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Unrequited Love? The Romanian Communist Party and the EEC in the 1960s and 1970s

This chapter examines relations between Romania and the European Common Market between the beginning of the 1960s and the late 1970s. The author has chosen as an analytical framework the gradual reorientation of Romanian foreign policy in the second half of the 1950s, as the Romanian attempt to establish bilateral relations with the European Economic Community is closely intertwined with other relevant moves such as the opening of a privileged commercial channel with the United States and Romania's participation in global financial organizations (World Bank, International Monetary Fund). On the foreign policy of the Romanian communist regime and promoted openness to the West in the 1960s we have not yet synthetic works based on archival materials, nor seem the few monographs recently published on certain topics, such as Romanian-Soviet relations¹ and the Romanian activity within the Council for Mutual Economic Assistance² (CMEA) and the Warsaw Pact,³ to anticipate any substantial scientific debate. Despite the undoubted importance of the issue, it seems to capture a certain reluctance on the part of scholars against a seemingly insoluble paradox: how is it possible that the system generally regarded as the most repressive and sharp-eyed within the Soviet bloc could also be the most active into the creation of economic ties with the Western world?

The approach of the Romanian communist regime to the economic integration taking place in Western Europe, along with other key topics such as the country's early entry into major global financial institutions such as the International Monetary Fund and the World Bank (1972), have so far received even less attention.⁴ Most relevant first-hand sources remain inaccessible espe-

¹ Mihai Retegan, *In the Shadow of the Prague Spring: Romanian Foreign Policy and the Crisis in Czechoslovakia, 1968*, Iași 2000; Dan Cătanuș, *Tot mai departe de Moscova... Politică externă a României 1956-1965*, București 2011; Vasile Buga, *O vară fierbinte în relațiile româno-sovietice. Convorbirile de la Moscova din iulie 1964*, București 2012. See also Elena Dragomir, *Cold War Perceptions. Romania's policy change towards the Soviet Union, 1960-1964*, Helsinki 2014.

² Brîndușa Costache, *Activitatea României în Consiliul de Ajutor Economic Reciproc 1949-1974*, București 2012. It has to be noted that this lengthy monograph contains only 2 pages account of the Romanian approach towards the European integration, only factual statements without any analysis.

³ Dennis Deletant/Mihail E. Ionescu, *Romania and the Warsaw Pact: 1955-1989*, Cold War International History Project Working Paper 43, April 2004. See also Petre Opreș, *România în Organizația Tratatului de la Varsovia (1955-1991)*, București 2008.

⁴ An exception is represented by an interesting but too descriptive work, based on the documentation from the National Bank of Romania. Ion Alexandrescu, *România între Est și Vest. Aderarea la FMI și BIRD*, Târgoviște 2012.

cially with regard to government bodies (Council of Ministers, Ministry of Foreign Affairs, Ministry of Foreign Trade) where technical, less ideological attitudes were held on how to cope with the growing Western influence. This research is based on a limited amount of archival materials from the Romanian National Archives (files of the Central Committee of the Romanian Communist Party RCP, 1948-65 the Romanian Workers' Party). The author has also made use of new secondary literature about Romanian foreign policy towards the USSR, the CMEA, and the most important Western countries. Valuable analyses and press reports were obtained from the Romanian Collection at the Open Society Archives in Budapest.

Romanian Foreign Policy Changes and the Western Connection: A Strategic Reorientation?

From the official inauguration of the »independent course« in 1964, scholars have disagreed about how to understand the foreign policy Romania began to implement, acting as a »maverick ally« of the Soviet Union in search of Western political and economic support. Some authors say that autonomy within the Warsaw Pact was a mere fiction bolstered by official propaganda, and shared in error by different Western analysts. According to others, however, Romania made consistent attempts to establish closer ties to the West, but policymakers and analysts underestimated the Romanian commitment to rapprochement. Among those who questioned the reality of autonomy itself before the opening of the archives, one must mention Vladimir Socor and Trond Gilberg. Socor argued that the very concept of Romanian autonomy was based upon faulty or misleading assumptions. By examining »operational rather than rhetorical terms« in Romania's foreign relations, Socor concluded that the Soviet Union would never have tolerated a genuine form of autonomy within the bloc. Romania had simply given the West the impression of independence, an impression the West was all too eager to have.⁵ Trond Gilbert was also suspicious of accepting autonomy at face value as an automatic benefit to Western Cold War strategists. Nevertheless, according to Gilbert, Romanian autonomy did in fact represent »genuine concern« in Bucharest over national sovereignty. Starting in the 1960s, the Romanian leadership managed to cultivate »a well-conceived set of imagery that appear[ed] to represent more independence than actually exist[ed]«, and also served to maximize the benefits derived from extra-bloc relations.⁶ A different view emerges from Aurel Braun's work. He contends that Romania's image of autonomy corresponded to some reality and was not a carefully doctored image. Bucharest understood that the Soviet Union did not intervene randomly, and it, therefore, took calculated steps to

⁵ Vladimir Socor, *The Limits of National Independence in the Soviet Bloc: Romania's Foreign Policy Reconsidered*, in: *Orbis* 20:3, 1976, 728.

⁶ Trond Gilberg, *Nationalism and Communism in Romania: The Rise and Fall of Ceau escu's Personal Dictatorship*, Boulder, CO 1990, 209.

maximize its autonomy within a clearly understood framework of intra-bloc relations. The Romanians took subtle and calculated steps to avoid irritating the Soviets whenever expressing a dissenting view.⁷

Post-1990 literature had the same dilemma. Vladimir Tismăneanu has pointed out that widening Romania's maneuvering space was a component of Nicolae Ceaușescu's strategy to gain legitimacy for himself and for the Romanian communist movement. Autonomy within the bloc and pseudo-liberalization at home were tools for accumulating the power and consent necessary to carry out an unpopular program and institute autocratic rule. Denunciation of the 1968 Czechoslovak invasion gave Ceaușescu unlimited credit with a population convinced that Romania would follow the line of liberalization and rapprochement with the West, but this represented little more than a spectacle to impress Western governments and gain their support.⁸ Dennis Deletant offers a more nuanced approach; according to him, Romanian communists genuinely wanted to pursue their socialist vision independent from Moscow. Gheorghe Gheorghiu-Dej pioneered the course towards autonomy well before Ceaușescu's seizure of power as he sought to extract Romania from the Soviet-controlled economic system. The confusion and uncertainty surrounding Khrushchev's removal from power in late 1964 permitted a redefinition of relations among socialist states, and Ceaușescu only inherited a regime already gaining legitimacy on account of Dej's national communism.⁹ Elena Dragomir argues in her recently defended PhD dissertation that Romanian leaders responded to the perceived Soviet threats by conceptualizing the change in Romania's policy towards the USSR not in terms of breaking off the alliance but in terms of finding practical ways (tactics) to block specific (perceived) less-than-ultimate Soviet threats without provoking a confrontation with the USSR.¹⁰

Sufficient evidence is now available to say that the desire for independence, if not the reality of Pavel Câmpeanu's »authentic independence,« was indeed a foundational element of Romanian foreign policy. Interpretations rejecting the Romanian authorities' desire for autonomy from Moscow cannot survive the evidence contained in official documents available since 1989. As Romanian scholars pointed out, the arguments rejecting the reality of Romania's autonomy also overlooked the country's obvious abstention from the bloc-wide military and economic structures¹¹ We now know that resisting Moscow's will in the international arena was a common theme in Executive Committee deliberations from the 1960s onward. Moreover, substantial evidence suggests that Romania was genuinely, and reasonably, concerned about Soviet espionage and infiltration into Romanian internal affairs, including its influ-

⁷ Aurel Braun, *Romanian Foreign Policy Since 1965: The Political and Military Limits of Autonomy*, New York 1978, 21-23.

⁸ Vladimir Tismăneanu, *Stalinism for All Seasons. A Political History of Romanian Communism*, Berkeley, CA, 2003.

⁹ Dennis Deletant, *Romania under Communist Rule*, Iași-Portland, OR 1999, 100-102.

¹⁰ Dragomir, *Cold War Perceptions*, 3.

¹¹ See Retegan, *In the Shadow of the Prague Spring*, 104-107.

ence on members of the party-state leadership.¹² Rejections of Romanian autonomy appear to have been informed by the particular brand of ideological anticommunism of their advocates.

Portraying communism as a unified, conspiratorial phenomenon served the goal of those who were more eager to face down an ideology than a particular set of states. Re-evaluations of autonomy grew from this conception of European communism. Committed anti-Communist analysts seem to have viewed debunking the autonomy thesis as a means of isolating Ceaușescu, but their aim of weakening international support for the Romanian dictatorship by disproving the autonomy thesis, however admirable and legitimate their struggle against the Ceaușescu regime might be, led in this case to analytically unconvincing conclusions. As a young scholar has pointed out, foreign policy autonomy not only coexisted with an atrocious regime; in Romania's case, one reinforced the other.¹³ This is the analytical context in which to place the efforts that Romania made in the 1970s to strengthen its economic ties with European Economic Community's countries.

Early Debates on the Common Market between Ideology and Pragmatism

Historians who have dealt with the foreign policy of Romania during the communist era agree that until the mid-1950s the country was noted for a total subordination to Soviet policy. In the area of economics, the Romanian-Soviet joint ventures (Sovroms) created since 1945 ran for a decade, furthering industrial production and foreign trade. These companies were mainly designed as a means to ensure resources for the Soviet side, and generally contributed to draining Romania's resources in addition to the war reparations demanded by the armistice convention of 1944 and the Paris Peace Treaties.¹⁴ According to Florian Banu, who has extensively researched the gradual change in economic policy throughout the 1950s, after Stalin's death, the leadership of the Romanian Workers Party came to the conclusion that the struggle for succession that paralyzed the summit of Soviet power offered their country a previously unthinkable space for maneuver; however, their argument was not founded on the desire to reform the political system. Gheorghiu-Dej's goal inspiring moves until the mid-fifties – above all, the dismantlement of the Sovroms in 1954-56 – were rather the same motives that had led Marshal Ion

¹² Evidence of this in Larry L. Watts, *With Friends Like These: The Soviet Bloc's Clandestine War Against Romania I*, Bucharest 2010; idem, *Extorting Peace: Romania and the End of the Cold War*, Bucharest 2013. Watts can be rightly considered a controversial and biased source because of his close relationship with the Romanian security services, but his sometimes brilliant geopolitical analysis deserves more attention than the one shown so far.

¹³ Ashby Crowder, *Legacies of 1968: Autonomy and repression in Ceaușescu's Romania 1965-1989*, Ohio University 2007.

¹⁴ Adrian Cioroianu, *Pe umerii lui Marx. O introducere în istoria comunismului românesc*, București 2005, 68-73.

Antonescu to trade a thin margin of autonomy with Nazi Germany in return for becoming the key ally of the Reich in the Balkans ten years earlier. Beyond any ideological differences, far-right and communist foreign policy thinking in Romania at that time shared a conception based on the attempt to preserve or regain economic maneuvering space as a necessary premise of larger political independence.¹⁵

As scholars note, the country's development in the 1950s suffered from double handicaps, first, because it was a traditionally backward economy, based on subsistence agriculture, and second, because it had a near-total commercial dependence on the Soviet Union. In 1952, 52 percent of Romanian commerce was conducted with the USSR, while 90 percent of the export went to socialist countries, the highest share in the whole Soviet bloc. Ten years after, it fell to 70 percent, while the share from Western Europe rose to over 20 percent, and continued into its dynamic growth period during the 1960s.¹⁶ Trade openness to the West, however, was not accompanied by domestic policy reform as was the case in other neighboring countries. Although the launch of a foreign policy relatively independent from Moscow can be linked to the withdrawal of Soviet troops in 1958, Soviet consent to leave the country was made possible by the demonstration of loyalty given by the Romanian regime during the 1956 Hungarian crisis. Bucharest proved its reliability as an ally preventing a spillover effect and learned the Hungarian »lesson« by tightening ideological control and carrying out mass repression against potential opponents.¹⁷

The first diplomatic overtures to the West in the early 1960s, when tens of thousands of political prisoners were still languishing in prisons and special labor camps, can be considered to be an anticipation of the dual track policy later pursued with equal success by the Ceaușescu regime. The conflict between Bucharest and Moscow originated not from ideological disputes but rather from the Soviet plan of economic integration and the division of labor within the socialist bloc. According to the projects developed within the CMEA, Romania and Bulgaria would have been relegated to the role of farmers, an idea unacceptable to the leadership of Romania, who conceived of communism in terms of social and national revolution. In this context, the economic boom going on in the Western half of the continent and the progressive institutionalization of economic cooperation within the Common Market posed a new interpretative challenge: what attitude to take toward economic integration?

¹⁵ Florian Banu, *Asalt asupra economiei Romanici de la Solagra la SOVROM (1936-1956)*, Bucuresti 2004, 179.

¹⁶ Costache, *Activitatea României*, 140.

¹⁷ Among the numerous writings on the impact of the 1956 Hungarian revolt in Romania, Zoltán Szász, *Romania and the 1956 Hungarian revolution*, in: L. Congdon/B. K. Király/K. Nagy (eds.), *1956: The Hungarian revolution and War for Independence*, Boulder, CO 2006, 128-148; Dragoș Petrescu, *Fifty-Six as an identity shaping experience: The case of the Romanian communists*, in: J. M. Rainer/K. Somlai (eds.), *The 1956 revolution and the Soviet Bloc countries: Reaction and Repercussions*, Budapest 2007, 48-68; Johanna Granville, *True Grit: Gheorghiu-Dej and Romanian Exceptionalism in 1956*, in: *Canadian Journal of History* 46:3, winter 2011, 585-618; Stefano Bottoni, *De la répression politique à la purge ethnique? L'impact de la révolution de 1956 sur le modèle communiste roumain*, in: *Communisme* 88, 2006-2007, 135-157.

Might it mean a limitation of sovereignty of the single states, as many feared in Bucharest? If the CMEA and the Common Market followed the same logic, the imposition of supranational standards and rules, they could both represent a risk to the new Romanian foreign policy. In 1962, Romanian-Soviet differences on the mechanisms of coordination in the CMEA emerged at official meetings and began to erode bilateral relations, arousing worldwide sympathy for Romania's courage in resisting pressure from Moscow.¹⁸ There is wide agreement that the integration promoted by the CMEA did not take into account the specific conditions of the Romanian economy, and the Romanian refusal of it was motivated at that time not so much by narrow-minded nationalism but by economic considerations.¹⁹

In 1963, Romanian-Soviet relations deteriorated to a previously unattained level of conflict. Soviet concerns about the loyalty of Romania to the socialist camp were reinforced by a series of unorthodox moves undertaken by Bucharest during that year: the opening of a commercial office in West Germany, which was set to become the largest trading partner of Romania in the West,²⁰ a vote for the first time against a Soviet resolution in the UN General Assembly, and most especially the clean-up of sensitive branches of the state apparatus for all Soviet advisors as well as for officers whose loyalty was suspect. The turning point also implied a reorientation in security matters: In Romanian-Soviet military and intelligence collaboration, the »break« was now made permanent since, beginning in 1963, there were no longer any liaison officers between the two security services, and the exchanges of intelligence on military and foreign policy through official Romanian embassy channels were »only sporadic« and »minor.«²¹ Nevertheless, the Romanian approach to European economic integration evolved only slowly from ideological rejection to a more flexible stance. Minutes of internal discussions regarding this during the first half of the 1960s are particularly illuminating. On February 26-27, 1963, a two-day session of the Romanian Workers' Party Political Bureau (PB) took place, in which participants engaged for the first time in an open debate on the development of tighter relations with the West, on interdependence and sovereignty, and on the possible consequences, from a Marxist-Leninist theoretical point of view, of a reorientation from the CMEA to the Common Market. Both Gheorghiu-Dej and Ceaușescu found the admiration most Soviet leaders

¹⁸ A detailed account based on new Romanian sources in Cătănuș, *Tot mai departe de Moscova...*, 270-292.

¹⁹ Costache, *Activitatea României*, 209. For a more general assessment of Romanian economic performance during the 1960s and 1970s compared with Eastern and Western European countries, see Bogdan Murgescu, *România și Europa. Acumularea decalajelor economice (1500-2010)*, Iași 2010, 325-407.

²⁰ Four years later, Romania became the first Eastern European country to establish diplomatic relations with the FRG. See *România-Republica Federală Germania I, Inceputul relațiilor diplomatice 1966-1967*, București 2009.

²¹ A detailed account is available in Larry L. Watts, *Divided Loyalties Within the Bloc: Romanian Objection to Soviet Informal Controls, 1963-1964* <http://www.wilsoncenter.org/publication/divided-loyalties-within-the-bloc-romanian-objection-to-soviet-informal-controls-1963>. On the military, see Opreș, *România în organizația Tratatului de la Varsovia*, 106-146.

expressed for the achievements of the Common Market in private talks ideologically disturbing. Equally disturbing was the conciliatory stance towards the Common Market taken by the Soviet press. According to several articles that appeared in 1962, the »internationalization of the productive forces taking place in the capitalist world« should be regarded as a factor of progress. Mihai Dalea, a former ambassador to Moscow and president of the Higher Agricultural Council remarked on the ambiguous stance of the Italian communists, who did not appear to support the efforts of the socialist countries to counter the Common Market.²² The ethnic Bulgarian Petre Borilă, who was known for his admittedly pro-Soviet stance, focused his criticism on the internal contradictions of Western economic integration and drew attention to the grim status of the »internal peripheries« of the capitalist world: »We have repeatedly experienced admiration for the Common Market as a positive example, but the member countries of this bloc do not participate in it with equal rights. They do not allow backward capitalist countries such as Greece and Turkey to join it. The latter have only been accepted as associate members, and are subordinated from every point of view.«²³ Shortly before, Nicolae Ceaușescu had expressed a similar view, claiming that »This enthusiasm for the Common Market is so far from Marxism, and we should not adhere to this wrong conception.«²⁴ He himself had to admit, however, that Romania had to »find a way to cooperate with the capitalist countries,« even if the target of interest should have primarily been »those backward capitalist countries that have started economic development.«²⁵

A few weeks later, a Soviet delegation led by Yuri Andropov in charge of preparing Nikita Khrushchev's trip in June,²⁶ held a tough discussion with Romanian party leaders on the issue of economic integration. On April 3, 1963, Gheorghiu-Dej explained to PB members the ongoing conflict with some interesting references to the Common Market: »The Common Market is an instrument of discrimination among countries. Why are not all capitalist countries member states of it? In our socialist camp as well, only a few countries are members of the CMEA, so what camp, what worldwide socialist system are we?« Then, he summarized: »After we expended so much effort nationalizing production tools, we are now asked to go back to their internationalization, all this instead of proceeding with a cooperation based on mutual goodwill and advantage.«²⁷ Shortly after, he returned to the subject, stating the terms of comparison between the two international organizations: »Speaking frankly among comrades, the integration between capitalist countries will produce winners and losers. The most advanced countries do not want other less advanced ones to join the Common Market. What do you think, that our case

²² Mihai Retegan (ed.), *Război politic în blocul comunist. Relații româno-sovietice în anii saizeci*. București 2002, 116.

²³ *Ibid.*, 136.

²⁴ *Ibid.*, 117.

²⁵ *Ibid.*, 121.

²⁶ See Cătănuș, *Tot mai departe...*, 288-298.

²⁷ *Ibid.*, 225.

will be different? It is clear that if we start to industrialize our country, we will reduce their (reference to Czechoslovakia – SB) market share.«²⁸

It seems, however, that the Romanian leadership overestimated the Soviet appreciation for the Common Market's achievements. In fact, as Romanian scholar Brîndușa Costache has pointed out on the basis of archival documentation concerning the Romanian position towards the CMEA, early multilateral analysis of East-West trade development carried out in CMEA working committees between 1962 and 1965 shows the growing Soviet (and Polish) concern about the lack of political coordination against the uncontrolled expansion of East-West trade.²⁹ Even if the economic integration promoted by the Common Market might have served as »best practice« for the Eastern Bloc, concern about »ideological subversion,« determined by the filter of Western intellectual currents, prevailed, and determined the Soviet refusal to recognize the European Economic Community until the second half of the 1980s.

While trying to pursue a relatively independent foreign policy, Romania found itself in a tricky situation with regard to the Common Market. The diversification of its system of relations was a priority for the Bucharest regime. At the same time, even more than other Soviet satellites, its leadership regarded the prospective of a Common Market as a threat to national sovereignty. The 1964 diplomatic offensive, which brought high-ranking Romanian officials on visits to almost all major Western European capitals, culminated in Paris at the end of July, when the Romanian leadership was promised assistance from France in case of complete isolation from the Soviet bloc.³⁰ Nevertheless, according to Romanian sources, the most favorable diplomatic echo of the new course was received in London. The Romanian opposition to the CMEA's integration plans was then equated by both Conservative and Labour party members to British reluctance towards the Common Market.³¹ The permanent contradiction between opening to the West and strengthening national sovereignty also emerges from an analysis of the diplomatic offensive Gheorgiu-Dej and his successor Ceaușescu launched towards the West. In their introductory remarks to the documentary volume on Romanian-Soviet relations following Gheorghiu-Dej's death in March 1965, Ioan Chiper and Mioara Anton convincingly argue that during the numerous bilateral meetings held in 1965 and 1966, Ceaușescu and Romanian party leaders maintained a conciliatory attitude towards Soviet attempts to restart the dialogue that was interrupted after the »Declaration of Independence« issued in April 1964.³²

The Soviet and Romanian delegations in these talks examined the state of bilateral relations as well as Romania's future role in the socialist camp. The USSR received a much desired reassurance from the Romanian decision not to leave the Warsaw Pact and the CMEA. Interestingly, the issue of commercial

²⁸ Ibid., 230.

²⁹ Costache, *Activitatea României*, 154-155.

³⁰ Mioara Anton/Ioan Chiper, *Instaurarea regimului Ceaușescu. Continuitatea și ruptură în relațiile româno-sovietice*, București 2003, 15.

³¹ Costache, *Activitatea României*, 355.

³² Anton/Chiper, *Instaurarea*, 17.

ties with the West was never touched upon during the talks, while the Romanians responded to the Soviet request to more actively take part in the CMEA's activity with the idea of setting up a joint bilateral governmental commission to examine joint development projects.

Romania's Membership in Global Financial Institutions and the Issue of Trade Preferences with the EEC

In the 1960s, Romania began to attain a special position among the Eastern European countries in the eyes of Western diplomats as the first socialist state after the USSR to establish diplomatic relations with West Germany (1967) and the only one to preserve diplomatic ties with Israel after the Six Days War. Western leaders paid high-profile visits to Bucharest, while Ceaușescu stirred a wave of sympathy and admiration among the Western public with his refusal to join the Soviet intervention in Czechoslovakia. Moreover, in 1971, Romania joined the General Agreement on Tariffs and Trade (GATT) and, in the following year (December 1972), the International Monetary Fund and the World Bank. Although Romania had been the first country from the Soviet bloc to join the international trade and financial system, scholars have paid little attention thus far to the negotiations which made this remarkable success possible. Since the major part of the Romanian archival documentation concerning these achievements is still unavailable, one has to rely mostly on secondary sources as well as some recent studies on the East-West relationship, which make use of firsthand accounts from East-German, Hungarian and EEC sources.³³ Radio Free Europe's special reports and analyses are also an excellent source for understanding Western perceptions of Romanian efforts.³⁴

In the following subchapter, I will trace the evolution of the Romanian stance towards Western financial institutions and the EEC from 1968 to the mid-1970s. As Angela Romano has shown, sustainable economic growth in the second half of the 1960s had become a *conditio sine qua non* for political stability in Eastern Europe. The capacity to provide a good standard of living was the key to government legitimacy, and the Soviet crackdown on the 1968 Prague Spring had wiped out the option of political reform. Most Eastern European countries had an urgent need to gain better access to the EEC market, and so became more inclined to recognize the Community. Prejudicial opposition to this supranational »entity« was no longer tenable, and the Soviet stance stirred growing tensions among the bloc's countries. Exporters of foodstuffs and manufactured goods, including Romania, were suffering export limitations because of EEC protectionist measures within the framework of the Common Agricultural Policy, and in the early 1970s, they could only

³³ Suvi Kansikas, *Trade Blocs and the Cold War. The CMEA and the EC Challenge, 1969-1976*, , PhD Dissertation, University of Helsinki 2012.

³⁴ OSA 300-60-1 (Budapest, Open Society Archives, Records of Radio Free Europe/Radio Liberty Research Institute, Romanian Unit, Subject Files, 1946-1992), box 575, file 3305 Trade/Foreign trade: EEC.

envisage a further erosion of their exports stemming from three new members, including formerly reluctant Great Britain, joining the Common Market.³⁵ According to Suvi Kansikas, the decade of East-West détente also marked a changing Soviet perception of European integration from refusal to informal acknowledgment. Behind the scenes of ideological discourse on imperialism and dependence, the Soviet view was that the EEC had come to stay, although it would continue to be plagued by internal difficulties and disagreements. Around 1970, the Soviet leadership had started to contemplate the question of having informal contacts with the Community as an entity but showed concern about Western economic and cultural penetration, and thus favored bloc action.³⁶

Romania, on the contrary, consistently pushed for individual action. The first sign of this could be observed in March 1965, immediately preceding the death of Gheorghiu-Dej. According to a Radio Free Europe (RFE) special report from Brussels, following the Belgian foreign trade minister's trip to Bucharest in mid-February, Romanian officials sent unobtrusive signs of interest in establishing relations with the EEC: »Romanian contacts with the EEC have, thus far, been on a level which could almost be called clandestine. They have largely consisted of corridor conversations in the UN Economic Commission for Europe in Geneva, restaurant chats in the Maison de l'Europe in Strasbourg, and off-the-record informative meetings in Brussels.«³⁷ The report described the Romanian interest as logical, because Romania had made considerable progress and moved up to a close third place after the USSR and Poland in her position as an Eastern trading partner of the EEC. According to RFE, Commission circles also believed that Yugoslavia's forthcoming talks with the Commission could act as a spur to Romania to make a move in the same direction.³⁸

Three years later, Prime Minister Ion Gheorghe Maurer, who along with Foreign Minister Corneliu Mănescu had been the chief architect of the »open door« policy, broke the confidentiality surrounding Romania's position. In April 1968, during the final press conference on his visit to Sweden when asked about the EEC, he declared: »In principle, Romania does not deny contact with an entity reality as long as this entity has a value within the framework of the elements of life, which characterize the present situation.« Then he reminded his audience that »Romania has preferred to develop relations with the countries which are members of the Common Market,« and ended his answer with an enigmatic »We will see.«³⁹

Something had to be in the air because, a few weeks earlier, the economic magazine *Probleme Economice* had published a detailed analysis about the

³⁵ Angela Romano, Untying Cold War knots: The EEC and Eastern Europe in the long 1970s, in: *Cold War History* 14:2, 2014, 153–174.

³⁶ Kansikas, *Trade Blocs and the Cold War*, 48–54.

³⁷ OSA 300-60-1, box 575, RFE Special, Brussels, March 17, 1965, »Rumania's Interests«.

³⁸ In 1970, Yugoslavia signed a commercial agreement with the European Economic Community.

³⁹ OSA 300-60-1, box 575, Rumanian Research and Analysis, May 9 1968, Updating of paper »The Communists and the Common Market«.

forthcoming customs union of July 1, 1968, pointing out that bilateral commerce between Romania and the six member countries of the Common Market was dynamically growing, but the import-export balance was increasingly deficitary with the Common Market. The article warned that »Romanian products« may eventually be subjected to even more serious restrictions in the future« because joint customs tariffs towards these countries were being finalized.⁴⁰ The growing import of industrial products and consumer goods from the West posed serious problems for the country's trade balance. In 1970, 40 percent of imports but only 31 percent of exports took place with the developed capitalist countries.⁴¹

According to the author of a monograph on Romanian membership in international financial organizations, since 1964 Romania had found an ally in Tito's Yugoslavia, an associate member of the CMEA and also a full member of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD). During the second half of the 1960s, the two countries practiced a regular exchange of information on financial matters, which proved a useful channel for Bucharest to better understand the mechanism of international financial cooperation.⁴² The process of membership in the IMF and the World Bank in 1971-72 provided a leap of quality in a multilateral foreign policy that had been pursued by Ceaușescu after his appointment as general secretary of the RCP and served as a training session in advance of much more complicated talks with representatives of the Common Market. First preliminary contacts with the president of the IBRD can be dated to July 1968 when L. A. Whittome, director of the IMF European Department, and Robert McNamara, the IBRD's president, paid a first visit to Bucharest.⁴³ Romania had been preceded by Poland, Hungary, and even Czechoslovakia, which established unofficial communications with the IMF as early as 1966-67,⁴⁴ but the political and military crisis following the Prague Spring triggered a Soviet veto on socialist countries approaching the West. In October 1970, the CMEA Executive Committee once again discussed the Comprehensive Program draft, an ambitious regional economic integration plan that had been launched one year before. Romania refused to sign the common declaration, which would have committed it to refusing EEC diplomatic recognition. As its representative argued, Romania did not aim to recognize the EEC without consulting its CMEA partners; however, he argued that it could not be ruled out that such a move could occur in the future.⁴⁵

It is still unclear whether Romania had already taken the strategic decision to begin talks with the IMF and the EEC on its own, but shortly thereafter, in February 1971, the Governor of the Romanian Central Bank (RCB), Vasile

⁴⁰ Probleme Economice, March 1, 1968.

⁴¹ Iordache, *Activitatea României*, 162.

⁴² Alexandrescu, *România între Est și Vest*, 17.

⁴³ *Ibid.*, 39.

⁴⁴ On the failed Hungarian attempt, see Attila Mong, *Kádár hitele. A magyar adósságtörténete 1956-1990*, Budapest 2012, 97-124.

⁴⁵ Kansikas, *Trade Blocs and the Cold War*, 86.

Malinschi, informed the government that the RCB was to start pre-accession talks with the IMF and the World Bank since data collected by Romanian diplomats from financial circles indicated a favorable view of the country's application for joining these institutions. The CMEA countries were only informed about the ongoing diplomatic efforts at the 58th Session of the Executive Committee meeting convened in Moscow in May 1972. According to Bucharest, the socialist countries should be considered part of the world economy, and they cannot pursue their long-term economic goals if they do not take part in the international monetary system.⁴⁶ In the following weeks, Romanian diplomacy moved forward after the Romanian embassy in Washington was requested on May 29, 1972, to contact »as early as possible« IMF General Director Pierre-Paul Schweitzer and IBRD President McNamara, and in the summer, the first draft of an agreement was issued.⁴⁷ Files from the Central Bank testify to the fact that Romania was able to stand up to Soviet pressure. It can be said that the skillful financial diplomacy of the years 1971-72 represented along with the most-favored-nation status granted by the United States in 1975, the highest point and – at least temporarily – the most beneficial outcome of the strategy of autonomy. The special status achieved by Romania in the 1970s stands in contrast to Hungary, which was about to start negotiations with the IMF for the second time after 1967, but renounced its application due to the harsh opposition from Moscow, exacerbated by the unilateral Romanian move.⁴⁸

Moscow had no choice but to chew the bitter pill of a decision that it did not agree with but against which it did not have any political or military countermeasures. The USSR was officially informed about the imminent Romanian membership in the IMF and the World Bank on August 31, 1972, when the Soviet Ambassador Drozdenko had a talk with Ceaușescu and immediately informed the Kremlin. The following day, the task of explaining the Soviet position to the Romanian ambassador in Moscow fell to the Secretary of the CPSU CC Konstantin Katushev: The USSR's approach towards the IMF was »more circumspect if not even more than that.« At the same time, Katushev took the opportunity to ask his partner »on a personal level« about the economic benefits that Romania expected from IMF membership, a telling admission of the difficulty of engaging in a global competition with the West.⁴⁹ Romania joined the IMF on December 15, 1972, becoming the first CMEA country to benefit from generously granted cheap loans throughout the following decade (2.2 billion dollars devoted to development projects until 1982).⁵⁰

⁴⁶ Alexandrescu, *România între Est și Vest*, 40.

⁴⁷ *Ibid.*, 41-44.

⁴⁸ Mong, *Kádár hitele*, 140. During a dramatic meeting of the HSWP PB on December 4, 1972, Kádár persuaded reluctant members not to seek confrontation with the Soviets at a difficult time, and called the Romanians who took their own path from other satellites »scabs,« while the other satellites had to suffer Soviet reproaches.

⁴⁹ Alexandrescu, *România între Est și Vest*, 54.

⁵⁰ *Ibid.*, 20.

Approaching the EEC was an even more ambitious goal in terms of political effort since it implied unanimous support of the nine members and candidate states.⁵¹ On January 31, 1972, the Romanian government sent a formal letter addressed to Luxembourg's foreign minister, Gaston Thorn, who was then acting as president of the Council of the European Community and according to Radio Free Europe had already been informed about the Romanian move upon his visit to Bucharest in November 1971.⁵² This time, the Romanian position denoted a pragmatic understanding of how the world had changed in the last decade. Senior Romanian economist Emilian Dobrescu, at that time First Vice President of the State Planning Committee, issued a memorandum some weeks later that helps explain the Romanian position. After outlining a short history of Romanian-EEC relations, Dobrescu warned that »It would be in the interests of all CMEA member-states to start common action to achieve the elimination or at least the reduction of the restrictive measures which have been taken by the capitalist countries, especially by the Common Market. These efforts could be done within the framework of the CMEA, without denying every country the opportunity to take the initiative.«⁵³ He noted that due to Romanian opposition the CMEA Executive Committee did not include any reference to interdiction of diplomatic contacts with the EEC at the end of its 23rd (special) meeting. The lack of any ideological reference in the few Romanian position papers available contrasts sharply with the views expressed by Hungary, another country seriously interested in strengthening its ties to the EEC. In November 1971, János Nyerges, Head of the Custom Policy and International Department in the Foreign Trade Ministry, issued a top secret memorandum based on two key statements: Hungary had to establish relationships with the EEC, both to prevent further economic losses due to the protectionist policy started by the Community, and to »stimulate conflict between the US and the EEC,« whose conflicting economic and political interests could be exploited by the socialist camp.⁵⁴

Bucharest requested beneficiary status in the EEC's Generalized Preferences Scheme, the most favorable treatment the Community offered to developing countries and which affected certain processed agricultural products as well as manufactured and semi-finished goods (a step known as aid-through-trade). It is difficult to assess how unexpectedly this Romanian request to the Soviet bloc countries came. At the meeting of the Warsaw Treaty Organization's Political Consultative Committee held in Prague only a few days before the formal request was sent, Ceaușescu did not mention it, although he warned his allies that Romania was ready to start separate talks »taking into account the fact that the economic interests of the individual socialist countries with

⁵¹ On January 22, 1972, the four applicant countries, Denmark, Ireland, Norway and the United Kingdom signed their Treaties of Accession to the European Communities.

⁵² OSA 300-60-1, box 575, without date, RFE Report: »Romania and the Common Market«.

⁵³ București, Arhivele Naționale ale României (ANR), Fond CC PCR, Secția Relații Externe, dosar 182/1972, f. 17.

⁵⁴ Budapest, Magyar Nemzeti Levéltár, Országos Levéltár, XIX-G-3-p, 19. doboz. Budapest, November 5, 1971, A Közös Piac és a KGST közötti kapcsolatok kérdése.

respect to the West are divergent.«⁵⁵ Asked by the RFE Benelux correspondent about the possible reaction to the Romanian move, Thorn stressed that it was the first time that a communist country has written to the president of the EEC Council, and added: »Romania should not receive a negative answer but a *Oui mais*.«⁵⁶

According to Suvi Kansikas, the Romanian request caused deep concern and even alarm in Moscow. On the one hand, the Soviets feared that such a move could pave the way for other member states to establish direct contact with the EEC.⁵⁷ On the other hand, this diplomatic step created considerable attention in the Western press, and was granted some strategic importance at the military level as well. A confidential memo produced on March 31, 1972, by Philippe De Burlet, Staff Officer of the Political Affairs Division of NATO, put into evidence that the Romanian request for trade preferences represented a step forward, the *de facto* recognition of the EEC as envisaged by Article 113 in the Rome Treaty. The Romanian démarche had to be considered »of some political importance.« In addition, the Romanian claim that the country's economic structure put it at the same level of the 77 mostly non-European developing countries belied the triumphalist rhetoric of fast-speed industrialization. Romania had developed a reasonably diversified industry over the last 15 to 20 years, and was now seeking alternative markets. Finally, De Burlet tried to analyze the implications of the Romanian move and formulated two hypotheses: first, that it had been a somewhat coordinated and agreed move («Romania's démarche could be a step towards Comecon's recognition of the EEC and a convenient means of raising the question of special treatment for East/West trade«); or second and more likely, that this move »did not have the full approval of the USSR and other Comecon states.« If the EEC is to be recognized by the Warsaw Pact countries, »Moscow might well prefer if an agreement were reached between Comecon and the EEC, and the dialogue should be started by a more reliable ally than Romania.«⁵⁸

Still, the most difficult task was still to come. During the following months the EEC dealt several times with the Romanian request without reaching consensus over the answer that should be given, while the Romanian press kept the country's effort absolutely secret. The first »informal and unofficial technical contacts« with the Romanian authorities were taken by Wolfgang Ernst, Director for External Trade in the European Commission's Directorate General, in May 1972. Ernst told the RFE correspondent in Brussels that intensive talks were expected between Romania and the EEC, but few details could be released »because of the sensitive nature of Romania-EEC contacts.« In any case, it was unlikely that Romania would be granted preferential treatment

⁵⁵ Kansikas, *Trade Blocs and the Cold War*, 113-114.

⁵⁶ OSA 300-60-1, box 575, February 17, 1972, Special Report, »Rumania asks EEC for generalised preferences«.

⁵⁷ Kansikas, *Trade Blocs and the Cold War*, 215.

⁵⁸ NATO Archives, Brussels, File AC_127-D_397, March 31, 1972, Economic Committee, Rumania and the European Community, Note by the Secretary. I want to thank János Fodor for generously sharing this document.

since Romania had a per capita income notably higher than that of most developing countries.⁵⁹ Luxembourg's foreign minister Thorn, to whom Bucharest had addressed its request for preferential trade tariffs, stated in an interview on July 27 that everybody in the community agreed that »something special should be done for Romania,« but most EEC countries were opposed to granting it the status of a developing country.⁶⁰

As Angela Romano has pointed out, the Romanian request coincided with a momentous phase of European integration, and this might explain the slow pace of negotiations. By the summer of 1972, the EC was one step closer to finalizing its ambitious plans to deepen and enlarge the Community by accepting four new member states – the United Kingdom, Ireland, Denmark, and Norway. Even more importantly from our point of view, the EEC was preparing to define its policy vis-à-vis the socialist countries.⁶¹ In this context, negotiations with Romania could be considered a diplomatic experiment to possibly be replicated with other applicants. The Romanian leadership was fully aware that the October 1972 EEC summit in Paris, where the EC was to announce its first enlargement, represented a unique opportunity. Immediately after the end of the meeting, Ceaușescu paid an official visit to Brussels and Luxembourg from October 24-28, 1972, during which he tried to gain the support of these two countries for the Romanian cause. Before leaving he gave an interview to three Belgian national newspapers (*Le Soir*, *La Libre Belgique*, *De Standaard*), in which he reiterated Romania's wish for economic integration with the West and his commitment to the liquidation of the two military blocs in Europe and military bases on foreign territory.⁶² On October 24, Ceau escu gave an exclusive interview to the French newspaper *Le Figaro*, in which he repeated his view that a closer cooperation should not be established between »blocs,« such as the EEC and CMEA, but between sovereign European states belonging to one or the other group.⁶³ According to an RFE analysis paper, however, a more convincing argument would be represented by Chinese diplomatic recognition of the FRG, which was likely to be followed by accreditation at EEC headquarters in Brussels. The 800 million-strong Chinese market might prove tempting for the Western European countries, despite all political resistance towards opening to the East.⁶⁴

Romanian diplomatic efforts suffered a severe setback at the beginning of November, when RFE reported from Brussels that Common Market foreign

⁵⁹ OSA 300-60-1, box 575, July 26, 1972, Brussels, RFE Special Report, »EEC-Rumania have discussed future trade ties«.

⁶⁰ OSA 300-60-1, box 575, without date, RFE Report, »Romania and the Common Market«.

⁶¹ Angela Romano, *The EPC Main Task: Fostering Détente in Europe*, in: Poul Villaume/Odd Arne Westad (eds.), *Perforating the Iron Curtain: European Détente, Transatlantic Relations, and the Cold War, 1965-1985*, Copenhagen 2010, 123.

⁶² OSA 300-60-1, box 575, November 2, 1972, Brussels, RFE Special Report »Ceau escu's visit in Belgium«.

⁶³ OSA 300-60-1, box 575, October 24, 1972, Brussels, RFE Special Report »Ceau escu interviewed by Figaro«.

⁶⁴ OSA 300-60-1, box 575, October 29, 1972, RFE Analysis »Ceau escu sees need for talks with Common Market«.

ministries had for the fourth time that year failed to act on the Romanian request. The Western European reluctance, reportedly led by the Netherlands and, especially, France, a traditional »patron« of an independent Romania, was not ideologically motivated but had a simple economic cause: the fear that Romanian exports to the agro-food sector could feed unwelcome competition in the »protected« EEC market.⁶⁵ As a partial fulfillment of Romanian expectations, the EEC Commission in November dropped anti-dumping procedures against Romania, which had been previously accused of price-cutting on ammonium nitrate fertilizers.⁶⁶

Negotiations shifted between highs and lows in early 1973. On February 17, RFE issued a special report that »Romania seems to have gained a measure of support from the Common Market for its efforts to build a modern, industrial economy independent from the Soviet Union.«⁶⁷ This optimistic comment followed the announcement made by French Foreign Minister Maurice Schumann during a visit to Bucharest at the end of January. Schumann stressed that steel, textiles, and chemicals – that is to say most of the Romanian industrial production at that time – should be excluded from the preferences. The RFE report added some interesting insights on the changing mood of the Romanian elite, wavering between hope and growing disappointment at Western indifference. »Economists here are frustrated at what they consider to be a half-hearted response by Western businessmen to Romania's numerous offers of cooperation.« Although recently passed laws had allowed mixed companies to be created in Romania with a maximum foreign share of 49 percent, no Western company seemed interested in it. »They are too suspicious,« Romanian officials complained to the *Reuters* correspondent, while Western diplomats in Bucharest replied that it was not worthwhile to invest in Romania under such conditions. Trying to elicit sympathy for the Romanian cause, an official came up with an argument about the sacrifices the country had made by sticking to its pro-Western orientation: »We have chosen to make economic sacrifices because once one has chosen an independent path one must go all the way. The alternative is to accept being a weak country, navigating between various shocks.«⁶⁸

Despite the heartfelt tone, the anonymous official was warning about real concerns in Romanian ruling circles. In mid-1972, some early signs of social turbulence were reported, when miners from the Jiu Valley »openly demonstrated their discontent over lack of food, poor working conditions, and bad pay,« and party leader Ceaușescu himself had to go to talk with them, as he would do again five years later. Diplomatic sources claimed that lively discussions were going on within the party, where at »some point out the easier path

⁶⁵ OSA 300-60-1, box 575, November 4, 1972, RFE Special Report, Brussels, »Common Market Postpones Decision on Rumania's Request«.

⁶⁶ OSA 300-60-1, box 575, November 29, 1972, Reuters, Brussels, »Common Market Commission drops anti-dumping charges against Rumania-Spain«.

⁶⁷ OSA 300-60-1, box 575, February 17, 1973, Reuters, Bucharest, Marcus Ferrar, »EEC Support for Romanian Economic Aims«.

⁶⁸ Ibidem.

Hungary has had led to greater prosperity and a measure of economic independence.«⁶⁹

The spring of 1973 was spent in further delays and cautious statements. Major concerns were repeatedly expressed by EEC sources about giving the status of a developing country to Romania and about the possible results of the trade-preference negotiations.⁷⁰ Romanian diplomatic activity intensified further on the eve of the meeting of EEC foreign ministers scheduled for June 3 to 4, to provoke action on Romania's application to the EEC for special trading terms. Ceaușescu travelled to The Hague in May, overcoming Dutch resistance, and announced an official visit to Bonn for the end of June.⁷¹ As the *Financial Times* noted, recalling Romania's argument to support its preferential treatment (Romania's per capita income was still 600 dollars, half of the population still worked in agriculture, and basic industry suffered from low productivity and frequent supply shortages), by summer 1973 Ceaușescu would have visited all EEC countries except Britain: The most massive offensive ever implemented towards the West by a member state of the Warsaw Pact and CMEA.⁷²

Finally, on June 4, 1973, a final decision was made about the Romanian, Turkish, and Maltese applications, once the last French objections were removed. Paris did not give any explanation, but government sources told the RFE correspondent that the decision was clearly political: »The EEC considers that Bucharest has at least de facto extended recognition to the community.«⁷³ According to the report, Bulgaria was also considering applying, but no formal steps had been taken thus far, but if Sofia had applied, the answer would have been positive due to the Romanian precedent. Still, the Romanian success was far from complete. Bilateral talks between Romania and the Common Market were started in July to determine which products would be included for the preferential trade. Romania aimed at including agricultural products in the agreement, which was to enter into force on January 1, 1974, but many EEC countries feared the reaction of their farmers. In December, a RFE report summarized the prolonged negotiations. Since the foreign ministers of several EEC countries had called for restrictions on general trade preferences for Romania, a compromise was then reached with a mediation by the European Commission on the following basis: Preferential tariffs were to be granted from 1974 onward on processed agricultural products and some items regarded as *non-sensitive* or *semi-sensitive* by the Common Market, those that might cause trouble for similar products from the EEC countries.⁷⁴

⁶⁹ Ibidem.

⁷⁰ OSA 300-60-1, box 575, March 30, 1973, RFE Special Report, Brussels, »Common Market Reluctant to Grant Preferential Treatment to Romania«.

⁷¹ OSA 300-60-1, box 575, May 15, 1973, RFE Special Report, Brussels, »EEC ministers to rule June 4th on Romanian request.«

⁷² David Lascelles, Romania looks to the EEC, *Financial Times*, May 22, 1973.

⁷³ OSA 300-60-1, box 575, June 5, 1973, RFE Special Report, Luxembourg, »Rumanian Request granted for EEC Generalized Preferences«.

⁷⁴ OSA 300-60-1, box 575, December 3 1973, RFE Special Report, Brussels, »Common Market Tariff Concessions to Romania«.

The First shall be Last? Romania's Lost Momentum and the Upcoming Crisis

It took several years of intensive talks with Romanian diplomats to wrest further concessions from the EEC. A textile agreement was signed in December 1976 and applied to the products covered by the multi-fiber arrangement negotiated within GATT, and was renewed for the following years. In 1978, the Romanian government also called on the EEC to negotiate a trade agreement on industrial products. On July 28, 1980, the first ever broad trade agreement between the EEC and a member of the socialist bloc was signed, and a joint commission was formed to discuss bilateral issues.⁷⁵

In the second half of the 1970s, after being granted most-favored-nation status by the United States, the policy of multilateral cooperation promoted by Ceaușescu seemed to pay off, placing Romania at the forefront of the Soviet bloc in trade and political ties with the West. Although a detailed analysis of the origins of the Romanian crisis falls outside the scope of this article, one has to recall the changes in the international context that weakened the strategic arrangement of Romanian autonomy from Moscow. During the 1970s, Romanian foreign policy continued to think in terms of bilateral relations between Bucharest and each of the EEC member states. In the meantime, however, the process of European integration had taken significant steps forward that were seriously underestimated not only by the Soviet Union, but also by its maverick ally. When, in 1974, after five years of grueling negotiations, the CMEA finally sealed its attempts at rapprochement with the EEC, it succumbed to the prerequisite fixed by Brussels: Discussions would be conducted at the level of the EC Commission and the CMEA Secretariat, that is to say that the CMEA would need to place itself on the same international footing as the EEC.⁷⁶

As the minutes of the RCP Political Executive Committee meeting of December 30, 1975 show, all Romanian diplomatic efforts to avoid such recognition failed, and Bucharest fell into a political trap. Fearing that recognition of the role of coordination by the Soviet-controlled CMEA Secretariat could further weaken Romania's sovereignty on economic policy, Bucharest asked its partners to modify the formulation of the draft agreement between the two organizations. The phrase »CMEA and EEC make agreements on the behalf of the respective member states« should be replaced with the following: »The agreement has to be signed by CMEA and EEC member states, and by EEC and CMEA member states.«⁷⁷ As clearly stated by Suvi Kansikas, at this point the Soviets were tired of the Romanian maneuvering and made it clear that they had to make a decision to either join the others, or step aside. If Romania would not comply with the majority position, the others would continue without it:

⁷⁵ Romano, *Untying Cold War knots*, 13.

⁷⁶ Kansikas, *Trade Blocs and the Cold War*, 192-202.

⁷⁷ ANR, Fond CC PCR, Secția Cancelarie, dosar 252/1975, 11-16 and 34-42.

while national communism might have been tolerated within the bloc at the turn of the decade, by the mid-1970s this was no longer the case.⁷⁸

Spanish political scientist Patricia González Aldea attributes the loss of Ceaușescu's reformer image among Western European elites to the 1975 Helsinki Agreement, the human rights provisions of which the Romanian leader tried to ignore or even grossly violate.⁷⁹ Besides the human rights issue, which was a thorn in the side of the Romanian communist regime until its fall, a lack of understanding of the globalization process became another major weakness from the second half of the 1970s.⁸⁰ According to Mircea Munteanu, the Romanian leadership was able to maintain open channels of communication with the White House and continued to secure support from the administration on its requests for credits and economic aid, but Washington proved unwilling to expand the terms of this support. Bucharest's importance to the Nixon and subsequent administrations began to diminish from the mid-1970s, and human rights began to take center stage in East-West relations, moving to the background Ceaușescu's maverick diplomacy.⁸¹

Nevertheless, it would not be fair to dismiss the Romanian diplomatic record of the 1960s and early 1970s as vain or purely instrumentalized. Alignment with the Western attitudes provided Ceaușescu with the opportunity not only to assert Romania's independence from the Soviet Union but also to legitimize his political regime in front of his people. It is also plausible to assert that his reforms were sincere and that his close relations with the US and most Western European countries positively influenced his early governance. As Cornel Ban has pointed out, the situation for Romania changed dramatically in 1979, when a mix of bad policies combined with unfavorable domestic and exogenous conditions led the country to its most serious postwar economic crisis. The economic failure of the Romanian national-Stalinist developmental state had both structural and contingent causes. Between the first and second oil crises, large investments in energy-intensive industries increased the demand for oil and put the public budget under severe pressure. Under these circumstances, the government increased its debt-service ratio to pay for the imports necessary to sustain the new industries. Still, conditions in 1979 were very different from the ones during the first oil shock. The energy crisis was exacerbated by a »capital crisis« caused by the US's sudden increase in interest rates.⁸² Romania

⁷⁸ On the Romanian diplomatic efforts within the CMEA, see Kansikas, *Trade Blocs and the Cold War*, 204-207.

⁷⁹ Patricia González Aldea, *Helsinki 1975. Începutul sfârșitului. Degradarea regimului din România și singularitatea lui în blocul de Est*, București 2008.

⁸⁰ In comparison, a deeper understanding of the structural crisis of the Soviet-type economic planning and industrial model was at the origin of the Hungarian model of crisis management. See Pál Germuska, *Failed Eastern integration and a partly successful opening up to the West: the economic re-orientation of Hungary during the 1970s*, in: *European Review of History* 21:4, 2014, 271-291. I want to thank the author for sharing his unpublished manuscript.

⁸¹ Mircea Munteanu, *New Evidence on Romania's Role in the Sino-American Rapprochement*, *CWIHP Bulletin* 16, Spring 2008, 361.

⁸² Cornel Ban, *Neoliberalism in Translation. Economic ideas and reforms in Spain and Romania*, PhD Diss. Brown University 2011, 184. See also idem, *Sovereign Debt, Austerity, and Regime*

was caught in a vicious circle: the Ceaușescu government became dependent on foreign loans in the late 1970s, and the money was used to prop up the national-Stalinist industrialization process, ironically designed to ensure Romania's economic independence from the Soviet Union.

Change: The Case of Nicolae Ceausescu's Romania, in: *East European Politics & Societies* 26:4, 2012, 743-776.

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