding scientific-technical creativity, rapidly introducing all valuable ideas liable to help in speeding up the development and modernization of national economy. The development of applied and fundamental research work must be correlated with the requirements of material production, and of social activity, so that they meet the demands of progress, and give a large prospect for our society's advance. As President Nicolae Ceauşescu said, the next five-year plan must be "the five-year plan of the revolution in science and technology" in Romania.

A main orientation of the scientific research is *knowledge and higher utilization of all natural resources of our country* and, especially, detection of

new sources of energy, fuels, and raw materials. Our aim is to find out new resources and to elaborate new technologies so that home raw materials should be utilized under conditions of economic efficiency; to use on a larger scale iron and coking coal of home production; to obtain bigger quantities of non-ferrous and rare metals, to elaborate technologies for turning to account certain important raw material reserves contained by some complex deposits. We must obtain more copper, lead and zinc required by our economy because of their high price on world markets and their impact on the costs of products including these raw materials. The task of performing very deep prospections in various oil fields with rich deposits has acquired a stringent actuality.

The research works aiming at *raising the technical level of products and at diversifying production have priority*. This implies alloting important research forces to the field of electrotechnics, electronics, precision engineering, optics, numerically programmed machine-tools, technological appliances engineering. In chemistry, investigations have as a main objective the intensification of oil and gas chemicalization, the transformation of these valuable raw materials into plastics, synthetic fibres and yarn of high quality, rubber, fertilizers, artificial leather and other products required by economy.

Starting from the program of providing the national economy with computing machines and equipment, from the demands of extending informatics and cybernetics to the economic and social management, the investigations connected with the utilization of electronic computers in production and administration became topical.

The economic growth is closely connected with *introducing advanced technologies*. It is easy to see that technologies have a decisive impact on the technical level of industry, agriculture, constructions, transports and other economic activities, some socio-cultural sectors included, e.g. education and health protection. Modernizing technologies of production, our deep knowledge and rigorous observance of these technologies, constitute a main means for obtaining higher results, both regarding the amount and quality of products, and also labour efficiency and production costs. According to this stand, the Directives emphasize the *task of creating new technologies so that their application should provide for over 80% of the total new and perfected technologies under the planned investment objectives.*

The endowment with advanced technique of the industrial branches having vital importance for the economic-social progress of the country, of all sectors of the national economy, requires speeding up the development of new products. We have mainly in view the followings: the technological equipment for mining and energetics, for iron and steel and chemical industries, for light and food industries and also machine-tools, automation equipment, measure and control apparata. The measures adopted to this end will ensure, according to a unitary, global concept, the carrying out of all stages of new products development — from research, design and technological preparation up to the final product.

We can say that these last few years, investigation and design in the field of technological equipment, machine-tools and various industrial outfits have brought about a more substantial contribution to the endowment of economy. However, we are still paying too much for the import of brains; this makes us keep on devising, through our own efforts and through technical-

scientific cooperation with other countries, new equipment and technologies of high efficiency for industry and for other economic activities as well.

Starting from the guiding lines of the Directives, *scientific investigation should more emphatically support the development of agricultural production of constructions, transports and other branches of economy*, new technologies for pollution control, intensify its efforts for studying the multiple aspects of life quality.

The enhanced leading role of the State in the stage of building up the manysidedly developed socialist society requires further promotion of the scientific bases of the economic-social policy of the country. This objective requirement subsumes *tasks of high responsability for the research-workers in the field of social sciences*— scientists who are guided to direct their attention, to a greater extent, towards grasping and mastering the general laws governing social development and their working under the specific conditions of Romania.

The tasks of the socialist construction require the *development of the economic science.* Economists are asked to contribute to a greater extent, through deep and ample investigations, to solving the problems connected with the new trends of development, with optimizing economic growth and modernizing structures, with perfecting forms and methods of organization and management in the national economy. It is necessary to make sound analyses regarding the rise of the national income, the most judicious distribution of the national fund of economic-social development and of the consumption fund, the problems of technical-material supply as well as financial, foreign exchange and price problems, of the foreign trade and of the international economic cooperation. More studies by branch and sub-branch are necessary — studies which should advance ideas meant to contribute to raising economic efficiency, labour productivity under its most various aspects — the use of fixed and current assets, employment, diminution of material costs, of all production costs. Special heed should be paid to perfecting the means of investigation, methods and techniques of analysis and economic calculus, the system of indicators, of norms and rules aiming at further bettering the substantiation of decisions, of the single national plan and of the state budget.

Economic science will have a bigger share in promoting the State's program of building up the manysidedly developed socialist society and of advancing to communism by approaching such problems directly connected with the requirements of the rapid progress in our country, by joining together the efforts of research-workers, of the staff in economic institutes, in enterprises, in industrial centrals, ministeries, other central institutions and local bodies.

THE INTERNATIONAL ECONOMIC COOPERATION OF ROMANIA

The more and more active participation of our country to the international division of labour came to be possible and necessary through the rapid development of all branches of economy and through the progress recorded in modernizing production and technologies.

The evolution of Romanian foreign trade has been remarkably strong; commercial exchanges have increased 4.8 times in 1965 as against 1950,

and in 1974 they were 18 times bigger, exceeding, along the whole period, the rise in the national product and national income.

Remarkable changes occured in the structure of our foreign trade. In 1938 about 55% of the goods exported was represented by agricultural produce and wood, and 43% oil products; in the same year, the finished products had a specific weight of 74% within import structure, and raw materials, and semi-products — 20%[7].

Today, the physiognomy of our foreign trade has completely changed. The share of raw materials and fuels within total exports has continuously diminished down to 47% in 1965, to 37% in 1970 and to about 34% in 1974 of exports represented manufactured goods in 1974, so that ratios have been reversed. The specific weight of machines, appliances and chemicals has continuously increased, — all embodying a highly skilled labour and turning to good account resources — from only 5.9% in 1950 to 25.2% in 1965 and approx. 32% in 1974.

The structure of import has also continuously improved according to the rise of the Romanian economic ability of turning raw materials into high quality industrial products; about half of the total imports consists of raw materials, other materials and fuels.

Illustrative for the progress recorded by our country as to its position within the international division of labour are the following data: in 1938, the value of one ton of imported goods was 8 times bigger than that of one ton of exported goods[8]; today the value of one ton of imported goods is approx. equal to the value of one ton of exported goods.

According to the truth that cooperation and collaboration in the realm of economy and science and technology, under the conditions of an ever greater interdependency among states and peoples, are imperative necessities for the advance of each nation, the Directives provide highly important objectives concerning the ever more active and efficient participation of Romania in the world circuit of material values. Starting from the principles guiding the foreign policy of our State, foreign economic relations are directed towards further broadening commercial exchanges, economic collaboration and cooperation with the CMEA member-states, with all socialist countries and also with the other states of the world.

In accordance with "The Complex Programme", trade exchanges, cooperation in production, science and technology with the CMEA member-states will undergo a rapid expansion, with a view to a harmonious development of each country separately and to speed up the process of evening up their level of economic development. At the same time the activity of production collaboration and cooperation with all socialist countries will be intensified, so that the consolidation of the strength of socialism, its world prestige should be enhanced.

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[7] *Enciclopedia României*, vol. IV, pp. 485.
Ibid., pp. 454.

[8] Virgil Madgearu wrote the following, in connection with the unfavourable condition of the then Romania's foreign trade: "The Romanian tax-payer pays in this way the foreigner's food and the Romanian consumer bears the burden of the high prices on the home market" (*Evoluția economiei românești după războiul mondial* (The Evolution of Romanian Economy after the World War), 1940, pp. 300).

The relations with developing countries are ever more ample. The visits of the President of the Socialist Republic of Romania, Nicolae Ceauşescu, to countries of Asia, Africa and Latin America, to the Arab countries, opened broad prospects for cooperation with these states. The agreements of cooperation concluded are aimed at a more rapid advance, both of Romania and those states, on the way to narrowing the gaps between them and the economically developed countries.

Romania extends economic relations with all states, the developed capitalist countries included, in the spirit of peaceful coexistence and of broad economic collaboration.

The general economic growth and the emphasis laid on the higher utilization of resources allow the more rapid increase of the foreign trade as compared with the national product. The Directives provide an increase of 72—80% for foreign trade in the next five-year plan as compared with the 1971—1975 period, a higher rate to be undergone by exports (75—85%).

In the prospect of the year 1990 foreign trade will be more than thrice bigger as against 1975; not only high rates will be characteristic for it, but mostly the growth of specific weight of industrial products, embodying a higher level of manufacturing and, especially of machines, appliances and chemicals.

The whole activity of extending and diversifying foreign economic relations is aimed at permanently improving the structure of exports, at supplying high quality products, competitive on foreign markets, as an essential condition for raising Romania to a better and more efficient position within the international division of labour. These problems are highly important for ensuring an equilibrium of the balance of payments and for increasing the country's foreign currency reserves. These problems have not only economic implications but they represent, firstly, a fundamental political option of our State.

Within the foreign economic relations of Romania, cooperation in production and in science and technology get an ever more important place. As experience proves, this superior form of inter-states economic relations can efficiently contribute to the development and modernization of productive forces, and also create a more flexible and diversified framework for access to modern technique and technology.

In promoting cooperation, under new and varied forms, in production, in technical-scientific research and sale of products, on the basis of the principles of equality in rights, national independence and sovereignty, non-interference in the internal affairs and mutual benefit, Romania intensifies its participation to the world division of labour, to the instauration of a new economic order meant to ensure a broad and unhindered collaboration on equitable bases among all countries of the world.

DEEP CHANGES IN THE SOCIO-VOCATIONAL STRUCTURE

The shifts having occurred in the economic and social life have determined important changes in the structure of labour force and, generally, in the social structure of the country. *The change in the ratio between the population employed in agriculture and that in the non-agicultural branches*, mostly in industry, is of special significance. As compared with the year 1938, when more than three

fourths of the active population worked in agriculture, in 1974 this proportion was of 40.5%. This derives firstly from industrialization, which by impressing a high rate to all economic branches, has provided conditions, for raising the degree of employment.

At the same time, the cooperativization of agriculture, extention of mechanization and chemicalization, of irrigations, the large-scale introduction of modern agrotechnic methods, have brought about and still bring the rise in labour productivity in this sector and the possibility of shifting part of the peasantry to non-agricultural occupations, especially to industry and constructions. All these have caused the number of employed people to reach more than 6 million in 1974, about 60% of the employed population, as compared with 17% in 1938 and 44.5% in 1965. In industry alone, the specific weight of employed population has grown from 9.2% in the year 1938, to about 29.2% in 1974.

These modifications were the results of *the increased capacity of economy of creating ever more numerous new jobs*, especially in industry. Between the years 1966—1975, the number of the personnel employed in economy increased by 2.1 million as against about 1.4 million in the preceding decade. It is remarkable that in the last decade about 1.2 million jobs have been created in industry, i.e. twice the number of the period 1956—1965.

A prominent place within the transformations having occurred in the structure of labour force is held by the increase in the number of workers, especially in the most dynamic industrial branches. To an overall increase about 3.5 times in the number of workers employed in industry in 1974, as against 1950, the number of workers in engineering has increased 5 times while in chemistry over 9 times. The fact that, in these industries, labour productivity is generally higher than in the other branches, points to the importance of the changes having occurred within the structure of labour force.

The qualitative changes in the structure of the employed population will be still more pregnant in the next five-year plan and in the decade 1981—1990. The most important aspect will be the marked increase in the specific weight of those employed in non-agricultural branches, especially in industry, concurrently with the diminution of the specific weight of those active in agriculture. *It is estimated that in 1978, for the first time in Romania's history the number of the population employed in industry will surpass that in agriculture.* This process is liable to further intensify, so that according to forecasts, by 1990, 12—15% of the total employed population will work in agriculture.

STRUCTURE OF EMPLOYED POPULATION

(%)

	Industry	Agriculture	Other Branches
1938	9.2	76.4	14.4
1950	12.0	74.1	13.9
1965	19.2	56.5	24.3
1975	29.5	38.5	32.0
1980	36—37	27—28	36.0

The integration of the population employed in agriculture into industry, constructions, transports, science, education and other non-agricultural activities, the more judicious distribution of manpower among the branches of national economy, favourably influences the rise of social labour productivity and of living standards.

Concurrently with the shifts in the structure of labour force, changes have and will occur *in the social structure.* The working class number will grow so that at the end of the next decade it will represent the overwhelming majority of the country's population. These large-scale modifications, having a remarkable impact on the production process and on social structure, mirror the ever more important place held by the working class in the life of the country, the growing possibilities of asserting its leading role at all levels, in our society.

The peasantry will further develop its features of a new class of the socialist society.

The intelligentsia, especially the technical one, will grow in number, intensifying its contribution to the successful building up of the new system.

Thus, the socialist physiognomy of our society will be ever more marked, the social classes and categories will come to be closer and closer, the relations of production will growingly improve in accordance with the changes occurring in the social division of labour, with the demands of the economic-social progress, the close and harmonious cooperation among all working people will acquire new potentialities with a view to implementing the general policy of the State.

In the context of the changes occurred with regard to labour force and social structure, we distinguish the *training and skill improvement of workers, technicians, engineers and other specialists*, according to the increased demands of the production process, to the need of putting the large number of new enterprises into operation, the extension of socio-cultural activities.

Starting consistently from the principle that school is the basic factor in the education and training of the young generation, of man in general, the Directives lay down measures intended to *develop education of all grades and improve its content.*

The next five-year plan will complete the generalization of the 10-year school system, which became compulsory beginning with the 1974—1975 school-year, by including the whole generation of youth in the first secondary-school (lyceum) stage. The importance and size of this process are manifest if we think that only three decades ago, there were several millions of illiterates in our country.

Vocational education, specialized secondary-schools and university education will be extended in the next five-year plan.

Taking into account the continuous renewal of the productive processes, the new jobs to be created in the economy the next years, particular attention is given to workers' qualification for all sorts of trades, particularly those in industries, e.g. engineering, chemistry, mining, constructions, as well as those required by the modernization of agriculture. It is worth stressing the increased share of poly-qualification, meant to satisfy the varied needs of our society. Thus, people's ability of switching over from

one speciality to another will be enhanced, bringing forth a qualitative change in labour division.

Depending on professional mobility, specific for our epoch, on the permanent technical and technological transformations, the professionals' qualification is planned to further improve, harmoniously joining the wide training profile to the orientation toward the fields demanded by economy, science, culture. For that purpose, the implementation of the targets deriving from the national recycling system, involving all the cadres, based on specific programs, will be carried on.

Professional training will be associated with an intensive activity of *raising the cultural and scientific standard of the members of our society*, of shaping a highly-conscious new man, with an advanced moral profile; that will determine an increase in everybody's contribution to the general progress, the free affirmation of the human personality.

During the building up of the manysidedly developed socialist society, as a result of the progress of the productive forces and of improving social relations, of a higher standard of culture and training of the working people, the basic differences between physical and intellectual work, between agricultural and industrial work will gradually fade away. The ways of life of the working people in towns and villages will get more and more common features, society will turn more homogeneous.

These are far-reaching processes, bringing closer workers and peasants, all social categories, determining a stronger cohesion of the people in the work of building up the manysidedly developed socialism and in the advance toward communism.

ECONOMIC GROWTH AND LIVING STANDARD

In its economic strategy, our State was and is steadily pursuing the fulfilment of the basic goal of its whole policy of building up socialism — of *meeting as fully as possible the material and spiritual needs of the society members*. To this goal are subordinated the options related with the progress of all economic sectors, growth and distribution of the national income, investments orientation, harmonious development of productive forces all over the territory.

Over the three decades elapsed since August' 44, the living standard of the population has continuously risen. Let's take the national income, the most synthetic indicator of the economic achievements and the source of the improvement of the population's living. According to our estimations, in 1938, the national income calculated per capita amounted to only $ 80—100; if we consider also its distribution, marked by the capitalist relations of production, workers' and peasants' bad condition, the very low standard of living of most of the people are quite obvious. According to the statistics of the epoch, the average annual consumption of major food-

stuffs, per capita, was of only 5.5 kg of sugar, 3.4 kg of fats, 19 kg of meat [9]. In villages, these figures were much below the average. As a result of the low standard of living of the population, in 1938, the general death rate (19.2 per thousand of inhabitants) and child death rate (182 per thousand of children born alive [10]) in Romania were among the highest in Europe.

The economic growth options, the important resources exploited and their sensible use have determined a *sustained dynamics of the national income on which are based the successive measures adopted by our State in order to enhance the population's wellbeing.* Calculated per capita, the national income is of over $ 800 presently, which is a substantial progress as compared to the past; according to the national income growth provisions, in 1980 we shall reach $ 1,300—1,400 per capita, and in 1990 $ 2,500—3,000.

Such consumption fund to development fund ratios were settled in the allocation of the national income, that accomplishment, an *indestructible connection between the economic growth and the living standard, was* posible. Compared to 1965, the consumption fund will double in 1975, which places the latest two five-year plans among the most dynamic as far as raising the population's prosperity is concerned. The 1976—1980 vast economic development will allow a further substantial increase in the consumption fund — by an average of about 8% annually — ensuring thus new progress in this field.

The formation of the people's incomes and their evolution outline the equity of our State when approaching and solving allocation problems.

The incomes derived from distribution according to work have the major share in the total incomes of the population. *In the last 25 years, both real retribution and peasants' real incomes per active person derived from agricultural work went up more than 3 times.* According to the Directives, real pay will continue to grow, until 1980, by 18—20%, as compared to 1975, while peasants' real incomes per active person by 20—25%. The setting down of such dynamics aims at a fairer prospective ratio of agricultural workers' incomes to pay in the other branches of economy. Moreover, the 1—1.2 million new jobs created in 1976—1980 will be an opportunity for a large number of persons employed in agriculture today or housewives to join industry or other branches, thus increasing the money incomes of the families.

It has been and is a permanent concern for our State leading bodies, at the same time with pay raising, to perfect the pay system so that it suits each stage as well as possible, it strengthens its mobilizing nature. The differentiated growth of retribution together with the narrowing of the gap between low and high incomes, give a specific content to the social aspect characterizing the income distribution policy consistently promoted by our State.

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[9] *Enciclopedia României*, 1940, vol. IV, pp. 923 and 926;
Der. G. Banu, ancient Minister of Health, wrote in his work *Health of the Romanian People*, published in 1935: ... "In the miserable strata of our town population the problem of food is very severe: It is materialized in infants' nourishig.
The material means don't allow the mother to buy either milk or sugar."

[10] *Demographic Yearbook, Movement of Romanian Population in 1938*, Bucharest, Ed. Central Institute of Statistics, pp. 6.

The average pay was raised year by year being intended to reach 1950 lei by the end of 1975, against 1115 lei in 1965, and 2400 lei in 1980. A particular attention was paid to *the more rapid growth of low* wages in 1974, the minimum wage of the unskilled workers was of 1140 lei, against 800 lei in 1970 and 570 lei in 1965, the minimum to maximum pay ratio being of 1 to 6, as compared to 1 to 10 a decade ago.

As a result of pay increase, particularly the low ones, substantial changes took place with regard to personnel distribution by groups of pay.

PERSONNEL DISTRIBUTION BY GROUPS OF PAYMENT

	(%)			
Lei	1960	1965	1970	1975
up to 900	65.4	39.6	7.0	—
901 to 1100	16.0	23.1	20.3	—
1101 to 1300	8,9	14.2	22.0	3.5
1301 to 1500	4.7	9.2	15.7	16.8
1501 to 2000	3.9	10.1	20.8	44.6
2001 to 2500	0.8	2.6	8.2	25.8
over 2500	0.3	1.2	6.0	9.3

The share of the low-payed personnel, up to 1300 lei, gets considerably down, from about 90% in 1960, to only 3.5% in 1975. For most of the personnel — more than 70% — pay is between 1500 and 2500 lei. Such a change is significant for the rising of our State's possibilities of systematically increasing the direct incomes of the society members, while generally improving the qualification of the working people.

At the same time with the rise in the wage-income, the population is growingly deriving *incomes from social consumption funds* as an essential feature of our relations of production. Calculated per capita, the socio-cultural expenses from the State budget went up from 210 lei in 1950, to 1680 lei in 1970 and 2430 lei in 1975.

For the families of the employed personnel, the sums derived from social consumption funds are in the average a surplus of 23—25% added to the real pay, while for peasants' families a surplus of 15—16% added to the incomes from the agricultural output of an active person.

The living standard of each family will further grow owing to the important funds spent from the State budget for purpose of meeting the socio-cultural needs; in 1976—1980, they will go up by over 50%; we mean the rising of pension, children allowances, extension of socio-cultural activities available for the population through educational and cultural institutions, health protection, sports, etc. These funds will get so large that in 1990 they will account for one third of the total incomes of the population.

The evolution of wage incomes and of those derived from social consumption funds is expressed synthetically by the dynamics of the total real

incomes per capita. In 1966—1975, these incomes have grown by an average annual rate of 5.9%, against 4.4% in the 10 previous years (1956—1965).

According to the Directives, in 1990 the total real incomes per capita will be 3—3.5 times higher than in 1970.

Under the direct impact of production growth and diversification, income rising and other economic and social factors, *population's consumption is both quantitatively and qualitatively improved* — one of the most important elements and a direct reflection of the rise in the living standard. Consumptions of foodstuffs, clothes, shoes, durable goods have considerably gone up, which is reflected in the dynamics of the commodity sales through trade. In 1975, retail sales will be more than twice higher than in 1965 and about 11 times than in 1950. As seen from the data on industrial workers' family budgets, the share of the expenses for services went up from 5% in 1949 to about 13% in 1974, which is an important achievement on the scale of needs satisfaction.

In the eighties, and even further, commodities sales growth will be paralleled by increasingly conspicuous positive trends in their structure.

Marking this orientation of consumption, the Directives expect important changes with regard to clothes and shoes, furniture, household electric appliances, cars and other goods liable to improve the family comfort.

A most important part in the improvement of the living conditions of the population is played by the *allocation from the national socio-economic development fund of important sums for investments in the sectors directly connected with the standard of life*: housing program, urban and rural administration, extension of educational, cultural, health protection and tourism material basis. More than 4 million housing units have been built since the Liberation; over 12 million people — more than half the population of the country — moved to new houses. In the next five-year plan, the house building rate will be sped up, 815,000 new flats built on funds or credits from the State will be given to the people. Important expenses will be done for the purpose of urban public works, raising thus the standard of civilization of the localities. Following the socio-economic transformations, the steps meant to raise the standard of living, the *average life expectation of the population, which in the pre-war period was of 42 years, is now of 69 years*. We could say that almost each year elapsed since the country's Liberation added happily to the average life expectation of Romania's inhabitants. These data and facts ascertain the idea that the goal of the entire activity of our State, of the building up of socialism, was and is the people's prosperity and happiness, the flourishing of the human personality.