

## INSTITUTE OF CURRENT WORLD AFFAIRS

AS-23  
Notes on Rumania

Birčaninova 28b  
Belgrade, Yugoslavia  
April 18, 1964

Mr. Richard H. Nolte  
Institute of Current World Affairs  
366 Madison Avenue, New York 17, N.Y.

Dear Mr. Nolte:

The men of the hour in Eastern Europe today are the Rumanians. Consigned to oblivion by the West since the days of Anna Pauker more than a dozen years ago, they have suddenly emerged from nowhere -- or so it seemed -- to become an object of fascination for Western industrialists and Eastern ideologists alike. As I begin drafting this letter, a plenary meeting of the Rumanian Central Committee is in session which will, unless we have all been grossly deceived until now, in effect proclaim Rumania the third independent Communist state in the Balkans -- a state, moreover, which desires (or pretends to desire) good relations with Russia and China, Yugoslavia and Albania, the neutrals and the West. And, while Yugoslavia was expelled by Stalin from the bloc, and Albania by Khrushchev, both with high

drama, the Rumanians have contrived a dignified withdrawal almost entirely on their own. To be sure, they utilized the cold-war détente to build strong economic links with the West, and have exploited the Sino-Soviet conflict to cut loose from Comecon (the Council for Mutual Economic Assistance) and other Russian holds. But they have done this in a style markedly different from that of Yugoslavia or Albania; ideology, publicity, dramatic actions have been held to a minimum, and when disturbing actions or speeches appear elsewhere, the Rumanians' characteristic reaction is to ignore them, or at least not to report them to the broad public. Thus, Mr. Khrushchev's recent tour of Hungary was covered by the Rumanian press in items of a dozen lines; neither the Suslov report nor the March 31 Peking blast were printed at all (at least up till now); the front pages were devoted instead to the Bucharest visit of Austrian Vice-Chancellor Bruno Pitterman. (This coverage may be saner than our own; as one Rumanian put it, "you Western journalists are a lot more interested in the socialist countries than we are ourselves.")



DOWNTOWN BUCHAREST

How did the Rumanians come to be odd men out, the France of the Eastern alliance? National traditions explain a great deal.

The Rumanians are, to begin with, Latins "in a sea of Slavs"; the language is closest to Portuguese in vocabulary and structure, and sounds somewhat like Venetian Italian in its cadence. There are Slavic and Turkish words, and notable grammatical peculiarities (articles are suffixed, as in Magyar), but by and large it does seem, as a visiting Englishman put it, "the world's easiest language." Yet, while the language is Romance and the people claim descent from the Romans of Dacia, the Rumanians are also the only Latin people who embraced Orthodoxy, and the marvelous icons one finds in their churches are unmistakably Byzantine in inspiration, as is the liturgy.

A friend whose family helped develop the Ploesti oilfields before the war describes the Rumanian national tradition as follows: "The Rumanians are unique in the Balkans. The Serbs and Greeks are always ready to fight, the Croats argue, the Bulgarians are bewildered. The Rumanians know what they're doing, and for four hundred years they've known that, whatever the alignment, they're outnumbered and to fight would be to commit suicide. They nearly did commit suicide in the Middle Ages between the Turks, Bulgars, Pechenegs, Magyars and the rest. But by the sixteenth century they'd learned their lesson. Ever since, it's been a minimum of fighting and a maximum of wheeling and dealing. The policy has been a brilliant success -- look at the history books." Indeed, the manner in which the Rumanians wheedled the creation of the Old Kingdom (Regat) of Moldavia and Wallachia out of the Great Powers in the nineteenth century has been matched only by their diplomatic skill in the two world wars. In the first, they stayed neutral long enough for the Allies to promise them Transylvania, were forced to capitulate by Germany, but managed to rejoin the Allied side in time to crush the Hungarian Soviet Republic of Bela Kun and gain Transylvania in the Treaty of Trianon. In the second world war, the Rumanians again sought neutrality (after the collapse of the "Little Entente" at Munich), were forced onto the German side despite (or because of) the Vienna Award restoring part of Transylvania to Hungary, but switched over to the Allies when the Red Army approached their borders. The Rumanians were compelled to cede Bessarabia and Bukovina to the Soviet Union, but the Vienna Award was reversed and the western boundary remained that of the Treaty of Trianon. The entire history is summarized in the anecdote about a Rumanian soldier captured on the Russian front during the last war and asked what he had been fighting for. "For Transylvania," he replied. It remains quite a prize, and still in controversy, for in this rich province are concentrated most of the three million Magyars and more than a million Germans who form the largest minorities in a total population of some 19 million. (Both are being subjected to gradual, undramatic but nonetheless effective "Rumanization".)

The tradition of inspired opportunism was resumed shortly after the end of the war. The Rumanian Communist party was the smallest of any in the Balkans (Rumanian radicalism leaned toward fascism, in the famous Iron Guard), and its assumption of power was accompanied by a phase of Russophilia and Stalinist conformity. But once the Rumanian Communists felt secure, they began behaving like Rumanians again. In the great Stalinist campaign against Titoism, Gheorghe Gheorgiu-Dej conducted a purge not of "rightists" as elsewhere

(Rajk, Gomulka, Clementis, Kostov) but of the "left sectarians" led by Anna Pauker and Vasile Luca. He used the Malenkov-Nagy "new course" period of 1953-54 to cut back overambitious investments and slow down collectivization (not completed until 1960). The high tide of de-Stalinization and Tito-Khrushchev rapprochement was employed to end the famous "joint companies" and, more important, to procure the withdrawal of Soviet occupation troops at the beginning of 1957. (This was, strictly speaking, a consequence of the Austrian Peace Treaty; for the troops had remained in Hungary as well as Rumania ostensibly to maintain lines of communication with the Russian occupation force in eastern Austria. Yet the actual withdrawal of the troops, considering the circumstances of 1956, was a tribute not only to Gheorgiu-Dej's standing in Moscow but his demonstrated ability to maintain order in the country.)

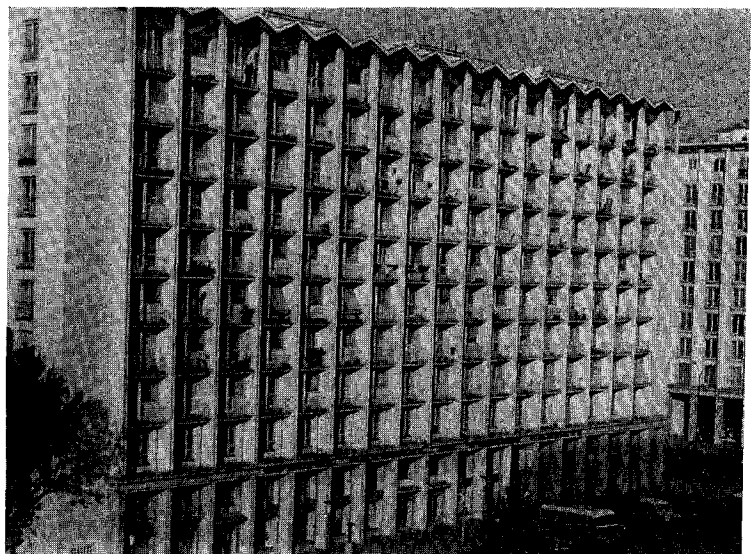
Once the Russians were out, the Rumanians proceeded on the plane of economics. Phillipe Ben has shown (in Le Monde and the New Republic) how, over the last five years, Rumania's trade with the West has leaped from 20 to nearly 50 per cent of her total foreign trade. Rumania was blessed with fine sources of foreign exchange -- oil, timber, wheat, minerals -- and she proceeded to use them increasingly to obtain the latest Western industrial installations. The United States has (until now) been a minor partner in the game, but Western European traders and industrialists began



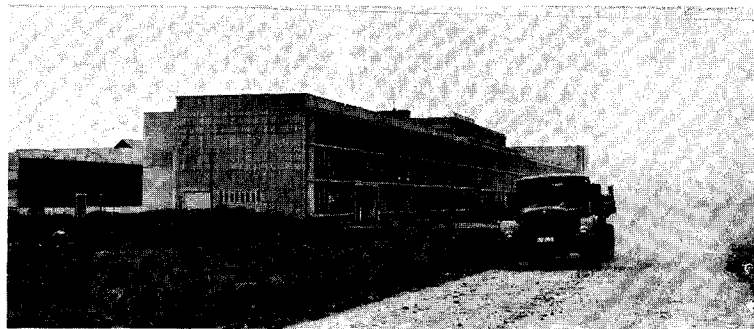
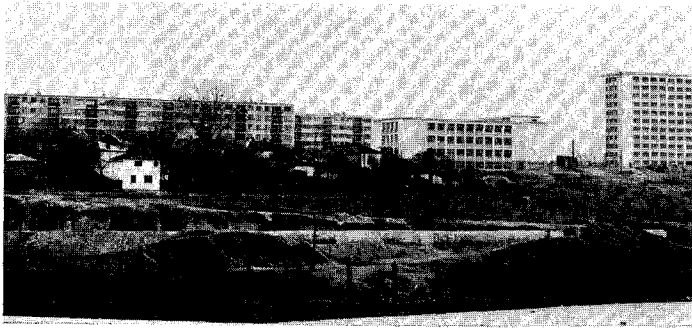
FORMER ROYAL CHATEAU AT SINAIA



NEW TOWN CENTER AT GALATI



MODERN ARCHITECTURE IN BUCHAREST



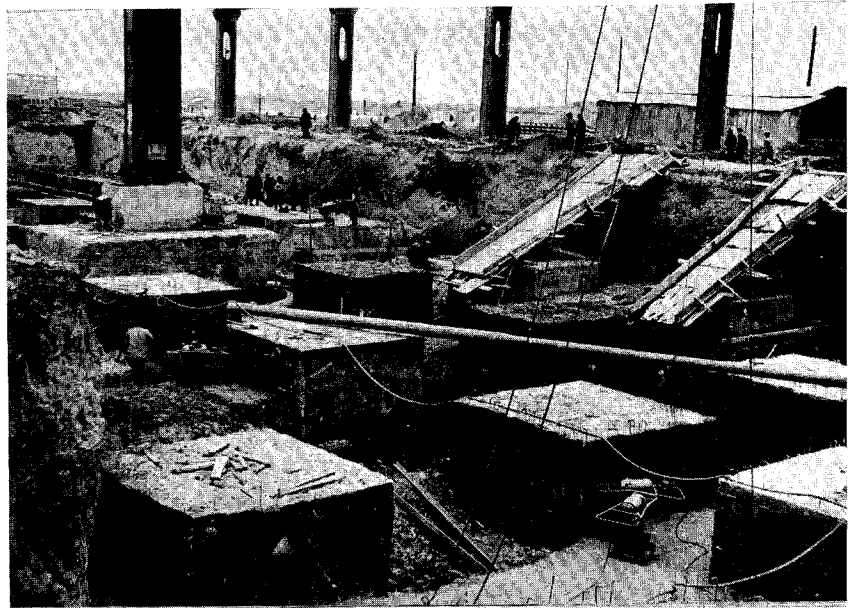
THE GALATI METALLURGICAL COMPLEX: above left, approach to the town; above right, the administration building; opposite page, scenes at the construction site of the hot rolling mill to be installed by Schneider-Creusot and Davy, United

pouring into Bucharest in the late Fifties and have been coming in ever greater numbers ever since. At the same time, with a minimum of fanfare, Rumanian engineers, technicians and businessmen began touring the world to inspect the latest technical feats as well as market conditions. The typical Rumanian technocrat one meets can describe and evaluate all the varieties of his product or process currently available in Europe, America, Russia or Japan; the supreme economic wizards of the regime, Alexandru Birladeanu and Gaston Marin, deploy this knowledge with catholicity, detachment and shrewdness.

Rumania's economic reorientation toward the West coincided with her resistance to Soviet Premier Khrushchev's plans for "integration" and "socialist division of labor" among the East European members of Comecon. "The Rumanians just didn't want to be the gas station and sandwich shop of the Soviet bloc," a Western diplomat notes. Gheorgiu-Dej and his colleagues were determined, above all else, to industrialize their country; and industrialization to them meant, primarily, metallurgy and machine-building. To the criticism that Rumania lacks sufficient coal and iron ore, they answered: So does Japan.

Symbol of the entire quarrel, and its repercussions, is the project for a giant metallurgical combine at Galati (pronounced Galats), in the Danube delta in northeast Rumania. The plan calls for a steel mill, two hot rolling mills, two cold rolling mills and other installations capable of producing five million tons of steel a year. This would make it one of the half-dozen largest steelworks in Europe.

Back in 1960, the Rumanians prevailed upon the U.S.S.R. to promise delivery of two of the rolling mills as well as sufficient iron and coal to run them. But the East Germans, Czechs and Poles argued that Rumania had no business expanding its steel industry when they were better fitted and more experienced in the business. Whether because of the 1961 Berlin rearmament crisis, or because of satellite objections, or because of their own difficulties, the Russians apparently told the Rumanians not to count on them any longer. Buch-



arest promptly turned westward. It had already had profitable relations with Western firms in building other metal, chemical and cellulose factories. Now (in 1962) it assigned the larger of the two hot rolling mills to Schneider-Creusot of France (affiliated with Krupp) and Davy, United of Great Britain. And it put the king-pin of the combine, the great steelworks itself, up for grabs. British, French, German, Austrian, Swedish and even American firms are now bidding for the contract, and the competition is fierce. The engineers at Galati itself seem to prefer the Austrian "LD" process from a technical point of view, but business terms will decide the issue: that was why Vice Chancellor Pitterman was in Bucharest. The Soviet Union is out of the running for the steelworks; its latest process, according to the Rumanians, "is not available for export," and its older installations just don't measure up.

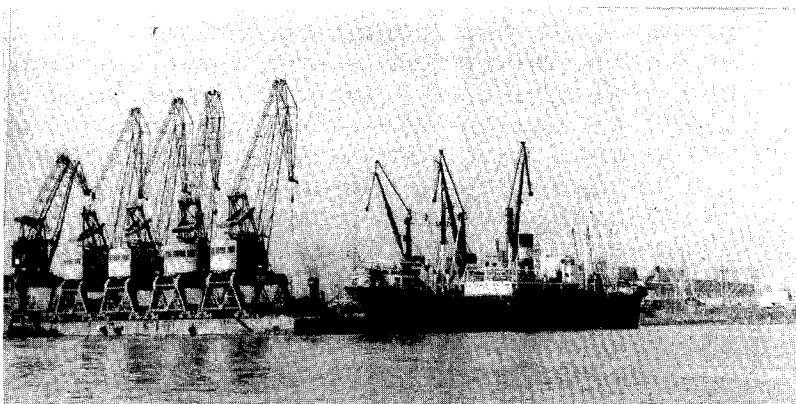
While turning westward for equipment, the Rumanians also began developing alternate sources of iron and coal -- iron from India and Brazil, coal from Britain and now the United States. (Three shipments of high-grade coking coal have arrived from Norfolk, Va. in recent months; it would be ironical, indeed, if the Galati project and its ramifications provided the cure for the depressed areas of the Appalachian coal basin.) At the same time, the Rumanians kept pressing the Russians to honor their commitments. The Soviet grain shortage last fall provided Bucharest with the necessary leverage. Rumania "sold" the Soviet Union 400,000 tons of grain (her total production is about 10 million tons), and last February the Rumanians were able to announce that Russia would, after all, deliver the promised rolling mill and blooming-and-slabbing mill on schedule -- at the end of 1965. This was, of course, before the latest dramatic developments in the Moscow-Peking struggle.

In addition to the Galati combine, Rumania is also pledged, with Yugoslavia, to construction of a giant hydro-electric power station and navigation locks on the Danube at the Iron Gates between the two countries; when one adds other major ventures in the aluminum, chemical and paper industries, that is a fearsome amount of capital spending over the next seven or eight years. But one gets the impression with the Rumanians (as one rarely does with the Yugoslavs or some other East Europeans) that everything has been rationally calculated in advance, that the plans are flexibly made so as to permit numerous options, and that work on the projects themselves proceeds from the ground up -- infrastructure all in place and supply lines assured before, rather than after, the main installations are built. This, certainly, was our impression at Galati, where most of the road and rail connections, cement mills, foundries, toolsheds, power generators, etc. are already built. Of course, the Rumanian people pay for this with a low living standard (as compared, let us say, with Hungary); but it can be argued, with more justification than in Yugoslavia or the Soviet Union, that once the big key projects are finished, six or seven years hence, the Rumanians will be in a position to obtain a European standard of living. The country is naturally rich, was fairly well developed in important respects before the war, and managed to escape serious damage in either world war. Competition from cheap Middle Eastern oil and Common Market

import restrictions may make their task somewhat more difficult, but the adroitness of their recent diplomacy seems designed to keep open as many markets as possible.

Thus, in a visit to the port of Constanta, we learned that the Rumanians had shipped some 145,000 tons of petroleum products to Peking during 1963; the month-by-month figures indicated that 1964 shipments should be greater still. This is not a huge amount of oil, by any means (Rumania produces some 12 million tons a year); but it keeps open a potentially large market, and the Rumanians at the same time are selling the Chinese oil-drilling equipment. An amusing incident accompanied our discussion of this traffic: The port official who first told us about it thought the oil was going to China in Polish ships; on checking, however, he learned -- to his apparent surprise -- that it was being shipped in French, Norwegian and Finnish vessels. Another example of Rumanian preparation for all contingencies.

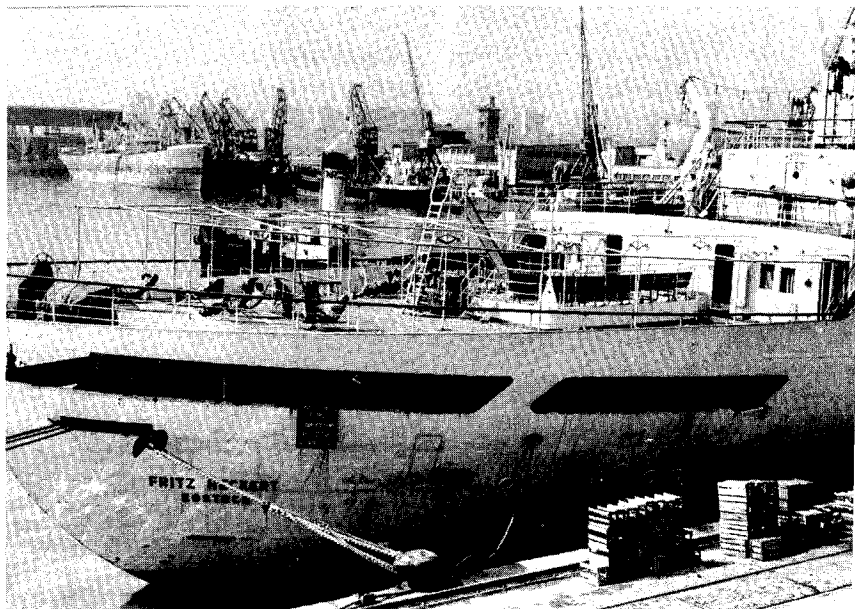
Compared with such measures toward economic independence, "liberalization" on the political and cultural fronts does not seem quite so far advanced;



IN THE PORT AT CONSTANTA...



...TRACTORS FOR CHINA AND INDIA....

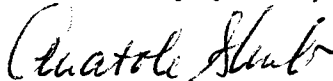


... AND TOURIST SHIPS FROM EAST GERMANY

or at least the Rumanians do not like to talk about it. A British engineer who recently spent several months in Bucharest describes the atmosphere as oppressive and fearful still. I myself was taken aback by the internal "control posts" along the main roads, in which uniformed, armed militiamen copy down all foreign license plates and stop all trucks (ostensibly to prevent private use of "socialist" property, smuggling, black-marketeering, etc.). I also observed that in Cluj, historic stronghold of the Transylvanian Magyars, the only signs in the Magyar language -- apart from the Magyar theatre and opera house -- were those of private artisans; all else is in Rumanian, though the style of the town itself is authentically Hapsburg.

Nevertheless, there have been signs of improvement. The sculptor Brancusi has been reclaimed for the national heritage; Eugene Ionesco's "Rhinoceros" is being staged in Bucharest, and the government is trying to lure the author himself to the premiere; the Gorky Institute has been closed down, Russian is no longer compulsory in the schools, the Bucharest bourgeoisie (old and new) is speaking French again while the youth rocks to Italian styles and rhythms. Scinteia has introduced a department of quotations from the foreign press, which blandly cites Le Monde, Novy Mir and Newsweek in hefty snatches one after another. Tourism is being promoted on the Black Sea coast (although the Rumanians are still in the please-prepay, we-prefer-groups, don't-roam-around stage of this endeavor). Quietly, without much public fuss, most streets have regained their prewar names, so that a Foreign Ministry aide can cry: "I defy you to find a Lenin or Marx Street in all of Bucharest!" One can only hope that all this constitutes a beginning, not the end of the process.

Cordially yours,

  
Anatole Shub

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