Chapter III

3 The Monetarized Everyday (1947 – 1949)

3.1 Reading the Payslip

By the summer of 1949, countless moralizing images had appeared in the daily press portraying assiduous workers enjoying the touch and sight of their wages being paid in fistful of cash. These cartoonish representations of the payday illustrated the rewarding gesture of holding well deserved stacks of banknotes in hard working hands, but misrepresented the experience of picking up the wage. From the intimate location of the cash desk, factory accountants distributed wages, not as wads of cash but instead in tightly wrapped pay envelopes. Wage deductions galore were minutely registered on the back of the envelope:

> When the worker or functionary receives the envelope at the end of the month, he sees a long list of figures representing deductions. He counts, ponders and remains puzzled. Some of these deductions seem to him unjust. He then goes to the accounting office where things are 'clarified' for him: a new subscription for magazine X, two tickets for the upcoming cultural event, a ticket for the next week's ball etc.[1]

The payslip was what the workers quarreled about with the accountant, discussed with their workmates and carried back home to their families together with what was left of their cash wages. The payslip, however, was more than a piece of paper crumpled in disgust only to be glimpsed at in moments of torment and bafflement. It was supposed to become the paper mirror of the worker's effort on the shop floor: not merely a record to be contemplated *en route* to self-achievement and better pay, but also a predictable guide for organizing household spending. "Everything must be paid for in cash"[2] union leader Josef Puvak informed UDR's metalworkers in March 1948. Buying on credit was to be forbidden on the factory premises so that workers could no longer accumulate debts to the canteen or to the local cooperative. Once they received their wages in cash money with the income tax and the railway monthly ticket subtracted,

1 "Nu reţineri abuzive, ci lămurirea şi convingerea salariaţilor", *Viaţa sindicală*, II, No. 393, December 18 1948.
2 Petru Miclăuş, "Reţinerile din salariu şi problema Casei de Credit. O importantă hotărâre a membrilor sindicatului Metalo-Chimic din Reşiţa", *Luptătorul bănăţean* V, No. 1049, March 24 1948.

https://doi.org/10.1515/9783110605167-007

Puvak explained, workers would finally be able to see on their pay envelopes the real monetary value of their effort.

Clearing the payslip of debts and burdensome deductions was one of the goals of the monetary stabilization and of the accompanying industrial policy package implemented during and after the long summer of 1947. These reforms aimed to reset the parameters of the "social wage" as it had been inscribed in the collective labor contracts enacted during the inflationary spiral of the first two postwar years. Consequently, industrial workers saw the dismantlement of the factory stores known as *economate* and their replacement with state shops and employees' cooperatives. The disentanglement of subsidized consumption from the realm of production purported to restore the financial balance of the factories which were borrowing heavily from the National Bank in order to cover the costs of the social wage. Moreover, industrial wages were to be calibrated to fixed prices for consumer goods through the priority given to the piece-rate payment system. State control over the supply of basic goods, a stable currency and wage premiums, the communist reformers believed, would stave off inflationary tendencies, abolish the "black market" and set the stage for reconstruction.

This chapter explores the remaking of the social wage in the context of the 1947 monetary stabilization and thereafter. I approach the transformation of the industrial wage relationship from three congruent angles: the reorganization of consumption, state-making and the monetarization of workers' everyday life. Firstly, I trace the ways in which the double crisis of the immediate postwar epoch – a crisis that combined food scarcity and galloping inflation – structured urban arrangements for the provisioning of basic goods. I pay particular attention to the question of consumption via factory stores, and how this form of subsidizing the basic needs of industrial workers not only propelled the inflationary spiral, but also pushed workers to accumulate debts, leaving the vast majority of them with little cash money on payday. Secondly, I follow this up with a story about UDR Reşiţa's metalworkers in order to reveal how the crisis played out at the factory level. UDR Reşiţa offered an ideal case to communist party bosses for appropriating the rudiments of a local working-class tradition construed around metalworkers' long-standing habits of bargaining over the standard of living. Yet it also offered them an opportunity to formulate a sketch of the socialism to come, one in which workers privileged access to goods would be determined by productivity indexes rather than collective bargaining. In the third part of this chapter, I turn to the policies of monetary stabilization enacted over the summer of 1947. Stabilization extended well beyond the mere currency conversion operations typical of postwar Europe into a bundle of policies designed to make industrial production more efficient.[3] I understand these policies as the first major state-building episode that laid the foundation for large-scale bureaucratic structures for the regulation of labor supply and capital accumulation associated with the emerging socialist state. Finally, I narrow down the analysis of the ways in which workers' wages were monetarized. This process involved a brief experiment with employees' cooperatives, the abolition of debts, mass savings campaigns and the extension of Taylorist remuneration principles.

3.2 Mastering Scarcity

Food scarcity was one of the more devastating consequences of the war. For the better half of 1947, faced with the greatest famine in modern Romanian history, the government was struggling to purchase tons of wheat on the international markets.[4] The effort to acquire wheat in order to feed entire populations ravaged by postwar shortages was the cornerstone of the scramble for food that characterized much of Europe at the end of the Second World War. In Romania, the question of provisioning temporarily brigaded opposing political forces: in early 1947, communist officials visited Argentina to seal one such purchase while Max Auşnit – the country's leading captain of industry and UDR's largest shareholder – was struggling to secure a loan with a New York bank for the same purpose. One year earlier, Nicolae Malaxa – the owner of Malaxa Works – used many of his international contacts to obtain wheat from the United States, as did the Romanian ambassador to Washington. Moreover, large quantities of wheat were to be imported from neighboring countries: Yugoslavia, Hungary, Czechoslovakia and Bulgaria. The Soviet Union, confronted with its own internal postwar famine, softened its claims on agricultural deliveries from Romania. In this climate, Romanian exports fell dramatically, thus making the gold reserves of the National Bank (BNR) the only available mode of payment for imports of grain and raw materials.

3 For the comparative analysis of currency conversions across the European continent, see the dated but still informative panorama of Fritz Grotius, "Die europäischen Geldreformen nach dem zweiten Weltkrieg", *Weltwirtschaftliches Archiv*, Vol. 63, 1949, 106 – 152 and 276 – 325.

4 This chapter has little to say about this highly important and sensitive topic. The famine reached its peak in late 1946 and early 1947 and was particularly harsh on the rural populations of Eastern and Southern Romania. No history of this defining postwar event exists, apart from impressionistic, poorly researched glosses. One exception is Florian Banu, "Calamităţi ale secolului al XX-lea: foametea care a devastat Moldova în 1946 – 1947", *Arhivele Securităţii*, 2002, 1 – 8.

Payments in gold, however, carry a considerable risk. As National Bank representatives never ceased to explain in a stream of memos to the government, gold deposits were essential for undertaking any postwar monetary reform. In April 1946, it was estimated BNR owned little over 239,450 kilograms of gold, an amount judged to be already insufficient in view of earlier historical experiences with monetary stabilization. Indeed, the 1929 reform was pursued on the basis of a similar gold reserve at a moment when, a decade after the end of the First World War, the issue of reconstruction was hardly any longer in question. These judgments were informed in equal measure by the legacy of the gold standard as well as by the more recent Bretton Woods Conference. As late as 1946, BNR still operated with the plausible scenario of Romania joining both the International Monetary Fund and the International Bank for Reconstruction, a process which would have entailed the use of further gold reserves as membership requirements. Depleting the national gold reserve was a looming threat, but so too was the prospect of mass starvation in the countryside and the cities. Food provisioning in times of endemic scarcity involved an unprecedented mobilization of public and private resources through relief and solidarity campaigns, policing "speculative" practices, regional intra-state cooperation and the remaking of rationing schemes for urban dwellers. Coupled with surging prices, runaway inflation and the accelerated plummeting of living standards, by mid-1947 the organization of food provisioning became the government's most urgent task.

The import of grain from capitalist and other countries was nevertheless a hotly contested issue. For the first three postwar years, neither gold reserves nor exports could adequately support Romania's reliance on the global market for acquiring foodstuffs, *pace* the government's panglossian hope to export its way out of scarcity by way of cutting back elite consumption of luxury goods: "In exchange for caviar, foie gras, turkey meat and other delicatessen we could combat the drought; we could import industrial equipment and raw materials needed for the reconstruction of the country."[5] These were words of despair rather than meaningful policy proposals. Domestically, the problem of food scarcity was interpreted as a breakdown in market relations between the countryside and the cities which had to be restored through currency reform. During much of the summer of 1947, readers of the main communist daily *Scânteia* were repeatedly informed about the state's need to adjust the quantity of available money to that of available commodities: "[W]orkers and wage earners in general are the hardest hit by inflation and lose interest in wage work. Peasants too lose interest

5 "Frâu risipei de alimente", *Scânteia*, XVI, No. 724, January 15 1947.

in money and give up on the opportunity to come to town and sell their produce."[6] This effort to re-monetarize the everyday and revamp the fluency of commercial exchanges between agricultural producers and workers was one in which peasants had to be persuaded to give up on hoarding resources and industrial workers to hold on to their cash wages.

The war had a major impact on agricultural production. In 1942, the state set up a rationing scheme centered mostly on bread and a delivery system (*colectări*) for wheat and maize at fixed prices.[7] The combined effect of rationing and deliveries had to ensure a fair distribution of food between the needs of the Romanian army and those of the civilian population. On the home-front, however, the rationing system was from the outset geared towards provisioning wage earners, excluding the vast majority of the rural population and privileging public functionaries of the state rather than mobilized industrial workers. Employees of the state residing in urban areas could access rationed and non-rationed goods through newly opened state stores called *economate de stat* which were supposed to be organized for all public institutions as well as state owned companies. In conjunction with these state stores, a number of private shops run by urban entrepreneurs were to be assigned the duty of supplying rationed goods (*economate comerciale*).[8] The provisioning of industrial workers, on the other hand, fell within the purview of factory management. The law for the regulation of work during wartime specified all factories with over 50 employees were obliged to set up their own provisioning facilities and cooperate closely with country-level supply offices.[9] Larger, militarized factories deemed central for the war effort were to be regularly supplied by the army's own provisioning department.

The success of this rationing system is hard to evaluate. It is perhaps safe to assume, as Mark Mazower noted, that unlike other countries allied to Germany such as Finland, Romania did not experience any episodes of famine between 1941 and early 1945.[10] Much like in other European countries, what governed the access to rationed goods and set their amount was a complex bundle of cri-

6 "Lichidarea inflaţiei", *Scânteia*, XVI, No. 848, June 19 1947.

7 For a brief discussion of the war time food rationing, see Dinu C. Giurescu, *România în al doilea război mondial*, 1939 – 1945 (Bucharest: All, 1999), 89.

8 I rely here on Valentin Vasile, "Disfuncţionalităţi ale sectorului alimentar românesc în perioada 1944 – 1954", *Caietele CNSAS*, II, Vol. 3, No. 1, 2009, 219 – 220.

9 MO, CIX, No. 233, October 2 1941, pp. 5836 – 5840.

10 Mark Mazower, *Hitler's Empire. How the Nazis Ruled Europe* (New York: Penguin Books, 2008), 288 – 289. For the "hunger economies" of the German occupied lands in Europe see Tatjana Tönsmeyer, "Hungerökonomien. Vom Umgang mit der Mangelversorgung im besetzten Europa des Zweiten Weltkrieges", *Historische Zeitschrift*, Vol. 301, No. 3, 2015, 662 – 704.

teria combining residence, salary and social worth. Predictably then, unlike in the Soviet Union, Romanian authorities did not find it necessary to extend rationing to the countryside where the vast majority of the population lived and where wages mattered little for the survival of peasant households.[11] Moreover, although a richer analysis of food provisioning during the war could indeed reveal that industrial workers came to eat less, notably after the first months of 1944, it might be the case that they ate better. The early 1940s saw an increase in the number of factory canteens throughout the country. Wartime legislation and managerial foresight encouraged factories to invest in the production of their own food, footwear and clothing items by erecting farms, buying land, hiring tailors and cobblers and growing their own crops. This was not only the case for large plants such as Malaxa Works and UDR, but also for smaller factories. When, shortly after the war ended, a communist journalist visited Laromet Works – a metallurgical factory employing fewer than 800 workers on the northern outskirts of Bucharest – he believed that he witnessed the seeds of Soviet modernity already blossoming on Romanian soil. Arguing that in the Soviet Union all factories look like "small cities", the reporter went on to christen Laromet the "factory of the future" for no other reason than its impressive display of provisioning facilities:

> Located on a vast swath of land surrounded by vegetable and flower gardens, the plant manages pig and cattle farms, a well-organized canteen, a house for apprentices, a daycare for workers' children, sport fields, cobblering and tailoring workshops and its very own mill.[12]

In addition to rationed goods, both industrial workers and state employees had to rely on peasant markets for the acquisition of other goods at free prices, an option inscribed in the very logic of the "wage regions". Up until mid-1944, for instance, meat, milk, poultry, vegetables, cheese, and eggs fell outside the list of rationed goods. Since this rationing system was centered around so-called "bakery grains" (*cereale panificabile*), the state endeavored to extract as much wheat and maize as possible from agricultural producers, without endangering future crops. In practice, deliveries depended not so much on state coercion as on the cooperation of local authorities and village notabilities. Central author-

11 The wartime rationing system of the Soviet Union has been explored in Wendy Z. Goldman, "Not by Bread Alone: Food, Workers, and the State", in Wendy Z. Goldman and Donald Filtzer (eds.) *Hunger and War. Food Provisioning in the Soviet Union during World War II* (Bloomington: Indiana University Press, 2015).

12 H. Obedeanu, "Uzina Laromet – Uzina vremurilor noi", *Scânteia*, II, No. 274, July 14 1945.

ities in Bucharest would circulate both the prices at which the state would purchase grains and the estimated quotas to be amassed in each county. Local government officials (*prefectură*) would subsequently break down the quota to individual villages (or localities) and send out teams made up of notaries and other officials. At the level of the village, the mayor would call in a meeting with the representatives of the village community and proceed to further divide the assigned grain quota between individual households, often taking into account the data on family status provided by the village's agricultural specialist (*agentul agricol*).

This way of organizing agricultural deliveries left a modicum of leeway for the peasants, who could hope to hide and then sell wheat and maize for higher prices in the mushrooming black market. More importantly, however, as the whole operation functioned on the basis of deals sealed at village level, local knowledge was essential for the quantification of the harvest. Statistical assessments that circulated between various ministries and the National Bank in late 1945 converged on the opinion that peasants often reacted to wartime rationing, fixed prices and deliveries by deliberately underestimating their harvests for wheat, even in those cases in which authorities would offer various bonuses for stimulating production. Indeed, there might have been some truth in this judgment for, irrespective of the labor shortages caused by conscription and the consequent drop in labor productivity brought about by the severe reduction of draft animals, Romania's agricultural production was still overwhelmingly determined by climate variations.[13] Statisticians were hard-pressed to explain why wheat harvests fell by more than half in 1942 in comparison to the previous year by any other means than the peasants' cunning. Allegedly, a more realistic estimation for the first half of the 1940s, one that would factor in peasants' underestimations, would reveal that, with the exception of 1942, the production of wheat and maize remained stable for much of the war only to collapse in 1945 (Table 1).

13 Henry L. Roberts, *Romania. Political Problems of an Agrarian State* (Archon Books: 1969), 239 *et passim*. Roberts notes that although the sheer number of draft animals, horses in particular was halved during the war, the number of tractors doubled in the same period, reaching over 8000 units in 1945.

Table 1: Romania's Wartime Production of Wheat and Maize, compiled by the author after BNR, Fond Studii, 2/1948, pp. 97–137.

Year	Wheat/Tons	Maize/Tons
1940	1650	4110
1941	2390	3670
1942	1030	2400
1943	2780	3170
1944	2870	3300
1945	1100	1010

Such figures might not tell us much about the average yearly consumption of wheat and maize per household, but they do nevertheless allow us to appreciate both the impact of the collapse of the harvest in 1945 and the larger institutional context in which it took place. While wheat dropped by 61% compared to 1944, and maize by 69%, over the summer of 1945 central authorities in Bucharest were contemplating the prospect of an impending hunger war in the countryside. It was no longer possible to simply count on the cooperation of mayors in securing deliveries since they too were now facing open resistance from the peasants and requested police help to conduct their affairs. Moreover, according to one report issued in August 1945 by the National Institute of Cooperation (INCOOP) – the office in charge of coordinating grain deliveries – "not only do mayors, notaries, *pretors* and other officials not lend their support to deliveries, they even oppose them, ordering local producers not to hand in their crops."[14]

In this context, the political hue of the local authorities mattered little. Even communist party members running the administration found themselves siding with the peasants and disobeying the government's decisions. In April 1945, the communist party secretary of the southern county of Gorj explained it was impossible to gather more than 10 tons of lard out of the targeted 75 tons, without ruining the livelihood of the peasants and turning them against the state: "we ask for our county to be spared from delivering cattle and fat in accordance with the Armistice Convention; we also ask for our bridges to be repaired and for investments in order to give the people the possibility to live."[15] This was not just a minority opinion. Many other petty bureaucrats and economic experts

14 ANR, CC/PCR, Secţia Economică, 47/1945, p. 13. The *pretor* was the head of an administrative unit called *plasă*, a number of which made up a county.
15 ANR, CC/PCR, Secţia Economică, 12/1945, p. 2.

shared the same views on the tension between the need for reconstruction and the enormous burden placed on the country's resources by the Armistice Convention.[16]

Calls to postpone deliveries to the Soviets were both frequent and alarming. As early as March 1945, long-time communist party member Herbert Zilber deplored the impact of the Armistice Convention on the economy, complaining in private conversations to the American representatives in Bucharest that "as a Communist, he was not interested in achieving economic reform in a country which had become an economic desert."[17] Several months later, Zilber delivered the keynote address at the annual congress of the Association of Romanian Engineers (A.G.I.R.) in which he argued that "without substantial help from abroad, the Romanian economy will continue to display its current characteristic: the haphazard functioning of the factories, the enormous costs of transportation, large idle stocks and a severe lack of goods."[18]

Zilber's policy proposals were echoed one year later in a sober report issued by the Ministry of Finance. Here too it was explained that without the possibility of obtaining foreign loans for reconstruction, Romania could only afford to lobby the Soviets for a reduction of the burden of war reparations, in particular for commodities such as timber, oil and grain which could allow for a revival of exports. Yet even if such a plan could be carried out successfully, it would still involve major cut backs on domestic consumption in order to release as many resources as possible for exports and investments: "sacrificing the consumer in the name of capital accumulation took place in different historical epochs in the capitalist countries as well as in the Soviet Union, this being the cornerstone of building an industrial economy."[19] The Armistice Convention not only blocked exports, it also served as a catalyst for inflation.

16 Signed in September 1944, the Armistice Convention required the payment of reparations to the Soviet Union worth of 300 million $ in raw materials (notably oil), grain, cattle and foodstuff, in addition to financing the Soviet Army stationed on Romanian territory. For the details of the agreement and the reaction of the Romanian diplomats, the best guide is still Elizabeth Hazard, "Cold War Crucible: United States Foreign Policy and the Conflict in Romania, 1943 – 1952" (PhD Dissertation, Boston University, 1995), 59 – 62.

17 Quoted in Elizabeth Hazard, "Cold War Crucible: United States Foreign Policy and the Conflict in Romania, 1943 – 1952" (PhD Dissertation, Boston University, 1995), 112.

18 H. Zilber, "Changes in the Romanian Economy", reproduced in ANR, CC/PCR, Secţia Economică, 67/1945, p. 6. The report is not dated, but it is very likely it was written during the summer of 1945.

19 ANR, Ministerul Finanţelor. Oficiul de studii şi coordonare financiară, 479/1946, p. 52.

By the end of 1945, with the harvest at a historical low, market prices for wheat, maize and potatoes skyrocketed.[20] This surge in prices was only in part caused by the bad harvest.[21] What also aggravated the situation was the near collapse of the national transportation networks. The total amount of goods moved by rail, water and road dropped by an estimated 27 % in comparison to 1939, of which over 40 % represented only deliveries to the Soviet Union in compliance with the Convention. More importantly, by the end of the year, the amount of paper money in circulation reached staggering proportions, causing an inflationary snowball that constantly chipped away at real wages.[22] The National Bank was not only printing money to finance the plethora of commodities supplied to the Soviets, goods which often exited the national economy without standard custom controls; it also issued currency to cover a budget deficit of nearly 20 % which could not be levied through taxes and other fiscal means. Suggestions of taxing the rich through progressive income taxes and expropriations of those who supposedly benefited from the depreciation of the national currency were perhaps sensible, but they could hardly have been implemented by an ever weakened state bureaucracy with little control over the banking sector.[23] This was a context in which the national income dropped by over 60 % relative to 1938 and one in which a dwindling monthly state budget for much of 1945

20 Wheat went up from 197 lei/kg in early 1945 to 672 lei/kg in December 1945; maize from 225 lei/kg to 763 lei/kg; potatoes from 184 lei/kg to 503 lei/kg; BNR, Fond Studii, 2/1948, p. 137.

21 The bad harvests of the immediate two postwar years were caused by a mix of natural and man-made factors, of which severe draught and the changes in property relations induced by the agrarian land reform of 1945 were probably the most important. In their explanation, communist historians put the blame on the draught; by contrast, post-communist historians put the blame on the communists and their decision to redistribute land; for the first case, see Costin Murgescu, *Reforma agrară din 1945* (Bucharest: Editura Academiei Republicii Populare Române, 1956); for the latter, see Dumitru Şandru, *Reforma agrară din 1945 în România* (Bucharest: Institutul Naţional pentru Studiul Totalitarismului, 2000).

22 In less than 12 months, the purchasing power (real wages) of state employees dropped by 47 % according to ANR, Ministerul Finanţelor. Oficiul de studii şi coordonare financiară, 396/1946.

23 For some early proposals of the communist party to tax the rich, the war criminals and the speculators, see ANR, CC/PCR, Secţia Economică, 22/1945, pp. 2–3. For the suggestion that the postwar Romanian state had little control over the banking sector see John R. Lampe and Marvin R. Jackson, *Balkan Economic History, 1550–1950. From Imperial Borderlands to Developing Nations* (Bloomington: Indiana University Press, 1982), 556. The standard communist account written by the former governor of the National Bank is Aurel Vijoli, *Cercetări asupra capitalului financiar în ţara noastră* (Bucharest: Tipografia Băncii de Stat, 1949) and, in a slightly more autobiographical vein, Aurel Vijoli, *Din prefacerile sistemului bănesc şi de credit* (Bucharest: Editura Ştiinţifică şi Enciclopedică, 1980).

and 1946 was split equally between covering war reparations and reproducing an impoverished bureaucracy.[24]

Inflation was also fed by the transformation of provisioning for industrial workers undertaken by the Groza Cabinet. Law 348, passed in May 1945, specified that all factories had to set up and finance their own stores (*economate*) in order to be able to cater to the needs of their employees and save them from the ravages of runaway prices.[25] This idea was not new. It merely represented an extension of the existing network of economate to all wage earners and their families, irrespective of whether they were employed directly by the state or by private business. Nor was it a particularly daring idea. The government could reasonably expect for factory owners to exhibit a manifest interest in keeping their employees under a safety net, particularly in the context in which wage increases were officially frozen. Moreover, much of the infrastructure – including storage rooms, personnel, and also state structures charged with coordinating provisioning – was already available as the core institutional legacy of both the previous war years as well as of local varieties of paternalism. For instance, in Reşiţa, UDR's management was able to adapt its own so-called Provisioning Institute (*Institut de Aprovizionare*) into an economat almost overnight and at little additional cost, relying on an experienced team of functionaries to supervise the acquisition and distribution of goods.[26] Other factories were less fortunate and had to allocate important resources to organize the economate. Matters of logistics aside, setting up these stores was less of an issue than financing them in the longer run.

In principle, the newly opened factory stores were supposed to complement the rationing system: they were required to make their own budgets, locate suppliers among agricultural producers as well as other factories, buy much needed goods and sell them back to workers at official prices. Workers, in turn, would have had the opportunity to acquire food, textiles, firewood, footwear and other basic consumer items at prices well below those available at normal retail stores or on the black market. Accordingly, the whole project was couched in a language of enmity focused on the pervasive figure of the "intermediary" salesman – the so-called speculator (*speculant*) who would allegedly buy cheap and

24 The Hungarian state budget was allocated almost identically in the period preceding the monetary stabilization of August 1946, Hungary being the other East European state obliged to pay reparations to the Soviet Union worth of 300 million $; see William A. Bomberger and Gail E. Makinen, "The Hungarian Hyperinflation and Stabilization of 1945 – 1946", *Journal of Political Economy*, Vol. 91, No. 5, 1983, 804.

25 MO, CXIII, No. 101, May 3 1945, 3625 – 3627.

26 ANR, UDR, 917/1945, p. 114 and IBIDEM, 106/1945, p. 39.

sell high, circumventing official prices.[27] Central to this language was the notion of exploitation, which was framed as an inherent quality of market relations distorted by inflation. The communist daily *Scânteia* regularly published a front-page column under the title "The Notebook of a Profiteer" in which various scenarios were imagined whereby corrupt businessmen pumped-up prices, tricked peasants into selling their last ounce of grain and mocked workers' deprivation. Yet workers were also exploited by their employers, not on the shopfloor or at the cash desk as expected, but rather through the occasional plundering of the economate. Numerous obese, pig-faced, well-dressed and devious creatures were portrayed emptying the stores at the expense of their employees.

By January 1946, there were an estimated 978 economate with a total number of registered members (employees and their families) surpassing 5 million individuals, nearly one third of the population.[28] Many of these stores, however, found it increasingly hard to keep the pace of supply steady. While the initial capital, including reserves of cash, was provided by management alone, future operation costs had to be financed through loans. For much of 1945, a consortium of private banks reluctantly lent some of the requested money, asking instead for factories to place their own fixed capital as deposit, a contentious proposal that carried with it the risk of bankruptcy.[29] For the banks, much like for the factories themselves, economate were nothing but financial black holes: goods were bought at free, market prices and then sold at significantly lower, official prices. The difference between these two sets of prices, significantly widened by the added cost of transportation and taxes, was simply a loss that could not be compensated for in any way. Moreover, workers seldom had sufficient cash to pay for the goods, and had to agree to take on debt, which would then be subtracted from their wages, leaving the vast majority empty-handed on payday.

This type of debt reduced wage differentials to irrelevance not only because, as one CGM leader put it, "workers had no clue what goes into their paychecks", but also because it promoted "petty-bourgeois egalitarianism" – a malaise of the

27 For a genealogy of "speculation" in the early Soviet Union, see Andrew Sloin, "Pale Fire: Jews in Revolutionary Belorussia, 1917–1929" (PhD Dissertation, University of Chicago, 2009), 126–153. For the fear of the "speculator" in postwar Poland see Małgorzata Mazurek, "Morales de la consummation en Pologne (1918–1989)", *Annales HSS*, No. 2, 2013, 506–518. Both authors insist that practices of speculation against a general background of hyperinflation were often denounced in ethnic and gender terms.

28 Ion Alexandrescu, *Economia României in primii ani postbelici (1945–1947)*, (Bucharest: Editura Ştiinţifică şi Enciclopedică, 1986), 116.

29 ANR, UDR, 761/1946, p. 31.

highest order for communist officials.[30] It is worth examining the logic of workers' debt. The accusation of "petty-bourgeois egalitarianism" propounded by communist party bosses was, of course, a staple of the Stalinist repertoire of denunciation against the leveling effect that debt had on wage hierarchies. On paper, engineers did earn significantly more than even the most skilled workers but since all employees, irrespective of their location along the chain of command, were likely to run debts, wage inequality was greatly reduced. Firstly, debt was intrinsic to the way the economate functioned. Haphazardly supplied, employees flocked to the factory stores to take out whatever goods were made available on the promise to have their purchase subtracted from their wages at the end of the month. Secondly, employees asked for cash advances on their wages. This practice was a response to the equally haphazard availability of goods in the private retail sector. No employee could afford to wait until the payday for securing basic consumption items, which had to be bought in larger quantities and stockpiled well in advance.[31] Finally, employees would acquire debts to factory-based credit associations. While larger industrial plants such as UDR or Malaxa Works had already opened their credit associations during the war, in the inflationary context that ensued in 1945, many other smaller factories saw it necessary to do the same.[32] To use but one revealing example: in August 1946 a metalworker of the capital city earning on average around 80,000 lei brutto would regularly take home on payday less than 10 % of the cash wage.[33] Save for taxes, the rest was retained by management as payment of debt.

By 1946, the National Bank was forced to step in and singlehandedly bankroll the economate, printing liquidities to cover factories' spending on provisioning and soften owners' fears of economic collapse. Even the management of state

30 ANR, CC/PCR, Secţia Cancelarie, 9/1947, p. 9 and IBIDEM, 2/1947, p. 4 for Vasile Luca's dread of "petty-bourgeois egalitarianism."

31 As a native of Reşiţa recalled: "Many (including my own parents) kept in the house the traditional flour box (*ladă cu făină*). Homemade bread of around 8 to 10 kilos, well fermented, was delivered early in the morning to the bakery and taken back in the afternoon. A note placed on the dough insured the identity of the owner. One such loaf of bread would last us for a whole week, even though it was our main source of food.", Dan D. Farcaş, *Hoinărind prin Reşiţa pierdută* (Reşiţa: TIM, 2008), 112.

32 Laromet opened its own credit association in November 1946 with the hope, a vain one as it turned out, to spare management from offering cash advances to workers; AMB, Fond Laromet, 9/1946, p. 36.

33 In extreme cases, workers went home almost empty handed. Metalworker Petre Geolfan, for instance, earned a gross wage of 80000 lei, of which he owned 20812 lei state taxes, 22400 lei for the factory store and the credit association and 36000 lei in cash advances. In August 1946 Petre received 808 lei on payday, ANR, MM, 1040, p. 274.

companies such as The General Society for Gas and Electricity of Bucharest complained to governmental authorities of being paralyzed by the effort to finance the economat and asked for preferential loans: "The policy of renewing our equipment, of looking for new sources of electricity and expanding the gas network can no long be supported from our own financial resources."[34] In early 1947, it was estimated factories were able to refund a mere 2% of their borrowings, which totaled by now over 1.3 trillion lei. With no prospect of further repayments, one communist party boss called for a mass default of the economate, arguing this sum of money should be viewed as a form of "help the state provided to the workers."[35]

Workers, on the other hand, *pace* constant disgruntlement over deficient supply, did welcome this way of organizing basic consumption, particularly after economate were inserted into the collective labor contracts in late 1945. In accordance with this, companies that could not open an economate, notably in construction, had the highest labor turnover. Only in 1946, over 30 construction sites were shut down because workers had no access to subsidized goods.[36] Likewise, agricultural producers were largely benefiting from the competition between economate over their produce and grain, which only pushed prices up.[37] Peasants could bargain with the representatives of the economate or, alternatively, they could make use of the chain of rural cooperatives administered by the state. When available, the second option implied selling at official, hence lower, prices, but opened up the possibility of accessing industrially produced items such as tools, textiles or footwear via their membership in cooperatives. [38]

The consequences of this way of organizing basic consumption was both threatening to capital and socially explosive. On the one hand, the obligation to finance workers' provisioning depleted all funds for investments available at the factory level. Moreover, even in the rare cases when the National Bank offered loans for upgrading industrial equipment, much of it ended up being spent on the economate, often due to the pressure from the workers themselves. On the other hand, as inflation plummeted real wages, workers were becoming even more dependent on the economate for daily survival. This dependence in turn

34 ANR, CC/PCR, Secţia Economică, 10/1946, p. 3.
35 ANR, CC/PCR, Secţia Economică, 3/1947, p. 5.
36 ANR, CC/PCR, Secţia Economică, 1/1946, pp. 3–4.
37 Overbidding (*supralicitare*) was seen as a cause of inflation by the government; ANR, CC/PCR, Secţia Economică, 41/1946, p. 3.
38 No history of the rural production cooperatives exists. For a brief overview of this institution see "Întreprinderile cooperative" in Enciclopedia României, Vol. 4 (Bucharest: Imprimeria Naţională, 1943), 668–669.

involved not only accumulating debts to the management and receiving almost no cash on payday, but also the prospect of open protest when factories were unable to supply their stores. Coupled with a severe lack of raw materials, this vicious circle rendered industrial production close to idle, notably in the large-scale manufacturing and the steel production sectors. Consequently, by early 1947, the topic of dismantling the economate was already up for consideration, a policy which presupposed not merely institutional change but also a confrontation with established working-class traditions.

3.3 Mastering Working-Class Traditions

The commercial interplay between the economate, agricultural producers and rural cooperatives, already skewed by inflation throughout 1945 and 1946, came to a standstill in early 1947, after yet another draught stricken period pulled harvests further down, pushed prices further up and nearly paralyzed all monetary transactions. Two congruent indicators would probably suffice to reveal the sheer scale of the depreciation of the *leu* during early 1947. First, the volume of banknotes in circulation grew from 649 billion lei in 1945 to a shocking 48 trillion lei in the first half of 1947. Secondly, for the same span of time, prices for basic goods multiplied 140 times.[39] What this amounted to during the spring of 1947 was a drop in the purchasing power of real wages by roughly 75 % relative to 1938. Consequently, for the first half of 1947 the cost of living index (rent, utilities, public transportation, footwear, clothes, medication and basic foodstuff) skyrocketed (Table 2).

39 Here I follow the analysis of Costin C. Kiriţescu, *Sistemul bănesc al leului şi precursorii lui. Vol. III* (Bucharest: Editura RSR, 1971), 54 – 107. Kiriţescu's chapters on postwar inflation and the causes of the depreciation of the currency are far from apologetic and remain the only reliable, if somewhat technical, guide to the phenomenon.

Table 2: The Evolution of the Cost of Living Index in Bucharest (January-July 1947); compiled by the author after BNR, Fond Studii, 2/1945, pp. 354–365. On the national level the figures are slightly lower but the trend is identical, see Henry L. Roberts, *Romania. Political Problems of an Agrarian State* (Archon Books: 1969), 317.

1947/Month	Cost of Living Index
July	641.272
June	615.688
May	512.557
April	406.391
March	142.352
February	120.584
January	85.626

The collapse of the currency and the ensuing flight from the *leu*, a classical symptom of hyperinflation, pushed the government to tighten up the rationing system in order to cater to the needs of the industrial workers. A decree passed in December 1946 limited bread rations for urban residents to 250 grams per day or, in those cases where bread was lacking, to 350 grams of potatoes. Rural residents were still excluded from receiving rationed bread, but were now allowed to retain for consumption 500 grams a day of wheat or corn per household member out of their individual crops. Workers, however, depending on the type of work they performed, were entitled to supplementary rations: 625 grams/day of bread for miners; 375 grams/day for metalworkers and 250 grams/day for the rest.[40] Restrictions on the transportation by citizens of a variety of rationed and non-rationed goods were also enforced with the aim of containing black market practices and price gouging.

The news of new rationing quotas for industrial workers spread throughout industrial communities faster than the rations themselves, firing up feelings of entitlement against a general background of utter desperation. In Bucharest, metalworkers at Malaxa Works ransacked and destroyed the improvised shops that surrounded the plant, assaulting shopkeepers in an attempt to punish allegedly "blood-sucking" profiteers. Such acts of spontaneous justice were not encouraged by the communist party, though they were tolerated in silence as long as workers refrained from scapegoating the government. The situation was even more grim across UDR's mining and metalworking divisions. In Reşiţa,

40 MO, CXIV, No. 291, December 16 1946, pp. 12936–12937.

in October 1946 already, the factory store was unable to meet the rationed quotas for flour. Several trips to Bucharest undertaken by local trade-union bosses with the hope to lobby the Ministry of the National Economy for preferential provisioning hardly improved the availability of foodstuff.[41] Meanwhile in Anina, miners were starving. In early January 1947, during a meeting between union delegates and UDR's management, miners refused the offer to be compensated in cash money for the lack of goods at the economat. They knew perfectly well that whatever money they could receive would be insufficient to procure food on the local market and asked instead for management to supply the economat as prescribed by the collective labor contract.[42]

Yet, no matter how depreciated the currency was by that point in time, the sight of cash money did matter for these workers, particularly during the ritual of the payday. While it was disheartening enough that wages could buy very little, the prospect of getting close to no cash on payday was even more demoralizing. In late February 1947, many metalworkers in Reşiţa protested after receiving empty pay envelopes once again. Indeed, it was this material practice of contemplating empty envelopes that angered workers most, rather than the inability of their cash to serve as a medium for appropriating basic commodities. The management's reaction was prompt but ineffectual: in March 1947, it was decided that workers should receive at least two thirds of their wages in cash, irrespective of the schedule of installments by way of which they were supposed to repay their debts.[43] Moreover, those of Reşiţa's metalworkers running higher debts were given cash advances worth of up to 30 % of the average wage. However, none of these policies prevented the fact that by the end of March, an estimated 60 % of the workers went home empty-handed while the rest of them got between 100,000 and 150,000 lei, hardly enough to buy a few kilograms of potatoes.[44]

As spring set it, so too did a wave of unrest across the plant. A series of work stoppages and one-day strikes took place in late April and early May, the high point of the double crisis of food provisioning and the depreciation of the currency. In Reşiţa, over 250 workers blocked the inner railroad network of the plant in an effort to persuade union-leaders to petition local entrepreneurs to sell their goods at official prices. In the village of Bocşa-Română, where UDR operated a smaller metal factory, over 380 workers turned their anger against a local mill-

41 ANR, DGP, 43/1943 Vol. I, p. 3 and 33.
42 ANCS, UDR Caraş, 32/1947, p. 151.
43 IBIDEM, p. 667.
44 ANR, DGP, 43/1943 Vol. I, p. 81. In March 1947 a pair of shoes was sold with an average price of 2 million lei.

er whom they attacked under the suspicion of making a profit out of their misery. In Anina, as well as across UDR's smaller mines, workers refused to enter the underground on account of a lack of food. The atmosphere of revolt that seized UDR throughout the spring of 1947 was certainly paralleled in many other industrial settlements. It was not only in Reşiţa that workers shouted during the Labor Day Parade: "The First of May without Bread and Corn Flour!" (*Unu mai fără pâine şi mălai!*). Across the gold and silver mines of Southern Transylvania miners attempted to organize a strike only to find that "instead of bread and rights they got the army."[45] In early April 1947, the same workers had proposed they receive a meager quantity of wheat in exchange for the 8-hour workday. In the port cities along the Danube, where Soviet ships preferred to use their own personnel for loading and unloading rather than hiring the natives, dockworkers were facing starvation amidst revolt. This was a context in which, as Mark Pittaway noted of the hyperinflationary postwar Hungary "an industrial job became valued because it guaranteed a degree of preferential access to basic means of subsistence."[46]

Yet, while this was very much the case for the vast majority of industrial jobs in Romania as well, even for those offered in small-scale workshops and factories, for UDR's metalworkers the question of preferential access to a basic standard of living was intertwined with a locally embedded and historically informed notion of working-class expectation. Or to put it differently, what made the outburst of protest in Reşiţa different from any comparable event in other parts of the country was that for UDR's metalworkers, privileged provisioning was a question of tradition. This was an invented tradition construed around the pivotal role the steel mill played for the national industry not merely for the interwar epoch, but more importantly for the war economy when UDR became a powerhouse for the production of armament. UDR's centrality for the postwar heavy industry was emphasized early on by onetime general manager of Malaxa Works – Nicolae Korcinschi – in evocative terms. In a front-page manifesto published by the communist party's daily *Scânteia* in January 1945, Korcinschi noted that due to the war, Romania would most likely find it very difficult to import the raw materials and the manufactured goods needed by industry: "In our country, UDR Reşiţa is the largest and almost the only metallurgical plant able to produce those raw materials and manufactured goods, and in doing so, it is the lever that may either stagnate or accelerate the work of reconstruction."[47] Korcinschi's ar-

45 ANR, DGP, 66/1947, p. 33.

46 Mark Pittaway, *The Workers' State. Industrial Labor and the Making of Socialist Hungary, 1944–1958* (Pittsburgh: University of Pittsburgh Press, 2012), 36.

47 Nicolae Korcinschi, "Reşiţa trebuie naţionalizată", *Scânteia*, II, No. 106, January 12 1945.

gument went deeper still, for during his brief stint as head of Malaxa Works, he came to realize that nothing can be assembled without the support of UDR: "No other industrial plant in this country can fully produce a locomotive, a rail car, a boat or a cauldron because we all lack the necessary machines for the manufacturing of one or another component. Thus our dependency on UDR Reşiţa is absolute, and following the war, UDR achieved unchallenged monopoly."[48]

There was little exaggeration in these words. UDR's structurally dominant position within Romanian industry translated into a regime of exemption granted by the state, both during the war, when it received comparatively better provisioning, and after, when its vast forestry domains were partially saved from land redistribution under the agrarian reform of 1945. Throughout 1946, communist and social-democrat leaders of the local trade-union in Reşiţa converged in propping up management's land-grabbing struggle against the local peasantry under the justification that UDR's property was an essential source of food.[49] Moreover, UDR's workers' representatives, be they "men of trust" active during the wartime dictatorship or union delegates elected after 1945, were in the habit of calculating their own standard of living. This intricate practice, often directly encouraged by management, was the cornerstone of collective bargaining, and perhaps the only token of workers' delegated power in a historical context in which ever since 1942, the negotiation over wages was banned. The survival of this practice was evidence of an entrenched local tradition, the lineage of which may have originated in the post-Great Depression historical conjuncture. It was indeed after the mass unemployment and massive strikes that seized the town of Reşiţa in the early 1930s that UDR's management and the local trade union found in the joint calculation of a standard of living, a common ground for agreeing over the cost of food, utilities, rent, firewood, working equipment and much more.

For the postwar communist government, however, the combined legacy of UDR's dominance of Romanian heavy industry and workers' local tradition of collective bargaining was ambiguous at best. On the one hand, it had to be praised for exhibiting all the genuine features of a supposed proletarian enclave: diligence, hard work, sacrifice and solidarity. On the other hand, it had to be denounced for its propensity to make workers struggle and for instilling them

48 IBIDEM. Or, take another description of the nodal point occupied by UDR's integrated steel mill: "If the steel from Reşiţa is awaited by the tractor manufacturer IAR, and the agricultural tools factory in Bocşa Română waits for (UDR's) bridge and locomotive section, then Malaxa Works waits as well, and so too does the entire metal industry of the country." *Luptătorul Bănăţean*, III, No. 553, July 18 1946, p. 1.
49 ANR, UDR, 174/1945, pp. 9 – 78.

with a sense of distinction.[50]This dialectic of praise and criticism was deployed by the main communist newspapers of the day every time the question of communitarian welfare was raised in Reşiţa. Praise was well earned, for instance, when, following the deportation to the Soviet Union of a large number of ethnically German metalworkers in early January 1945, UDR's management decided to hire over 600 of their wives. Even though these women "could not easily replace the men" they did deserve "the same rights as male workers after one year of employment. Consequently, they will receive for free one overall and one pair of boots."[51] Criticism poured when, in December 1946, UDR's management failed to take proper care of a new contingent of workers hired from Eastern Romania: "lacking basic means of survival in their drought-stricken regions they sought shelter with UDR."[52] Naked, barefoot, lice-ridden and sleeping in the train station, their physical appearance was thought to violate the standard of living long enjoyed by UDR's employees. The article went on to note it was the duty of management to integrate them into the community. Again, words of praise were devoted to those workers "darkened by smog and soot" who, although "drained of their strength" kept production running and overcame hardships galore.[53] The same workers were criticised when, during a meeting of the factory committees, they dared ask why "strikes and trade-union freedom were allowed in the past and today they are no longer." [54]

Be that as it may, following the wave of unrest that unfolded throughout late April and early May 1947 in Reşiţa as well as across UDR's scattered mines and smaller workshops, this double-sided play on tradition was reaffirmed with a vengeance, both at the local level and in the high offices of the Central Committee in Bucharest. For local union and party leaders it became clear that to continue to encourage workers' belief in preferential provisioning risked feeding the fire of striking activity. It was high time to "clean up our backyard" as one local party boss put it and protractedly acknowledge the fact that what made unrest possible was neither simply food scarcity nor directly the sight of empty pay en-

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50 This sense of distinction was even upheld by local communist party bosses who explicitly went against the party's disdain for wage "egalitarianism", arguing against UDR's management decision to award bonuses to workshop supervisors. Such a position was unthinkable in Bucharest's industry. See *Luptătorul Bănăţean*, III, No. 519, June 7 1946, p. 4.

51 *Luptătorul Bănăţean*, II, No. 317, September 29 1945, p. 3.

52 Eric Wayand, "Importanţa UDR-ului ca factor primordial a refacerii economice şi care este situaţia actuală a producţiei de oţel", *Luptătorul Bănăţean*, III, No. 687, December 25 1946, p. 3.

53 "Cetatea fierului. Acolo unde se munceşte cu râvnă, abnegaţie şi sacrificiu şi se sabotează pe toată linia", *Luptătorul Bănăţean*, IV, No. 770, April 13 1947, p. 1 and 5.

54 B. Abraham, "Cum este sabotată producţia la UDR", *Viaţa sindicală*, No. 126, May 18 1947, p. 3.

velopes, but something called "tradition".[55] The first could be and indeed were dealt with either by having management import maize from nearby Bulgaria, as it happened in late May 1947, or by rescheduling debts so that every worker may receive some cash on payday. The trade-union was successful in suppressing repayments for July and August 1947.[56] Workers' expectations of preferential provisioning, however, nurtured as these were by a local tradition of collective bargaining over the standard of living was addressed in narrative form as the story of an undeserving "labor aristocracy" pursuing its privileges. Take, for example, the meeting of the Central Committee convened on May 12, 1947 to tackle the events in Reşiţa. What is remarkable about the discussion occasioned by this meeting is the obstinacy with which party bosses portrayed the food crisis in Reşiţa as culturally mediated. Though, talk of political enemies, notably social-democrats, was abundant, as were suggestions to hunt down and arrest "agitators", arresting workers was not feasible as Ana Pauker elaborated on the significance of the wave of strikes:

> For us it is clear: we won't go very far with repression. We have to win over the masses, because Reşiţa has a layer of worker-aristocrats (*muncitori aristocraţi*), but the vast majority of the workers work hard. It is one thing in England, where it can be counted on the colonies to support the labor aristocracy (*aristocraţia muncitorească*), and it is a different kettle of fish here, where these worker-aristocrats cannot be supported by the owner. If they nevertheless are, then we should mobilize the mass against them. We attack the owner and at the same time we attack the labor aristocracy.[57]

To explain the emergence of this so-called "labor aristocracy", party bosses appealed to the combined and uneven history of the development of UDR's paternalism and to the consequent failure of the communist party to implant itself in the region during the interwar years. It fell on Vasile Luca – the party's most versatile interpreter of working-class history – to tell this story:

> Because this was an isolated place and because of the terror, it was impossible for us to penetrate it before the war, so we never had a revolutionary movement in this region. There were also well-paid workers, the labor aristocracy, created by the company, which was very influential with the rest of the workers. This was a very backward region, with

55 Carol Loncear, "Fiecare tonă de oţel, fiecare bob de cărbuni, fiecare kilovat de energie electrică constituie o cărămidă la clădirea viitorului", *Luptătorul Bănăţean*, IV, No. 782, May 1 1947, p. 5. Loncear will be appointed general manager of the steel mill in 1948.
56 ANCS, Sindicatul Muncitorilor Metalurgişti din Reşiţa, 16/1944, pp. 95 – 100.
57 ANR, CC/PCR, Secţia Cancelarie, 18/1947, p. 10.

> workers leading a patriarchal life. Auşnit built them a church and clubs; the unskilled workers are illiterate. Everything was done to keep the mass in darkness.[58]

The point of this argument was twofold. Firstly, it was meant to suggest that the practice of collective bargaining over the standard of living, even when it took the form of protest as in late April and early May, was the privilege of the few. It was a minority tradition of the company entertained by a vanguard of traditionalist workers. Secondly, Luca pointed out that the struggle for basic food was nevertheless legitimate to the extent it was led by a few committed communists appointed from Bucharest rather than by native union leaders claiming cultural intimacy with the place. As he explained: "if we state the problems with courage, no matter how foreign the ones who speak are, they are not so foreign as not to be able to secure for themselves some influence and authority."[59] This second vanguard, once firmly established in the local trade-union, would then undertake to show to the workers that management was incapable to secure adequate provisioning. For Luca then, much like for Ana Pauker and the other party bosses, UDR's food crisis and the revolt it triggered was an opportunity to appropriate a practice by discarding its practitioners. This appropriation presupposed a discursive reevaluation of the long history of trade-unionism in Reşiţa that would decouple workers' expectations for preferential provisioning from the cultural specificities of the place. A series of articles published in the regional communist press carried this task to completion by emphasizing what should be understood by the notion of tradition in Reşiţa (*tradiţie reşiţeană*).

The struggle of the past, it was explained – be it against Austro-Hungarian imperialism before 1918 or financial capital in the interwar epoch – had to be venerated and metalworkers were right to take pride in this working-class heritage.[60] There was no pride, however, in the fact that some form of unionism was allowed to exist under the wartime dictatorship:

> That workers in Reşiţa had strong trade-unions in the past is very true, we can be proud of it, but that our trade-union was not abolished by Antonescu brings no glory to its past leaders, who were all collaborators.[61]

58 IBIDEM, p. 8.
59 IBIDEM.
60 Eric Wayand, "Tradiţii şi tradiţii. Noţiuni de care s-a abuzat mult în faţa muncitorimii reşiţene", *Luptătorul Bănăţean*, IV, No. 904, September 27 1947, p. 5.
61 Mihai Dalea, "Noi Reşiţenii", *Luptătorul Bănăţean*, IV, No. 938, November 6 1947, p. 2.

The trouble with these union leaders was that they promised, in the midst of the food crisis of 1947, to bargain for “white bread at one’s will” (*pâine albă la discreţie*) and presented themselves as the only ones capable of delivering it to the workers. It was not that workers did not deserve “white bread”, for they certainly could very well aspire to such rare goods, but not as an offshoot of a manipulated notion of tradition. Preferential provisioning ought to depend on UDR’s management ability to effectively increase output, as it did in the recent past when “management sent its time and motion experts (*calculatorii*) in each and every workshop to register the pace of work. Everybody worked to the full: from management to the workshop supervisor; from the army of time and motion experts to the foremen, they all shouted ‘faster, more work’”.[62]

Since this was no longer the case in 1947, so the argument went, the question of struggling for “white bread” was ethically misplaced and politically dangerous. In 1947, “time and motion experts with a stop watch in their hands have disappeared. Time no longer matters for them”.[63] Such reasoning, however convoluted it may seem, should be taken seriously as an expression of communist political thought in action. The attempt to redescribe a culturally mediated tradition of struggle over preferential provisioning by linking it affirmatively with a past of intensified work bespoke of the socialism to come, one in which workers will be granted better access to goods in their capacity as “objects of capital” working “faster” rather than as “living creative subjects” negotiating the social value of their labor-power via trade-unions.[64] By making it clear that food was conditioned on work performance, the case of mastering Reşiţa’s working-class tradition showed the extent to which communist bosses regarded the question of tradition as nothing more than a bulwark against the effort to increase production.

3.4 Questions of the State

On August 15, 1947, Romanians were called upon to line up in front of bank offices and improvised exchange desks in their factories, schools, neighborhoods and villages in order to convert their cash money to the new currency issued by

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62 Eric Wayand, “Umbre peste Uzinele şi Domeniile Reşiţa”, *Luptătorul Bănăţean*, IV, No. 725, February 17 1947, p. 2.
63 IBIDEM.
64 For the double determination of workers as both “objects of capital” and “living creative subjects” see David Harvey, *The Limits to Capital* (London: Verso, 2006), 114. Chapter 5 below expands on these core Marxian categories.

the National Bank. For state authorities and communist party bosses, this day signaled a radical new beginning: postwar inflation would be rolled back, the economy would take off and recover its pre-war standards while ordinary workers and peasants would gain enough confidence in the stability of the *leu* to overcome the food crisis by engaging in commercial exchanges. This optimistic atmosphere was conveyed in countless newspaper articles, all emphasizing the regained value of the national currency:

> Indeed. There is less money on the market. But this is good money. It is good because it is less. Gone is the time when people had no place in their pockets for the millions which they received as monthly wages, and when these wages could not even satisfy the basic needs for one week [...] The peasant now knows that the money he receives in exchange for the fruits of his labor is good money, which does not lose its value. Today, tomorrow, in a month's time the peasant may buy all the goods that he needs without fearing his money will "melt away" (*topeşte*), as it did during inflation.[65]

The conversion of the old currency for a new one was the central operation of the monetary stabilization programs that governments undertook across Europe in response to the inflationary spiral that characterized the immediate postwar conjuncture. National variations aside, the underlying scope of all these programs, East and West alike, was to drastically reduce the volume of liquid assets by eliminating the cash stacks citizens had accumulated during the war and after. In so doing, it was hoped the rate of inflation would be tamed, which in turn would discourage hoarding and rebalance the ratio between consumers' purchasing power and the availability of goods on the market.[66] The drastic reduction of note circulation, however, was bound to come at a price for it could not but discriminate against various social groups holding large quantities of cash money such as the peasantry, shopkeepers or the entrepreneurs. The Romanian case was no different. With the conversion rate set at 1:20, the lowest threshold was imposed on the self-employed, the unemployed and the retired (pensioners, war invalids, war widows etc.), all of whom were allowed to exchange only a maximum of 1.5 million lei, a sum equivalent to little over 3 US dollars.

65 "Perspective după stabilizare", *Scânteia*, No. 914, September 5 1947.
66 John G. Gurley, "Excess Liquidity and European Monetary Reforms, 1944–1952", The American Economic Review, Vol. 43, No. 1, 1953, 76–100. For the Romanian case see Miron Constantinescu, *Lupta pentru stabilizare* (Bucharest: Ministerul Artelor şi informaţiilor, 1948). Although intended as a propaganda brochure, Constantinescu's booklet is remarkable for its honesty in listing the goals of the stabilization and its manifest hostility towards the social arrangement that regulated industrial relations for the first two postwar years, such as the collective labor contracts and collective bargaining, both of which allegedly led to high wages and inflation.

By contrast, all wage earners irrespective of their place of employment were given the opportunity to exchange 3 million lei, which by that point in time made up for roughly the average monthly wage of a foreman in the heavy industry. Lastly, peasants could exchange the largest amount of cash money, between 5 and 7 million lei in old banknotes, the latter sum being conditioned on them having sold their harvests to the state.[67]

This scale of entitlements to new cash money expressed the effort to reach a compromise between the two social groups communist party bosses believed to represent – the workers and the peasants. The timing of the monetary stabilization is telling in this respect. Scheduled for the month of August, the conversion struck halfway through the harvesting season, after peasants would have sold much of their grain (wheat and maize) and before the autumn harvesting of potatoes and other vegetables in demand on urban markets. It was therefore hoped that peasants would quickly come to appreciate the new currency and, with their cash reserves gone, would start bringing their produce to town in large quantities. Moreover, because August 15 was a payday for the vast majority of industrial workers, the government expected this social group to possess little to no cash and thus be less affected by the conversion. This was a reasonable expectation, particularly in view of the vicious debt circle in which workers were caught up.[68] Workers would consequently receive their wages directly in the new currency and would thus ideally spend their money wisely on peasants' goods. Finally, the low threshold set for the non-producing population reflected the government's economic rationality to the extent these people were either seen as a burden on state expenditure or were simply castigated as "speculators" of sorts, none of whom were to play any role within the commodity chains that ought to link the city to the countryside.

The hierarchy of economic worth inscribed in the conversion thresholds puzzled some experts within the Ministry of Finance. They agreed with the government on the necessity to undertake the monetary stabilization as well as on the need to reconnect rural producers to urban consumers. The grain harvest for 1947 – estimated at 87 % higher than the one yielded in 1946 – offered an ideal opportunity to overcome the food crisis of the preceding two years and incentivize monetarized transactions between peasants and workers.[69] The

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67 G. J. Conrad, *Die Wirtschaft Rumäniens von 1945 bis 1952* (Berlin: Duncker & Humbolt, 1952), 13 – 15.

68 See also the recollections of Sorin Toma, former editor of *Scânteia*, who drafted the front-page articles announcing the stabilization in the summer of 1947; Sorin Toma, *Privind înapoi. Amintirile unui fost ziarist comunist* (Bucharest: Compania, 2004), 103 *et passim*.

69 ANR, Ministerul Finanţelor. Oficiul de studii şi coordonare financiară, 494/1947 and 516/1947.

part with which they disagreed with the government's program was about the logic of setting the lowest conversion threshold for non-wage earners. On the one hand, it was pointed out that workers' purchasing power was not the main factor influencing the formation of free prices for agricultural goods. It was therefore misleading to hope that a stronger currency would automatically push peasants' produce to flood urban markets. On the other hand, it was explained that the harsh conversion threshold set for shopkeepers and entrepreneurs would deplete their financial resources and paralyses the flow of commodities they mediated between cities and the countryside. Privately owned retail shops were still the overwhelming mechanism through which urban consumption was organized.

Two months after stabilization all these fears proved well founded. By October 1947, taxing authorities noted with great alarm that due to the sudden drop in note circulation, it became increasingly hard to levy any taxes. As neither the payment of wages for state employees nor the payment of reparations to the Soviet Union could be delayed, the government saw itself again forced to appeal to the National Bank to print money. Moreover, both the owners of retail shops and peasants seemed unable or unwilling to engage in commercial exchanges. Here too, the government saw it necessary to revive the market for basic consumption items by cutting down on transportation taxes and offering various tax exemptions for textiles and agricultural tools with the hope to stimulate peasants' need for cash money. The peasants' blunt refusal to reenter the market in the weeks following the monetary stabilization as well as the impending fiscal crisis of the tax state sent shock waves through the corridors of the Central Committee in Bucharest. Here debates heated up around the so-called compromise between the peasants and the workers and party bosses felt they were faced with a conundrum: they could either push up prices for agricultural goods or they could allow industrial wages to grow. Each choice carried heavy political consequences. Prices for agricultural goods on local markets were set by municipalities through daily or sometimes weekly public price lists called "mercuriale". These lists were displayed throughout towns and were often jotted down under the pressure of trade-unions who would lobby authorities to keep prices low in order for workers to afford more goods. Yet low prices created massive shortages as peasants preferred to engage in wasteful household consumption rather than obey the dictate of the municipality. Pushing prices up would have therefore very likely triggered discontent with the workers. Raising industrial wages, however, was an equally troublesome choice given that higher salaries went against the aim of the monetary stabilization by potentially feeding another inflationary snowball.[70]

The short-term outcomes of the monetary stabilization might have briefly polarized the Central Committee over the alleged dilemma of sacrificing workers to incentivize peasants but it also revealed the extent to which the effort of the communist government to remonetarize the economy was curtailed by structural factors, in particular by the dependence of the waged population on the privately produced goods in the countryside and the private retail sector. In this context, the monetary stabilization raised – arguably for the first time since the end of the war – the question of the material sinews of the emerging *socialist* state, namely the bureaucratic mechanisms, networks and logistics that were to underpin the allocation and distribution of basic foodstuff. More importantly, however, the cluster of interlocking financial and social policies that prepared, accompanied and followed up the stabilization should be and *were* seen as constituting the first concerted attempt on the part of the communist party at radical state-building. The state-form that emerged out of stabilization was not only geared toward managing the food crisis through an expanded rationing system and the development of the public retail sector, but equally toward regulating the interplay between labor and capital. The stated goal was to make factories profitable (*rentabile*) through rationalization, with the hope of first recovering and then surpassing the industrial output and productivity level of the prewar epoch. In turn, rationalization covered a wide spectrum of policies, from the imposition of financial discipline on management, selective unemployment and the dismantlement of the economate to the extension of piece-rate, the abolition of workers' debts and the remaking of the wage relation. Let us now delve into the question of the early socialist state.

"The state and its nature", writes Mark Pittaway, "is perhaps the most central question for writing the social history of socialism in the region. The state not only industrialized and collectivized and distributed (semi-successfully) food and consumer goods; at various times, it also sought to remake the institution of the family, to invest in a new nation, and to transform the mentalities of its workers."[71] Few historians of postwar East Central Europe would disagree with this claim. Indeed, the state is so massively central to any account of the postwar transition to Stalinism that one can hardly imagine any aspect of social life fall-

70 The politics of low wages and higher prices for agricultural goods was strongly defended by party boss Ioan Gh. Maurer who claimed it expressed the opinion of Soviet advisors as well, ANR, CC/PCR, Secţia Cancelarie, 28/1947, p. 35.

71 Maria Bucur, Rayna Gavrilova, Wendy Goldman, Maureen Healy, Kate Lebow and Mark Pittaway, "Six Historians in Search of Alltagsgeschichte", *Aspasia*, Vol. 3, 2009, 198.

ing beyond its reach. For an older historiography, it was vital to understand the emergence of the totalitarian state, a state whose authority was said to deeply permeate society. The concept of "totalitarianism" itself was nothing more than a theory of the state's unlimited agency and hence of the unhindered ability of the new communist elite to reshape the very texture of the societies over which it governed. For a more recent historiography, one explicitly critical of totalitarianism's explanatory value, the emphasis falls on the negotiated agency of the state. The state, it is argued, even at its most unshackled was still very much a product of the manifold, quotidian and pervasive back-and-forth between various social groups and the bureaucracy. For Pittaway, this back-and-forth delineates a social space best captured through the notion of legitimacy.

According to Pittaway, a focus on legitimacy might allow historians to eschew the temptation to reify the state as an autonomous form of rule severed from the social contexts in which power is customarily exercised. Legitimacy then is to be understood "as a state of affairs in which a given regime's claim to rule met with sufficient degree of acceptance to ensure that it was able to acquire the necessary degree of 'infrastructural' power to rule on a day-to-day basis and thus appear as a coherent, unified actor ruling above the rest of society."[72] The focus on the processual and relational nature of the "infrastructural power to rule" would then reveal a multitude of social spaces riven with tensions leading to both conflict and compromise between various policies and, for instance, "the aspirations, cultures, and political identities of 'actually existing' industrial workers" or "the moral economies of village communities".[73] In this view, to ask whether a regime is legitimate or not is secondary and counterfactual, though perhaps no less morally and politically salient. What matters instead is the historian's ability to explore the "dynamic reality which existed in the critical space between rulers and ruled" in order to grasp the "evolving set of socio-cultural values which were influenced partly by the legitimating actions of rulers but also by the attitudes of the ruled."[74] To view the state through the lens of "legitimacy" then, is a welcome attempt to grasp infrastructural power,

72 Mark Pittaway, *The Workers' State. Industrial Labor and the Making of Socialist Hungary, 1944–1958* (Pittsburgh: University of Pittsburgh Press, 2012), 4.

73 IBIDEM, 6–7.

74 This proposition informs the research agenda on political legitimacy in mid-twentieth century Europe sketched by Martin Conway and Peter Romijn, "Introduction", *Contemporary European History*, Vol. 13, No. 4, 2004, 377–388.

namely "the capacity of the state actually to penetrate civil society, and to implement logistically political decisions throughout the realm."[75]

This view complements older understandings of power that have informed studies of the postwar in East Central Europe. One such example is what Jan T. Gross – drawing on his study of wartime occupied Eastern Poland – famously called the "spoiler state". [76] According to Gross, the type of power that grounded this form of state, allegedly to be found in postwar East Central Europe as well, is called absolute power: "[w]hat else is absolute power but that others do not have any? Thus absolute power is produced by the incapacitation i. e. by a process of reduction, not amplification, of the existing or potential *loci* of power in society".[77] There is much to recommend this essentially despotic understanding of power. The postwar destruction of "traditional" political parties, of churches and other kinds of civil associations may all be seen as instances of "incapacitation". Yet Gross's understanding remains one-sided, particularly in its insistence on the reduction rather than amplification of society's organizational strength. In this view, the state still appears as a levitating agency hovering over an increasingly powerless society, constantly depriving it of its supposed autonomy. Instead, to focus on the infrastructural power of the state promises to reveal not so much what was repressed as what was produced.[78] This shift of perspective requires one to pay close attention to the techniques of production that propel the state effect.[79] Let me now put some flesh on these abstract bones.

In the first part of this chapter, I attempted to describe the mechanism through which grain was extracted from the peasantry during most of the war, up until the drought years of 1945 and 1946. This mechanism, I argued, was premised on the cooperation of state authorities and local notabilities at the vil-

75 Michael Mann, "The Autonomous Power of the State: Its Origins, Mechanisms and Results", *European Journal of Sociology*, Vol. 25, No. 2, 1984, 190.

76 For the notion of the "spoiler state" see the epilogue to Jan T. Gross, *Revolution from Abroad: The Soviet Conquest of Poland's Western Ukraine and Western Belorussia* (Princeton: Princeton University Press, 2002). Gross suggested this notion might as well describe the postwar context across the region; Jan T. Gross, "War as Revolution" in Norman Naimark and Leonid Gibianskii (eds.) *The Establishment of Communist Regimes in Eastern Europe, 1944 – 1949* (Boulder: Westview Press, 1997).

77 IBIDEM, 32.

78 In practice, of course, the workings of infrastructural power depend heavily on the state's ability to contain or incapacitate alternative nuclei of organized civil life.

79 I am following here Timothy Mitchell, "Society, Economy, and the State Effect", in Aradhana Sharma and Akhil Gupta (eds.) *The Anthropology of the State. A Reader* (Oxford: Blackwell, 2006), 178 – 182.

lage level, and allowed space for maneuvering for the peasants, to the extent that individual quotas of wheat or maize depended on knowledge about the harvest, which was made available by the village agricultural expert. Predictably, the whole process took place after the harvesting of the crops was well over and the peasants had carried home their grain. For this reason, as I showed above, grain deliveries were accompanied by a considerable degree of mépris on the part of ministerial authorities in Bucharest, so much so that statistics had to be adjusted to account for peasants' underestimations of their harvest.

Over the summer of 1947, however, authorities attempted to tighten their control over deliveries by collecting grain in the field (*la treer* or *la arie*) rather than in the village.[80] This was a radical though understandable change: because the harvest was judged to be large enough to significantly alleviate the devastating food crisis and because peasants were traditionally mistrusted, it seemed justified to introduce a more severe delivery regime. This operation required the presence of the mayor, the notaries and soldiers (or gendarmes) in the field, where they would surveil the reaping and threshing processes, weigh the grain, coordinate the workforce employed, retain the quotas, pay the peasants in cash money on the spot and work together with the representatives of INCOOP to distribute, store, and transport the goods to various cooperatives.[81] The redeployment of the grain delivery system from the village to the fields was premised on avoiding any kind of input from the peasants. This, in principle, entailed an unprecedented extension of the state's infrastructural power, all amidst protest from agricultural producers who now found themselves deprived of any room for maneuvering that they had customarily enjoyed at the village level.[82]

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80 "Un nou regim al cerealelor", *Scânteia*, No. 855, June 27 1947 and "Noul regim al cerealelor", *Scânteia*, No. 857, June 29 1947.

81 The nitty-gritty of this transformation is curiously ignored by anthropologists Verdery and Kligman although it significantly strengthens their argument that "the subject of [foodstuff] collections was the most frequent topic of [state] regulation throughout the first decade of the new regime"; Gail Kligman and Katherine Verdery, *Peasants under Siege. The Collectivization of Romanian Agriculture, 1949–1962* (Princeton: Princeton University Press, 2011), 110.

82 Throughout 1948 some local authorities purposefully ignored these prescriptions just to avoid further antagonizing their rural citizenry, ANR, CC/PCR, Secţia Organizatorică, 74/1948 and IBIDEM, Secţia Cancelarie, 12/1948. Grain deliveries for 1948 produced mixed results. On the one hand, party bosses were constantly expressing their fear that, as one of them put it "we are at the hands of the peasants", repeatedly calling for the organization of vegetable gardens and farms around cities. On the other hand, local authorities were content with the amount they collected given the situation in the countryside; ANR, CC/PCR, Secţia Cancelarie, 20/1948 and 35/1948.

Infrastructural power, however, encompassed more than the mobilization of personnel and bureaucratic resources in the fields. It also involved the forced monetarization of the countryside through the expansion of wage labor. Once the state assumed some form of control over agricultural producers at the point of reaping, the issue of how to pay the day laborers became an urgent problem. Traditionally recruited from the ranks of the impoverished and landless peasantry, these day laborers were contracted by agricultural producers and paid in kind with a part of the harvest. To continue with this payment method, particularly after the monetary stabilization allegedly produced a strong currency, was considered an extra burden placed on urban consumption since it diminished the available stock of grain. It was therefore argued that agricultural producers should be compelled to use the money they received from selling their grain to the state to pay cash wages to their temporary employees. This method, as a party boss warned in July 1949, risked alienating the poor peasantry. For an entire rural population, purposefully excluded from the rationing system, to receive cash wages equaled a road to mass starvation.[83]

The combined outcome of these techniques of grain extraction in the countryside was the first major postwar peasant rebellion that swept across Western Romania for much of July and August 1949.[84] What is remarkable about these violent events – which left dozens of dead on both sides and led to arrests, imprisonment and executions – was the precision with which the peasants identified a new form of state with the new techniques for grain extraction. As one report from the secret police noted in July 1949, peasants were “angry over the decision of the government to pay for the reaps in cash wages and collect the quotas in the fields.”[85] As a result, during the rebellion peasants attacked threshing machines, devastated the cooperatives, threatened to blow up storage facilities, destroyed the carts carrying grain, and vandalized the local village halls and the headquarters of the police and the communist party.[86] What explains the occurrence of the rebellion in 1949 rather than earlier (grain deliveries were instituted before Romania joined the war in 1941) is not only the transformation in the regime of collection but also the effort to monetarize agricultural work as a way of boosting grain reserves. The discontent over the interdiction to pay day laborers

83 See the discussion in ANR, CC/PCR, Secţia Cancelarie, 234/1949.

84 The best recent overview of the events is Carmen Elena Potra, “Revoltele ţărăneşti din judeţul Bihor în vara anului 1949”, Clara Mareş and Constantin Vasilescu (eds.), *Nesupunere şi contestare în România comunistă* (Iaşi: Polirom, 2015), 19 – 42. No general study placing the rebellion in the agricultural history of mid-twentieth century Romania currently exists.

85 ANR, CC/PCR, Secţia Organizatorică, 43/1949, p. 8.

86 See ANR, CC/PCR, Secţia Organizatorică, 41/1949 for the unfolding of the rebellion.

in kind resulted in a moment of solidarity between peasants of different social standing at the village level and turned whole rural communities, otherwise divided by land ownership, wealth and ethnicity, against the state. Removed from the space of negotiation, the new delivery system produced a state doubly external to the moral economy of harvesting grain: it affected the landowners (so-called *chiaburi* or *kulaks*) and the day laborers equally. This example shows the manner in which the extension of infrastructural power through various techniques of production positions the state as an external entity standing above – though not always in opposition to – community life. At the same time, however, the very same techniques produce the social conditions for revolt or acquiescence, weaving together textures of solidarity or digging trenches of resilience.

It is at this level of quotidian social practice, then, that legitimacy is openly disputed. Struggles such as the ones described above, no matter what other forms they may take at one point or another, are an immanent feature of this process rather than a by-product of traditional peasant values or other rationalizations of *longue durée* cultural dispositions. The merit of this perspective on the state for a social history of early socialism is twofold. Firstly, it tempers the propensity to impute intentions to abstract entities such as the state, the party or society. Rather than viewing each of these entities as fully formed historical actors, the perspective advocated here conceives them as interlocking, mutually constituting sets of practices. Secondly, it widens the repertoire of topics to be investigated as relevant aspects of state-making, expanding the focus beyond questions of overt coercion and implicit consent.

Take, for instance, the policy known as the "rational allocation of the workforce" (*repartizarea raţională a braţelor de muncă*), which aimed to cut back the number of employed industrial workers to prewar levels in order to free factories from "hidden unemployment" and reduce aggregate demand for goods and services. The origins of the "rational allocation of the workforce" policy can be traced back to the first debates over stabilization that engaged the members of the Central Committee in March 1947.[87] Then and there it was noted that by early 1947, Romanian industry had come to employ over 554,000 workers, including blue-collar employees and administrative staff whereas in 1938 – the benchmark date for the take-off of the war economy – statistics indicated a mere 324,000 employees. If these figures were even remotely accurate it implied that in the space of little under ten years, the total number of employees in industry almost

87 ANR, CC/PCR, Secţia Cancelarie, 9/1947, pp. 1–9.

doubled while industrial output fell by an estimated 60 %.[88] In order to restore the ratio between capital and labor to prewar levels, it was decided that at least 30 % of the employees had to be fired and, if possible, redirected either to agricultural work or to those factories that might experience temporary shortages of manpower. To assist with this operation, in July 1947 the Ministry of Labor was charged to set up "workforce allocation" offices throughout the country and provide trained personnel for them. Once established, these offices would ask all industrial units in their designated area to deliver information about their total number of employees and propose lists with those to be discharged.[89] Although the decision on whom to fire rested in principle with management alone, at the factory level it often fell to the members of the factory committee to draw up the lists, given their influence among workers.[90] The singled out workers could, in turn, plead their case in front of the "workforce allocation" office representatives, with varying degrees of success.

The entire operation was predictably likely to trigger discontent. The results of an improvised opinion poll conducted in the capital city of Bucharest in late June 1947 showed that many of those interviewed believed that "the firing of workers fed anti-governmental sentiment" because "[t]he government will be accused that it purges workers on political grounds and the unemployed will serve the purpose of the reaction."[91] In south-western Transylvania, social-democrat workers protested against being laid-off by none other than the local chief of the gendarmerie who was now presiding over the "workforce allocation" office: "this fact will produce general discontent given that the county of Hunedoara is an industrial one and we ended up being judged by gendarmes, the very ones who have persecuted us in the past."[92] These fears creeping from below dispersed far and wide. Communist party bosses feared that the involvement of

88 ANR, CC/PCR, Secţia Cancelarie, 30/1947, p. 6.

89 ANR, MM, 162/1947, pp. 1 – 21. The discharged workers were entitled to receive one compensatory month's salary as well as firewood and foodstuff.

90 In one case concerning the paper factory "Letea", management was not only not aware of who was put on the list, it was also shocked to discover the factory committee included the name of the director among those to be dismissed, in ANR, MM, 464/1947, p. 1 – 5.

91 ANR, CC/PCR, Secţia Economică, 6/1947, p. 9. The opinion poll was conducted on a sample of roughly 500 residents of Bucharest with the help of police officers at the request of the government. For similar cases of sampling an early form of "public opinion" in postwar East Germany see Mark Allinson, "Popular Opinion", in Patrick Major and Jonathan Osmond (eds.) *The Workers' and Peasants' State. Communism and Society in East Germany under Ulbricht 1945 – 1971* (Manchester: Manchester University Press, 2002), 96 – 111.

92 ANR, MM, 156/1947, p. 242.

the trade-unions in the firing of workers would compromise them even further and recommended that the rank-and-file at least avoid the use of the term "unemployment" (*şomaj*) and speak instead of "declogging" (*decongestionare*) or "compression" (*comprimare*) of workers.[93] Euphemisms aside, it was far from clear which workers should be selected for dismissal. There was a significant amount of reasonable prejudice among communist party bosses for the so-called "pogonari": double-dwellers with one foot in the countryside owning a modicum of land and making a seasonal living in industry. On the one hand, firing these workers made things easier for management and the union delegates since they represented a fluctuating, low-skilled and poorly paid workforce often accused of absenteeism, lack of political commitment and bad manners. On the other hand, glued to their land, it was nearly impossible to relocate the double-dwellers to other regions where labor was supposedly scarce.

By late 1947, it was estimated that of the initial target of 166,200 workers scheduled to be dismissed, the "workforce allocation" offices managed to process between 26,000 and 38,000 people.[94] This was for two reasons. First, the assumption that informed this policy was misleading in the sense that 1938 could hardly have been taken as the threshold year for assessing the performance of industry in times of peace. In many cases, factories suffered significant technological upgrading and enlargement during the war and hired personnel as a consequence of their newly acquired production capacity. Reducing their number of employees in 1947 to prewar levels would have only idled them more, as factory managers never ceased to argue. Moreover, even with the same machines there were also cases of factories for which the transition from war to peace production required more rather than less employees. Second, and more importantly, the lay-off campaign provided the opportunity for factory committees to get rid of politically troublesome workers or to save from firing comrades, all in an atmosphere of generalized suspicion and moral indignation that had management and union delegates at loggerheads.

Despite such tensions, which were indeed common throughout Romanian industry in 1947, the experiment with selective unemployment was not a complete failure for communist party bosses. Even though it encountered multiple forms of resistance both against the lay-offs and the subsequent redistribution of workers, the "workforce allocation" offices remained in place as a key mechanism for managing labor supply and one of the more significant institutional

93 ANR, CC/PCR, Secţia Cancelarie, 23/1947, 75/1947 for the improbable suggestion that CGM should take care of the workforce allocation rather than the firing in order to appear on the side of the workers.

94 IBIDEM, p. 7.

legacies bequeathed by stabilization reforms to the early socialist state. Granted, for the next few years recruitment in industry remained a localized affair resolved at the factory gates through informal networks. Yet, particularly in large cities prone to immigration from the countryside such as Bucharest, the role of the “workforce allocation” offices became more and more important in the organization of labor markets. With regard to cutting costs and recovering the lost efficiency of Romanian industrial production, however, the lay-offs campaign was a failure. Not only was the number of fired workers rather insignificant, but as long as the structure of the wage was still determined by the collective labor contracts implemented in the immediate aftermath of the war, there was little hope that factories would be able to reduce their production costs. The remaking of the wage system, therefore, was another aspect that occasioned the extension of infrastructural power in the sphere of labor relations.

3.5 Wages of Peace

The concern with a new wage system that could offset the alleged negative consequences of the collective labor contracts was a topic hotly debated in the wake of the mass lay-offs campaign, not merely during the meetings of the Central Committee but also by factory managers. In Reşiţa, UDR’s general manager Popp underlined three consequences the contracts had on UDR’s workforce. First, the contracts produced a kind of harmful uniformity since they failed to distinguish between the stable and skilled workers and “the seasonal and semi-industrial, those who have a plot of land and look at industry as an additional source of income for their families.”[95] Secondly, the contracts achieved a double levelling (*turtire*) of the wages. On the one hand, the unskilled worker earned over 40 % more in 1947 than in 1940; on the other hand, the difference between skilled workers was itself reduced so much so that whereas in 1940 a forger received on average 80 % of the wage of his foreman, in 1947 the same forger took home roughly 93 %. This wage scale led to “such an exaggerated equalization that it did away with the incentive to lead a good life by occupying a position of greater responsibility.”[96] Thirdly, the contracts were responsible for the total collapse of the piece-rate system. According to Popp, sensible piece-rate

95 ANR, Ministerul Economiei Naţionale, 9/1947, p. 24.
96 IBIDEM, p. 25.

norms should allow workers to add at most 20 % to their basic wages and not, as it was the case in 1947, over 500 %.[97]

The remaking of the wage scale, however, entailed more than the introduction of tighter piece-rate norms and higher pay for the skilled worker. It also resulted in the dismantling of the “social wage” as it was embedded in the prescriptions of the postwar collective labor contracts enacted by CGM. The “social wage” was essentially understood as access to subsidized goods via factory stores (economate), including firewood and clothing items. Running these stores, however, forced management to take out loans and spend them on provisioning workers rather than investments. As the communist daily *Scânteia* explained in late August 1947, the nature of the economate had always been temporary, a form of “help our democratic state offered to employees in harsh times.”[98] Furthermore, it was argued that the National Bank will only lend money for investments in production and explained that the abolition of subsidized consumption will significantly reduce production costs. The news must have come as a surprise to workers and factory owners as well.

During the months leading to the monetary stabilization, the communist press never mentioned the dismantlement of the economate. On the contrary, myriad articles argued their retention as still the best way to organize provisioning, and accused “the capitalists” of “diabolical” plans to close down the stores.[99] It was certainly shocking to witness armies of financial inspectors descending upon the country’s largest economate during late 1947 and early 1948 to close them down. In Reşiţa, it was revealed that UDR’s economat engaged in massive “unjustified” spending during the food crisis of early 1947, buying up large quantities of beef and pork meat and thus “blocking funds necessary for production” and contributing to the “economic chaos before the monetary stabilization.”[100] This type of rhetoric emphasized time and again the degree to which the factory stores were wasting financial resources, and replicated many of the arguments against subsidized consumption put forward

97 For the same argument about the levelling of the wage scale see also ANR, UDR, 22/1947, p. 15 “We ended up in a situation in which the salary is given in kind (*avantagii în natură*), independently of production and of the role and responsibility of the employee.”

98 “Mai sunt sau nu necesare şi folositoare economatele”, *Scânteia*, XVI, No. 906, August 27 1947.

99 Emilian Angheliu, “Invenţia diavolicească. Unii patroni cer desfiinţarea economatelor şi cantinelor”, *Viaţa Sindicală*, March 30 1947. There were many more articles in this vein published up until June/July 1947.

100 ANR, Ministerul Economiei Naţionale, 17/1947, p. 29.

by the General Union of Romanian Industrialists (UGIR).[101] Therefore, dismantling the economate was seen as a necessary step toward recovering industrial efficiency by way of injecting back into production the modicum of credit made available by the National Bank. Moreover, at the factory level, the disentanglement of subsidized consumption from managerial duties could indeed free a number of employees formerly in charge of provisioning for more "productive work".

Still, with a vastly underdeveloped state retail-shop network even in the largest cities, it was far less clear how industrial workers would continue to procure for themselves basic consumption items in the absence of economate. This question was all the more important in the context of the new rationing law that accompanied the monetary stabilization.[102] The law departed from earlier forms of rationing in significant ways: not only did it expand the scheme to a wide array of foodstuff beyond bread but it now also covered clothing, textile and footwear items. Moreover, the new ration cards came with a scale of worth of their own which distinguished not merely between employees and their family members but equally between different types of work. Thus, for instance, miners and metalworkers were entitled to the largest quantities of rationed goods, followed by workers of the light industries, the state functionaries, war veterans and the like. Yet much like the previous laws passed during the war and after, this law too discriminated against rural residents and even against employees owning land in the countryside. Peasants remained excluded from accessing ration goods well into the 1950s.[103] This comprehensive and hierarchical rationing system expressed a fear of a rising purchasing power of the salaried masses under the new wage system and was in principle supposed to hold at bay inflationary tendencies, thereby anticipating an upsurge in real wages. The sudden closing down of the factory stores, however, directly questioned the likelihood of the rationed goods reaching their consumers.

The solution proposed in late August 1947 – one remarkable for its immediate failure – was the creation of autonomous employees' cooperatives. The

101 UGIR was so puzzled by the unexpected decision of the communist government to abolish the factory stores in August 1947 that it even sent a memo to the Ministry of Industry in order to inquire about whether this policy was real or not and asked for workers to be obliged to pay the full price of a meal at the canteen; ANR, Ministerul Industriei, 8/1947, p. 170.

102 Law 308, M.O. CXV, No. 200, September 1 1947.

103 See the detailed discussion of the implications of this rationing system for the Romanian rural social universe in Mircea Scrob, "From Mămăligă to Bread as the 'Core' Food of Romanian Villagers. A Consumer-Centered Interpretation of a Dietary Change (1900 – 1980)" (PhD Dissertation, Department of History, CEU, 2015), 130 – 133.

idea was not without precedent. As we have seen in the first chapter, UDR's metalworkers set up their own cooperative in the aftermath of the Great Depression through which they hoped to control price fluctuations at local peasant markets by bringing cheaper goods into town. It is not clear how widespread such initiatives were in the interwar period. In Bucharest, an allegedly "old social-democrat" cooperative called "Victoria" was revived with the help of CGM in early 1945 and catered to its members at official prices. This cooperative, however, was hardly a success story: its three small shops scattered across the city were almost always empty due to the competition from factory stores, which were willing and able to pay more on whatever goods were available during the postwar food crisis.[104] What the new employees' cooperatives would retain from this historical experience was the mutualist principle on which such an institution was based: employees from different factories would brigade on a residential rather than factory base, pay their deposits (*parte socială*) and membership fees (*cotizaţie*) and expect for the cooperatives to deliver them various goods. Moreover, cooperatives would inherit much of the logistic underpinning the economate, including their unsold stocks, vehicles and some personnel. Unlike the economate, cooperatives' capital was made up from their members' deposits and fees.[105]

Conceived as "voluntary associations", employees' cooperatives were to become a "weapon against intermediaries", replacing the factory stores and supplementing an emergent public retail-shops network.[106] Employees' cooperatives were an explicit attempt to excise the state from the wage relation by placing the costs of organizing provisioning on the workers themselves. Neither the government through bank loans nor the factories out of their own funds would subsidize workers' basic needs. The epoch of collective bargaining over provisioning, with its strikes, sequestrations and outbursts of violence, was over. Replacing the economate with "voluntary associations", however, was easier said than done. For the two months following stabilization, no less than 45 % of the credit grant-

104 For instance, in 1945 "Victoria" bought eggs from Bulgaria; ANR, CC/PCR, Secţia Organizatorică, 95/1945, p. 11–13. One of its shops was located close to Malaxa Works, according to its one-time employee Vasile Paraschiv, *Lupta mea pentru sindicate libere in România* (Iaşi: Polirom, 2005), 24.
105 "Problema cooperativelor", *Scânteia*, XVI, No. 919, September 11 1947.
106 "Cooperativele, mijloc de îmbunătăţirea a situației salariaţilor", *Viaţa Sindicală*, September 14 1947.

ed by the National Bank was spent on wages rather than investments.[107] Yet it was the sheer lack of cash money on the part of the workers that doomed this project from the outset. By early 1948, there were 38 cooperatives in Bucharest alone with a membership exceeding 313,000 employees, and 202 cooperatives across the country totaling over 711,000 members.[108] Significantly, very few of these cooperatives actually functioned, and those that did were themselves facing bankruptcy. Not only were they heavily underfinanced, as few of their members could afford to pay their fees, they also lacked the logistical means to transport and store basic goods such as vegetables or meat. It was no surprise that by the end of the year the cooperative experiment was considered unfeasible and had to be overtaken by an emergent state retail sector.[109]

Nor was the total externalization of provisioning costs outside of the factory a resounding success. By early 1950, a governmental decree urged factories to organize vegetable gardens and pig farms, for which the National Bank would provide credit. Managers were instructed to feed their livestock without "recourse to the market" and make extensive use of voluntary, unpaid work by its employees for servicing the gardens and farms.[110] This project, which resembled similar plans attempted during the war, was complemented in late 1952 by an additional decree that forced local municipalities in industrial areas such as Reşiţa or the Jiu Valley to organize their own vegetable gardens and cater for the local population.[111] And then there were the factory canteens, the supply of which remained an obligation of management even though here too, beginning with late 1947, workers were made to pay the full price of their meals.[112]

Paying in cash at the canteen, or for firewood, was a consequence of this transformation in provisioning and a precondition for the implementation of the new wage system. What it amounted to was a complete monetarization of

107 ANR, CC/PCR, Secţia Cancelarie, 32/1947, p. 20. Controlling what factories did with their bank loans remained an issue even after the creation of a specialized bank for investments (Banca de credit pentru investiţii) in 1948; ANR, CC/PCR, Secţia Economică, 45/1949.
108 ANR, CC/PCR, Secţia Economică, 16/1948, pp. 24 – 27.
109 Unlike the cooperatives, the state stores called "Alimentara" would be opened to all, selling both rationed and non-rationed goods. In Bucharest, some of them were inaugurated on November 7 1948 to celebrate the Revolution, see ANR, CC/PCR, Secţia Organizatorică, 30/1948, p. 22.
110 On how this decree was interpreted at the factory level, see AMB, Fond Laromet, 8/1947, pp. 13 – 19.
111 ANR, CC/PCR, Secţia Economică, 40/1952. More on this in chapter 5 below.
112 "Să luptăm pentru îmbunătăţirea cantinelor", *Viaţa Sindicală*, December 14 1947. For Reşiţa see Petru Miclăuş, "Reţinerile din salariu şi problema Casei de Credit. O importantă hotărâre a membrilor sindicatului Metalo-Chimic din Reşiţa", *Luptătorul bănăţean*, No. 1049, March 24 1948.

the workers' everyday life – a process which had to overcome the regime of debts workers had become accustomed to during the immediate postwar years and allow for the recovery of the value of cash money for working-class households. It was only against a monetarized everyday that a more hierarchical, performance-based wage system could be implemented.

Monetarization proceeded at a slow pace. A national "price slash" enacted in October 1948 revealed that workers' wages were still plagued by debts that left many with little money to seize the chance of buying cheaper goods.[113] This was hardly surprising for despite the complaints it provoked on payday, the regime of debts had its clear advantages. Consider the issue of firewood – the main fuel available for household heating. In line with the policy of shifting the costs of provisioning from the factories and the National Bank onto the workers, in early 1949, the Ministry of Finance decided to do away with the "debt system and the monthly installments subtracted through pay lists"[114] from the employees by the management. Instead, it was a newly created state company – Comlemn – that would run the firewood provisioning in the major cities, organizing storage facilities and expecting workers to pay in cash (*din mână*). Factories would then be freed from the duty of supplying their employees with firewood and saved from having to retain parts of their salaries as debt.

This decision triggered mixed feelings among workers.[115] During a meeting convened by CGM in Bucharest in May 1949, the vast majority of workers invited to comment on the decision expressed their desire to stick to the old system of debts. As one foreman employed by Malaxa Works – comrade Abramovici – put it: "In the old days we took firewood on pay lists and [the factory] retained our debts. Nobody really complained and I believe that now we should do the same; this would be good."[116] Other workers did welcome the opportunity to get rid of debts, but feared this would only favor the well paid, those earning enough to be able to first pay off their old debts, in addition to affording firewood. The problem of debts was finally settled a few months later when the government stepped

113 "Price slashing" was a practice imported from the Soviet Union. On a given day and amidst great fanfare, prices for basic commodities would be cut. For the postwar Soviet context see Kirsty Ironside, "The Value of a Ruble: A Social History of Money in Postwar Soviet Russia, 1945–1964" (PhD Dissertation, University of Chicago, 2014), Chapter I. For the popular reactions to the price slashing in various regions of Romania see ANR, DGP, 24/1948.

114 ANR, CC/PCR, Secţia Organizatorică, 74/1949, p. 147.

115 In 1948, for instance, Malaxa Works fired its employees in charge of firewood provisioning, including a group of cart owners employed for the transportation of wood to the employees' homes, all amidst protests; for the cart owners' petition see ANR, MM, 2493/1947, p. 2.

116 ANR, CC/PCR, Secţia Organizatorică, 74/1949, p. 154.

in, abolished all debts and put an interdiction on the customary practice of taking up advances on the wage.[117] Workers' debts, it was argued, obstructed the new wage system because "they messed up the workers' and the functionaries' plans, who could not organize their households, never knowing how much money they could count on."[118] Consequently, debt was recast as yet another "legacy of the capitalist system" rather than of the postwar collective labor contracts.

Once cleared through governmental decree, the regime of debts would be replaced with a monetarized social universe in which "each wage earner would make up her budget in accordance with her salary."[119]To help workers budget their earnings, two mass savings campaigns were launched in early 1949. The first aimed at the creation of workplace based mutual savings associations or "houses" (*case de ajutor reciproc*) which would help the "government better apply the wage system" by "doing away with advances for good" and keeping salaries free of debts.[120] Here, again, UDR Reşiţa's mutualist fund offered a model for these new voluntary savings and loan associations: in principle, workers could make monthly deposits of up to 3% of their wage and, once a given threshold was reached, could expect to receive a loan for emergency cases not exceeding two monthly wages taken together.[121] What was remarkable about this initiative was the fact that a form of mutualism was envisioned as a way of socializing the needs of the employees in the absence of state and factory resources. The second campaign involved deposits with the state's Savings and Consignments Bank known as C.E.C.: "the conscientious wage earner makes her own budget with great care and knows how much to spend on the moment and how much to save in order to later buy firewood, clothing, shoes, furniture and similar items".[122] Such exhortations were

117 The first proposal to abolish debts dated from November 1948, ANR, CC/PCR, Secţia Cancelarie, 53/1948.
118 "Un nou sprijin acordat muncitorilor şi funcţionarilor", *Viaţa Capitalei*, No. 61, July 14 1949; "Noi lămuriri cu privire la anularea datoriilor muncitorilor şi funcţionarilor", *Viaţa Capitalei*, No. 107, September 7 1949.
119 "Aprovizionarea populaţiei muncitoare cu lemne", *Viaţa Capitalei*, No. 38, June 17 1949.
120 ANR, CC/PCR, Secţia Cancelarie, 67/1949, pp. 2 – 4. See also ANR, CC/PCR, Secţia Organizatorică, 81/1949, pp. 7 – 19 for the draft law and its justification.
121 "Casele de ajutor reciproc", *Viaţa Capitalei*, No. 68, August 16 1949. The case of UDR is discussed as a model in *Viaţa Capitalei*, No. 87, August 13 1949 and in ANR, CC/PCR, Secţia Organizatorică, 81/1949, pp. 22 – 23.
122 "Depunerile la CEC, o contribuţie la îmbunătăţirea traiului salariaţilor", *Viaţa Capitalei*, No. 262, March 12 1950. For Reşiţa see "S-au deschis ghişeele C.E.C.", *Flamura Roşie*, No. 29, June 10 1949.

not merely presented as a way of rationalizing household budgeting but also as a means to finance postwar reconstruction, a superior goal for which each socialist citizen should have felt responsible. It is hard to say what results these two campaigns yielded. An initial estimate of C.E.C. deposits in Bucharest for 1949 showed only the better paid railroad workers manifested a clear interest in this opportunity.[123] Yet it is beyond doubt that such campaigns monetarized workers' everyday to a certain, perhaps limited, extent and softened the transition to the new wage system.

Implemented in 1949, the new wage system was a moving bundle of paradoxes: an experiment in inequality designed to revalue skill and reward stability that openly discriminated against the skilled and stable workers. Its early formulation dates from before the monetary stabilization, when top union bosses turned against the collective labor contracts that they themselves helped implement, in the name of hierarchy. In March 1947, it was already explained that the contracts had the perverse effect of de-monetarizing wages to such an extent that only between 20 % and 40 % of workers' earnings came in cash money (*numerar*), the rest being made up of various subsidies.[124] It went without saying that under-monetarized wages could not be subjected to any type of performance-based remuneration schemes such as the payment-by-result system (*muncă în acord*). Subsidized components of the wage apart, there were other details of the collective labor contracts that allegedly hindered the adequate correlation between performance and payment. Here is Vasile Luca explaining the gist of the matter in simple terms:

> The new wage system does away with all the subsidies of the old one. In the old system workers worked the whole year for nothing and come Christmas, the capitalist tricked them with a small bonus, which they gave away according to their liking anyway. After August 23 1944, rather than doing away with this system we stood by it, we accepted children bonuses (*ajutor de copii*), things which simply replaced the wage; things which had nothing to do with performance. Labor productivity plummeted while wages went up. The wage itself was replaced with different commodities (*mărfuri*), which turned workers into profiteers [...] All of these bonuses, advances, loans, all of them kept workers glued to their factories because they had debts.[125]

Luca concluded his speech by making it clear that factories were neither institutions of social insurance (*asigurare socială*) nor of social assistance (*asistenţă so-*

123 ANR, CC/PCR, Secţia Organizatorică, 74/1949, p. 25. By contrast, of the 8601 employees of Malaxa Works only 202 made any deposits.
124 "Poziţia CGM faţa de problema salariilor", *Viaţa Sindicală*, March 2 1947.
125 ANR, CC/PCR, Secţia Cancelarie, 70/1948, p. 79.

cială) and by threatening all managers with jail time if they kept on giving loans to their workers. The new wage system tolerated none of this. It abolished the children bonus – a sort of family allowance paid to those workers with children – and the seniority bonus (*prima de vechime*) as well. The latter – a significant incentive for skilled workers to stay put with one employer for longer periods of time – was simply declared "dead wood weighing heavily on production costs and being in no way connected with higher productivity."[126] Moreover, as party boss Gheorghiu-Dej explained in December 1948, this was a wage system crafted with the help of "Soviet advisors" and designed to assist the transition from a "politics of social assistance" to one of "economics"[127]. It was also "the biggest enemy of laziness" that will contribute to the "disappearance of egalitarianism".[128]

Clearing the wage relation of bonuses and debts, of subsidized goods, of Easter or Christmas gratifications, Gheorghiu-Dej intimated, might raise questions of legitimacy: "we will have against us the backward worker, the enemies within the factories".[129] But these were misplaced fears as the new wage system was implemented without much dissent on the part of either the skilled or the unskilled workers.The absence of any wave of protest over the dismantling of the "social wage" is perhaps not that surprising for the new wage system had its obvious benefits. Even when it discriminated against the more skilled workers by eliminating the seniority bonus, it also compensated them by lifting the skilled to the top of the wage scale.[130] Characteristically, an investigation conducted at Malaxa Works in November 1948 revealed that on paper the number of foremen seemed small but this was only because management decided to classify them as supervisory personnel in order to allow them to earn better than the skilled workers who already gained the highest wages.[131] The situation was similar at UDR Reşiţa, though here management also noted the practice of pushing skilled workers up the wage scale entailed higher wages for the unskilled as well.

126 "Roadele noii salarizări", *Viaţa Capitale*i, No. 31, June 9 1949.
127 ANR, CC/PCR, Secţia Cancelarie, 69/1948, p. 6.
128 ANR, CC/PCR, Secţia Economică, 14/1948, p. 5.
129 ANR, CC/PCR, Secţia Cancelarie, 69/1948, p. 6.
130 Due to lack of space I cannot delve more deeply into the question of the wage scale here. Suffices to say that between late 1947 and early 1950 Romania experimented with various Soviet inspired "mobile" wage scales for industrial workers. The wage scale that became hegemonic across heavy industry for the first half of the 1950s comprised 12 skill categories.
131 ANR, Ministerul Economiei Naţionale, 8/1948, p. 2.

For the workers themselves, jumping from one wage category to another was very similar to the wartime "reevaluations" (*reîncadrări*) discussed in the first chapter. Unlike these earlier "reevaluations", however, the ones undertaken throughout 1949 were remarkably indulgent. In Reşiţa, around 3,000 workers submitted official complaints in early 1949 asking to be pushed up on the wage scale, of which over 1,000 received a positive answer.[132] In the following months another 2,000 complaints were again filed for the same reason, prompting one local party official to explain that engineers are under so much pressure from their workers that they preferred to push whole workteams up the wage ladder irrespective of their members' skill levels.[133] Neither UDR Reşiţa nor Malaxa Works were exceptional cases. On the contrary, across Romanian industry the introduction of the new wage system caused an upsurge of nominal wages. No wonder that by early 1949 communist party bosses were discussing again the issue of "levelling" and the "hidden increases" of wages.[134]

From the point of view of the monetarization of workers' everyday life, the new wage system proved remarkably effective: debts were abolished, subsidized consumption was excised from the wage relation, payments in kind were forbidden and the mutualist savings associations attracted a good deal of workers' savings in the following decade. The postwar social wage was remade in relative tranquility. Equally successful was the imposition of skill hierarchies in factories. In a speech delivered in October 1949, newly appointed Minister of Finance Vasile Luca congratulated his party colleagues for overcoming "the situation in which an unskilled worker with many children had a higher salary than a skilled one with fewer."[135] All of these successes came at the price of rising nominal wages across industry and effected a shift of everyday forms of conflict from questions of provisioning to issues of workers' control, norm determination, the payment of extra hours (*ore suplimentare*), shopfloor indiscipline and the climbing of the wage ladder.

I will explore these bones of contention at the factory level in greater detail in the last chapter. For the moment, I want to conclude by pointing out that the relocation of industrial conflict to the shopfloor was a consequence of the wage system implemented in 1949. It was the wage system itself that redirected the

132 ANR, CC/PCR, Secţia Organizatorică, 28/1949, p. 20.
133 ANR, CC/PCR, Secţia Organizatorică, 70/1949, p. 60. The local trade-union in Reşiţa gave significantly higher figures. According to one report in May 1949 out of 4573 written complaints over 3300 were positively reviewed; ANCS, Sindicatul Muncitorilor Metalurgişti din Reşiţa, 25/1949, p. 277 and 371.
134 ANR, CC/PCR, Secţia Cancelarie, 31/1949, p. 10.
135 ANR, CC/PCR, Secţia Cancelarie, 135/1949, p. 13.

workers away from the type of open protest around subsidized provisioning analyzed in the second chapter to the maddening and shadowy shopfloor struggles over work norms, productivity bonuses or piece-rate schemes, which I will survey in the final chapter of this book. This transformation was part and parcel of the unmaking of the "social wage" which marked a turning point in the history of postwar reconstruction: not only did it test the ability of the state's infrastructural power to reach deep into the texture of the Romanian society, but it also occasioned the emergence of some of the bureaucratic structures that would come to regulate labor relations throughout the 1950s and even after. To put it differently, the nascent socialist state was cast in the mold of monetarization, in the fields as well as in the factories, a manifold process that radically transformed wage systems, consumption arrangements and patters of labor unrest.