



**11.06.1948**

## Nationalization of enterprises

**A**fter the dissolution of the bourgeois political parties – both from the opposition, such as PNL and PNT, and from among those acting as ‘route companions,’ such as PNL Tatarescu –, a new stage in the path of establishing a Stalinist regime was the abolition of capitalist property. This stage began with the adoption on 11 June 1948 by the Great National Assembly (the new ‘popular’ parliament) of Law no. 119 concerning nationalisation of industrial, banking, insurance, mining and transport enterprises.

**T**he application of nationalisation had been previously approved by a plenary of the Central Committee of the Romanian Workers’ Party organised from 10 to 11 June 1948. The report on this issue by Gheorghiu-Dej on behalf of the party’s Political Bureau, but also the Resolution adopted at the end of the plenary revealed that the main envisaged objective was to deal a decisive blow to the capitalist class. Although the political power had been taken over by representatives of the proletariat (the Communist Party, which became the Romanian Workers’ Party, after unifying with the PSD in February 1948), at the economic level the bourgeoisie still held strong positions. Nationalisation aimed to eliminate the possibility that former ‘leading classes’ could come back to power and restored the old regime using the economic means they still had.



**T**he second major objective was economic. By transferring the main production means into state property, the premises for the transition to a planned socialist economy were created; this was to bring prosperity to all working people and not only to some, such as the former owners.

**A**nother argument which was taken into account was related to the international context of the Cold War. Thus, it was mentioned that nationalisation consolidated the country’s economic and political independence, eliminating the possibility that ‘Anglo-American imperialists’ would become involved in Romanian internal affairs.

**F**ollowing the adoption of Law no. 119 on 11 June 1948 no less than 1,050 enterprises from the industrial, banking, insurance, mining, transport and telecommunications fields were nationalised, as well as all underground resources which were not yet state property. Exceptions included enterprises or parts of their capital that were mentioned in provisions of the peace treaty. In fact, those provisions referred to properties which were transferred to the possession of the Soviet Union.

The law also provided for offering compensation to owners, but the numerous restrictions introduced made this provision practically impossible and proved that nationalisation was actually conceived as a confiscation process. In order to eliminate all incidents related to the change of property, groups of workers were organised, led by party members, which were to take over control of enterprises immediately after the adoption of the law in parliament.

On 2 July 1948 the State Commission of Planning was established, a body created following a Soviet mode, which was designed to introduce the planning of the national economy. Following Decree no. 197 on 13 August 1948, private banks and credit institutions were abolished. In November 1948, state control also extended over movie theatres and health units (hospitals). In April 1949 city drugstores were nationalised and, in April 1950, buildings belonging to former industrialists, landowners, bankers, big merchants, buildings belonging to 'home exploiters,' hotels, etc. suffered the same fate. In several cases, nationalisation was achieved by judicial sentences against former owners and confiscation of an entire property. From 1949 to 1950 the attention of the communist authorities moved towards abolishing 'capitalist property' in rural areas, which was achieved through collectivisation.

Translated from Romanian by George Tiugea, Proofread by Dr. Ian Copestake



Carmen Băjenaru, PhD Ana-Maria Cătănuș, Laura Elena Pandelache, Dragoș Mocanu, Costin Vrînceanu, Vasile Moga



#### References:

#### Bibliography:

Cristina Diac, Naționalizare, în România 1945-1989. Enciclopedia regimului comunist. Represiunea. vol.I. A-E, coord. Octavian Roske, Institutul Național pentru Studiul Totalitarismului, București, 2011, pp. 609-613; Rezoluții și hotărâri ale C.C. al Partidului Muncitoresc Român, vol. I: 1948-1950, Ediția a II-a, Editura P.M.R., București, 1952; Ioan Scurtu, Gheorghe Buzatu, Istoria Românilor în secolul XX, 1918-1948, Paideia, București, 1999; Stenogramele ședințelor Biroului Politic al Comitetului Central al Partidului Muncitoresc Român, Vol. I: 1948, Arhivele Naționale ale României, București, 2002.