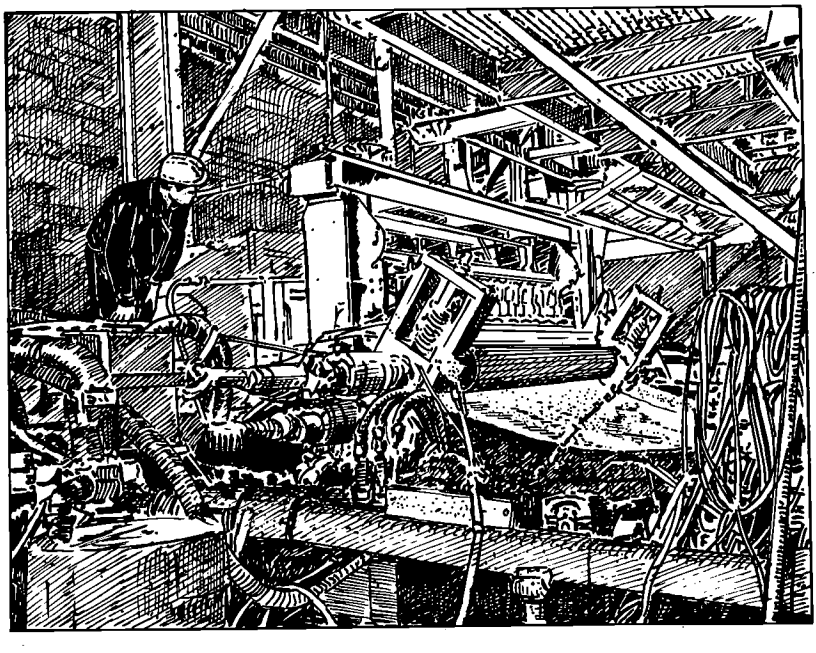
Chapter 3. The Economy



Rolling mill at Galaţi Steelworks

THE STALINIST ECONOMIC MODEL imposed on Romania after World War II survived the following four decades largely unaffected by the liberalizing reforms that gradually occurred in other parts of Soviet-dominated Eastern Europe. Indeed, in its degree of centralization, the pervasiveness of communist control, and the general secretary's personal dominance of economic policy making and implementation, the Romanian model arguably eclipsed even the Soviet archetype.

Through a highly centralized and interlocking party and state bureaucracy that reached from Bucharest to every farm and factory, the Romanian Communist Party (Partidul Comunist Român—PCR, see Glossary) set economic goals, allocated resources, procured and distributed industrial and agricultural output, controlled prices and wages, and monopolized banking and foreign trade. Ideological goals and the preservation of power and privilege for the party elite had superseded all other considerations in economic decision making—even including the maintenance of a minimum standard of living for the general population.

The 1980s were a period of extreme deprivation for most Romanians. Determined to retire as quickly as possible the foreign debt accrued during the previous decade and thereby reassert his country's political and economic autonomy, General Secretary and President Nicolae Ceauşescu demanded enormous sacrifice on the part of ordinary citizens. His effort to build large foreign-trade surpluses required exporting basic commodities in short supply at home. Food rationing was reimposed in 1981 for the first time since the early 1950s, while the government continued exporting large amounts of food to earn foreign exchange. Consumers also faced chronic shortages of gasoline, electricity, and heat. Durables such as household appliances and automobiles were exorbitantly expensive, and their use was discouraged by the authorities.

In early 1989, Ceauşescu proclaimed that Romania had finally rid itself of the onerous foreign debt and could resume the pursuit of its long-term economic goal—the status of a multilaterally developed socialist state (see Glossary) by the year 2000. His vision of making Romania a "medium-developed" country by 1990 clearly had not come to fruition, as the economy had suffered numerous reversals since 1980. Western economists asserted that during much of the decade, industrial and agricultural output may actually have declined. This decline could not be confirmed by official

statistics, which had become increasingly untrustworthy and clearly omitted many categories of information.

The economic stagnation of the 1980s followed three decades of impressive industrial growth, when Romania had maintained one of the highest rates of capital accumulation and investment in the world. Industrial output by the end of the 1970s was more than 100 times greater than in 1945. The most notable growth had occurred in basic heavy industry, particularly in the chemical, energy, machine-building, and metallurgical sectors. Romania had become one of the world's leading producers and exporters of steel, refined petroleum products, machine tools, locomotives and rolling stock, oil-field equipment, offshore-drilling rigs, aircraft, and other sophisticated manufactures. Light industry's share of total output, however, had declined from more than 60 percent before World War II to less than 25 percent by the 1980s. The PCR industrialization program had been able to draw on a rich natural endowment of basic raw materials, including the most extensive oil and gas reserves in Eastern Europe, coal, metallic ores and other minerals, and timber. Natural inland waterways and warm-water seaports facilitated domestic and foreign commerce. And numerous streams and rivers flowing from the highlands provided opportunities for irrigation and electric power generation. These natural advantages notwithstanding, the economy of the 1980s suffered a severe raw materials and energy shortage as a large share of the most accessible reserves neared depletion. Furthermore, years of careless resource exploitation had caused severe environmental degradation, with particular harm to the water supply, soil, and forests.

Equally as critical to Romania's postwar development as its natural resources were its large reserves of underemployed rural labor that could be mobilized and transformed into an urban proletariat. But already by the end of the 1970s, it had become clear that this resource also was being exhausted. Romania faced an incipient labor shortage of the sort that had already stricken its more industrialized neighbors. This shortage was brought on by a declining birthrate, the aging of the population, the emigration of skilled workers, and the squandering of labor resources through poor planning and management. All sectors of the economy suffered from low labor morale and productivity and a growing dissatisfaction with working conditions, wages, benefits, and the general standard of living. This dissatisfaction had even begun to surface in unprecedented strikes, demonstrations, and other acts of defiance.

The ambitious industrialization program had deprived agriculture of investment capital and manpower for most of the first four

decades of communist rule. But even as late as 1982, 28.6 percent of the working population was still engaged in farming. Application of more modern farming practices and an ambitious irrigation and land reclamation program had steadily raised production. Grain output more than quadrupled between 1950 and 1980. Nevertheless, output consistently fell short of target and was generally inadequate for domestic and export requirements.

After decades of neglect, in the late 1970s agriculture had finally begun to receive investments at levels commensurate with its importance to the national economy. But by the early 1980s, the general economic crisis prevented importing the inputs needed to make the sector more productive. This development, combined with the counterproductive imposition of compulsory delivery quotas on private farmers and more centralized administration of the entire sector, resulted in agricultural stagnation through much of the 1980s.

Economic Structure and Dynamics

Evolution

From earliest times, the Romanian lands were renowned for their fertile soil and good harvests. As the Roman colony of Dacia, the region supplied grain and other foods to the empire for nearly two centuries. During the subsequent two millennia, a succession of foreign powers dominated the area, exploiting the rich soil and other resources and holding most of the native population in abject poverty. It was not until the middle of the nineteenth century that a unified, independent Romania finally emerged, opening the way for development of an integrated national economy.

But even after Romania had gained independence, foreign interests continued to dominate the economy. Large tracts of the best grain-growing areas were controlled by absentee landlords, who exported the grain and took the profits out of the country. Outsiders controlled most of the few industries, and non-Romanian ethnic groups—particularly Germans, Hungarians, and Jews—dominated domestic trade and finance. The centuries of outside control of the economy engendered in the Romanian people an extreme xenophobia and longing for self-sufficiency—sentiments that would be exploited repeatedly by the nation's leaders throughout the twentieth century.

On the eve of World War II, agriculture and forestry produced more than half of the national income (see Glossary). Reflecting the country's limited economic development, about 90 percent of export income in 1939 was derived from raw materials and semifinished

goods, namely grain, timber, animal products, and petroleum. The most advanced industry at that time, oil extraction and refining, was controlled by Nazi Germany for the duration of the war and suffered severe bombing damage.

For several years following the war, the devastated economy was burdened with reparation payments to the Soviet Union, which already by 1946 had expropriated more than one-third of the country's industrial and financial enterprises. By mid-1948 the Soviets had collected reparations in excess of US$1.7 billion. They continued to demand such payments until 1954, severely retarding economic recovery.

After the installation of a Soviet-styled communist regime, Romania's economic evolution would faithfully follow the Stalinist pattern. Adopting a centrally planned economy under the firm control of the PCR, the country pursued the extensive economic development (see Glossary) strategy adopted by the other communist regimes of Eastern Europe but with an unparalleled obsession with economic independence. The development program assigned top priority to the industrial sector, imposed a policy of forced saving and consumer sacrifice to achieve a high capital accumulation rate, and necessitated a major movement of labor from the countryside into industrial jobs in newly created urban centers. The first step on this path was nationalization of industrial, financial, and transportation assets. Initiated in June 1948, that process was nearly completed by 1950. The socialization of agriculture proceeded at a much slower pace, but by 1962 it was about 90 percent completed.

Beginning in 1951, Romania put into practice the Soviet system of central planning based on five-year development cycles. Such a system enabled the leadership to target sectors for rapid development and mobilize the necessary manpower and material resources. The leadership was intent on building a heavy industrial base and therefore gave highest priority to the machinery, metallurgical, petroleum refining, electric power, and chemical industries.

Shortly after Nicolae Ceauşescu came to power in 1965, PCR leaders reevaluated the development strategy and concluded that Romania would be unable to sustain the rapid rate of economic growth it had achieved since the early 1950s unless its industry could be streamlined and modernized. They argued that the time had come to assume an intensive development strategy, for which the term "multilateral development" was coined. This process required access to the latest technology and know-how, for which Ceauşescu turned to the West.

Economic growth during the first twenty-seven years of communist rule was impressive. Industrial output increased an average

12.9 percent per year between 1950 and 1977, owing to an exceptionally high level of capital accumulation and investment, which grew an average 13 percent annually during this period. But with the concentration of resources in heavy (the so-called Group A) industries, other sectors suffered, particularly agriculture, services, and the consumer-goods (Group B) industries (see table 2, Appendix).

After 1976 the economy took a sharp downturn. A severe earthquake struck the country the following year, causing heavy damage to industrial and transportation facilities. Ceauşescu's vision of multilateral development had made little headway, as the bureaucracy was unable to steer the economy onto a course of intensive development, which would have necessitated major improvements in efficiency and labor productivity. The population was demanding production of more consumer goods, and an incipient labor shortage was hindering economic growth. By 1981 the country was in a financial crisis, unable to pay Western institutions even the interest on the debt of more than US$10 billion accumulated during the preceding decade. Obsessed with repaying this debt as soon as possible, Ceauşescu imposed an austerity program to curtail imports drastically, while exporting as much as possible to earn hard currencies. Rationing of basic foodstuffs, gasoline, electricity, and other consumer products was in effect throughout the 1980s, bringing the Romanian people the lowest standard of living in Europe with the possible exception of Albania. In April 1989, Ceauşescu announced that the foreign debt had been retired, and he promised a rapid improvement in living conditions. Most foreign observers, however, doubted that he could fulfill this pledge.

Administration and Control

Stalin's Legacy

The Romanian economic model retained all the salient features of Stalinism, including state ownership of the means of production; communist party control of economic policy making and administration through interlocking party and state bureaucracies; democratic centralism, including concentration of decision-making power in the highest party executive organs and particularly in the person of the general secretary; annual and five-year economic planning; nonreliance on the counsel of technical and managerial experts in setting economic goals; forced deliveries of economic output to the state; pricing based on political and ideological considerations rather than market forces; reliance on mobilization campaigns in lieu of material incentives for workers; inflexibility and resistance to reform.

Ownership of Economic Assets

When the Constitution of 1965 declared Romania a socialist republic, the country had already made substantial headway in socializing its economic assets. And judging by Ceauşescu's words on the occasion of his sixty-ninth birthday in 1987, the campaign to eliminate private ownership appeared irreversible: "One cannot speak of a socialist economy and not assume the socialist ownership of the means of production as its basis." The state owned and controlled all natural resources except for a steadily declining amount of agriculturally marginal land still in private hands (see Land, this ch). All of industry had been socialized, but for a small number of artisan workshops, which contributed less than 0.5 percent of total marketable output in the 1980s. Even cooperatives, categorized as socialist forms of ownership, had fallen into decline at the very time they were enjoying a renaissance in the Soviet Union and the other members of the Council for Mutual Economic Assistance (Comecon—see Glossary). Cooperative farms, for example, were considered ideologically less acceptable than state farms, which had priority access to rich land, fertilizers, machinery, and other inputs. And cooperative industrial enterprises accounted for only 4.3 percent of national output in 1984.

Dominance of the Romanian Communist Party

The Romanian economic structure was unusual in the extreme degree to which party and governmental hierarchies were intertwined and even formally merged. This fusion of bureaucracies was even apparent in the architecture of the capital city, Bucharest, whose skyline in the late 1980s came to be dominated by a massive new Palace of Government, housing both party and state agencies. All state administrative offices, from the national to the lowest local levels, were filled by carefully screened PCR careerists. As early as 1967, Ceauşescu had called for administrative streamlining by eliminating the duplication of party and government functions. His solution was to assign responsibility for a given economic activity to a single individual.

Throughout the 1970s and 1980s, the merging of party and state organs gained momentum, affording the PCR ever tighter control over the economy. The process culminated in the emergence of national economic coordinating councils—administrative entities not envisioned by the Constitution of 1965. These party-controlled councils provided Ceauşescu, who after 1967 held the dual titles of general secretary of the PCR and president of the Council of State, the means to dominate the economic bureaucracy.

One of the most powerful of the new joint party and state bodies was the Supreme Council of Economic and Social Development, which Ceauşescu chaired from its inception in 1973. The new 300-member council coopted the authority to debate and approve state economic plans—authority constitutionally granted to the Grand National Assembly (GNA—see Glossary). The latter's role in the planning process became increasingly ceremonial, as real policy-making power shifted to the Supreme Council's permanent bureau—also chaired by Ceauşescu. At a joint meeting of party and state officials in June 1987, Ceauşescu announced the conversion of the permanent bureau into a quasi-military economic supreme command, further tightening his grip on planning while reducing the role of the governmental institution created for that purpose—the State Planning Committee. That same year, he signed a decree endorsing the 1988 annual economic plan even before obtaining rubber-stamp approval by either the Central Committee of the PCR or the GNA. Thus the general secretary had assumed absolute authority in setting economic policy.

Among other important joint party and state economic councils to evolve during the Ceauşescu era were the Central Council of Workers' Control over Economic and Social Activities, which oversaw economic plan fulfillment; the Council for Social and Economic Organizations, which controlled the size and functions of the ministries and enterprises; and the National Council of Science and Technology. The latter was chaired by the general secretary's wife, Elena Ceauşescu, who was emerging as a powerful political figure in her own right. In June 1987, it was announced that this body thereafter would collaborate with the Supreme Council of Economic and Social Development and would draft development plans and programs, thus giving Elena Ceauşescu much of the authority constitutionally vested in the chairmanship of the State Planning Committee.

Ceauşescu consolidated his control of the economy not only by creating new bureaucratic structures, but also by frequent rotation of officials between party and state bureaucracies and between national and local posts. In effect after 1971, the policy was highly disruptive. For example, twenty economic ministers were replaced in September 1988 alone. Rotation enabled Ceauşescu to remove potential rivals to his authority before they could develop a power base. He justified the policy by attributing virtually all the country's economic problems to inept and dishonest bureaucrats intent on sabotaging his policies. Another control tactic was making highly publicized visits to factories, state farms, or major construction sites, where—usually accompanied by his wife—Ceauşescu would

interview workers and front-line managers and solicit complaints about their superiors. The threat of public humiliation and removal effectively deterred the managerial cadres from independent thinking.

Administrative Hierarchy

The government body constitutionally endowed with supreme authority in administering the PCR's economic program was the Council of Ministers, whose members simultaneously held important positions in the party. The number of ministries fluctuated over the years because of repeated reform efforts to improve efficiency; in 1989, there were twenty-five ministries with a strictly economic mission. Supra-ministerial bodies known as branch coordination councils synchronized the activities of ministries in related sectors, for example, mining, oil, geology, and electric and thermal power; chemicals, petrochemicals, and light industries; machine building and metallurgy; timber, construction materials, cooperatives, and small-scale industry; transportation and telecommunications; investment and construction; and agriculture, food processing and procurement, forestry, and water management. The ministries were responsible for accomplishing the economic goals set forth in the Unitary National Socioeconomic Plan. They assigned production, financial, and operational targets and made investment decisions for the economic entities subordinate to their authority.

The first echelon of administration below the ministries consisted of the industrial *centrale* (sing., *central*—see Glossary). The *centrale* were analogous to the production associations of the Soviet Union and other Comecon countries. Conceived in the economic reforms of 1967 as autonomous economic entities vertically and horizontally integrating several producing enterprises as well as research and development facilities, the first *centrale* appeared in 1969. Their number rapidly dwindled from the original 207 to only 102 in 1974. Although in theory the *centrale* were created to decentralize planning, investment, and other forms of economic decision making, their functions were never clearly delineated, and in the 1980s they appeared to have little real autonomy. Their authority was limited to monitoring plan fulfillment and designating production schedules for the plants under their jurisdiction.

At the bottom of the administrative hierarchy were the enterprises and their individual production units. They received highly detailed production plans, operating budgets, and resource allocations from superior echelons and were responsible for accomplishing the economic directives that came down to them through

the hierarchy. Notwithstanding official proclamations of enterprise self-management after the New Economic and Financial Mechanism (see Glossary) became law in 1978, the managerial cadres on this level enjoyed autonomy only in the mundane area of streamlining operations to raise output.

State and cooperative farms held a position in the administrative hierarchy analogous to that of industrial enterprises. They received detailed production plans that specified what was to be sown, what inputs would be provided, and how much farm output was to be delivered to the state. After 1980, county (*judeţ*—see Glossary) and village people's councils were responsible for fulfillment of agricultural production targets by the farms in their jurisdiction (see Local Government, ch. 4). Machine stations, analogous to Stalin's machine-and-tractor stations, had been set up to control access to equipment, thereby ensuring compliance with the PCR agricultural program. The manager of each machine station coordinated the work of, on average, five state and cooperative farms. In 1979, the stations became the focal point of a new managerial entity, the agro-industrial councils, which were intended to parallel the industrial *centrale* (see Farm Organization, this ch).

In addition to its sectoral administrative structure, the economy was organized on a territorial basis. In every *judeţ*, city, town, and commune, so-called people's councils—among their other functions—supervised the implementation of national economic policy by the enterprises and organizations located within their territory. The permanent bureaus of these bodies, without exception, were headed by local party chairmen, whose political credentials were validated by Bucharest. In 1976 a permanent Legislative Chamber of the People's Councils was established. Its membership—elected from the executive committees of the regional and local councils—debated economic bills before they were considered by the GNA.

Planning

Beginning in 1951, following the Soviet economic model, Romania adopted annual and five-year economic planning. As in the Soviet system, the principle of democratic centralism applied (see Organizational Structure, ch. 4). Thus, the economic plans compiled by the central planning organs became the law of the land, and compliance was mandatory.

In theory, the Unitary National Socioeconomic Plan, as economic plans were officially called after 1973, was based on information on current plan fulfillment, requests for resource allocations, and recommendations for investments that originated on the lowest

echelons and rose through the bureaucracy to the central planners. Such a system involved a certain amount of give and take as enterprises and *centrale* "negotiated" with the ministries for favorable production targets and resource allocations. In turn the ministries lobbied for their respective sectors to gain priority consideration in the state budget. But during the 1980s, input from lower echelons in the planning process received less consideration. In part, this development was due to the unreliability of information reported by the managerial cadres, from the local level up to the heads of the economic ministries themselves. Plan fulfillment data were supposed to serve as the basis on which future economic plans were compiled, but in the 1980s data became skewed when salary reforms—the so-called global accord—began linking managers' incomes to the performance of the economic units under their supervision. In 1986 this remuneration system encompassed nearly 11,000 managers and bureaucrats, even including the heads of ministries and the deputy prime ministers. In order to maintain their incomes, officials simply falsified performance reports. As a result, aggregate production figures were grossly inflated, and annual and five-year plan targets based on these figures became increasingly unrealistic.

Besides distorting production reports, managers resorted to other income-protecting measures that impeded the flow of accurate information to the central planners. Because wages and salaries were tied to plan fulfillment and severe penalties were levied for shortfalls—even when caused by uncontrollable factors such as power shortages, drought, and the failure of contractors to deliver materials and parts—it was in the interests of the enterprises, *centrale,* and ministries to conceal resources at their disposal and to request more inputs than they really needed. Managers concealed surplus operating reserves to ensure production in the event of unforeseen bottlenecks. This practice made accurate inventories impossible, resulting in inefficient use of resources.

Pricing and Profit

Because the market forces of supply and demand did not operate in the centrally planned command economy, prices were calculated and assigned to goods and services by a governmental body, whose decisions were shaped by political and ideological considerations as well as economics. Following the tenets of Marxism, prices for basic necessities had been maintained at artificially low levels throughout the postwar period until 1982, when 220 different food items were marked up 35 percent. Even after the increases, however, food was priced below the cost of production, and state

subsidies were required to make up the difference. At the same time, prices for what the party categorized as luxury goods—blue jeans, stereo equipment, cars, refrigerators—were far higher than justified by production costs. Consequently, per capita ownership of consumer durables was the lowest in Eastern Europe except for Albania.

The inflexible system of centrally controlled prices created serious economic dislocation. Lacking the free-market mechanism of self-adjusting prices to regulate output, the economy misallocated resources, producing surpluses of low-demand items and chronic shortages of highly sought products, including basic necessities. This serious failing notwithstanding, the Ceauşescu government in the late 1980s adamantly refused to modify the system and in fact was moving to strengthen the role of central planners in setting prices.

Wholesale and retail prices were assigned by the State Committee for Prices, with representation from the State Planning Committee, the Ministry of Finance, the Ministry of Foreign Trade and International Economic Cooperation, the Central Statistical Bureau, and the Central Council of the General Trade Union Confederation. The committee computed the price of an item based in part on normative industry-wide costs for the materials, labor, and capital used in its production. In addition, the price included a planned profit, which was a fixed percentage of the normative production cost. After a pricing revision, approved by the GNA in December 1988, the profit rate was set at between 3 and 8 percent of cost. An additional profit margin was factored into the price of commodities destined for export—6 percent for soft-currency and 10 percent for hard-currency exports.

Because prices were based on industry-standard costs, enterprises with lower than average costs earned above-plan profits, but those with high costs ran deficits and had to be supported by state subsidies. The New Economic and Financial Mechanism had called for making all enterprises self-financing, and those unable to break even were subject to dissolution. But as of early 1989, no instances of plants closing because of unprofitability had been reported. A pricing law enacted in December, 1988, would allow enterprises to retain all above-plan profit earned in 1990 but would require them to transfer half of such profits to the state budget during the subsequent four years. The enterprises channeled their share of profits into various bank accounts and funds that provided working capital and financed investments, housing construction, social and cultural amenities, and profit sharing. The last fund paid bonuses to employees if any money remained following compulsory payments to the state and the other funds. But if an enterprise

failed to meet its production target—an increasingly common occurrence in the 1980s—the profit-sharing fund was reduced accordingly.

The State Budget

The Ministry of Finance directed the formulation of a detailed annual state budget, which was submitted to the GNA for approval and enactment into law. In theory, budget allocations took into account the analyses performed by the branch coordinating councils, the various ministries, their subordinate *centrale* and enterprises, and the executive committees of *judeţ* and municipal people's councils. But in reality, as the instrument for financing the Unitary National Socioeconomic Plan, the state budget was under Ceauşescu's firm control. The Council of Ministers had responsibility for supervising its implementation. The state budget typically was approved in December and went into effect on January 1, the beginning of the fiscal year (see Glossary), with expected revenues precisely offsetting authorized expenditures. Actual revenues and expenditures realized during the preceding year were officially announced at the same time, and the balance was carried over into the new state budget. Revenue estimates were set at the minimum level, while expenditures represented absolute ceilings. Consequently, budget surpluses were not unusual, particularly during the austere 1980s, when the top economic priority was elimination of the foreign debt. For example, a total surplus of 102 billion lei (for value of the leu; pl., lei—see Glossary) was accumulated during the years 1980–84, and in 1987 alone a 53.2 billion lei surplus was registered.

The consolidated state budget was divided into national and local budgets. In 1989 local budget revenues were forecast to be 25,446.8 million lei, while expenditures were set at only 14,078.7 million lei. The surplus of more than 11 billion lei was to be transferred to the national treasury to finance "society's overall development," a euphemism for centrally controlled capital investment at the expense of consumer goods and services.

Revenues

Profits from state enterprises and heavy turnover taxes levied on consumer goods, farm products, and farm supplies accounted for the bulk of revenue for the state budget. In 1989, for example, these two sources were expected to generate 69 percent of total revenues. Another large contributor was the tax on the "overall wage fund," which, though paid by the enterprises rather than individuals after 1977, was actually a tax on the work force. During the 1980s, taxes levied directly on individuals accounted for an ever

larger share of revenues. For example, between 1981 and 1988, personal taxes rose by a total of 64.8 percent. The official claim that individuals paid only about 1.2 percent of the total tax bill ignored the reality that both the tax on the wage fund and the turnover tax directly affected individual purchasing power. The source of a large part of budget revenues was not identified in official announcements. In the 1989 state budget, for example, more than 6.3 percent of total revenues were not explained (see table 3, Appendix).

Expenditures

Financing the national economy (including capital investment) claimed the largest share of the state budget throughout the postwar period. More than 43 percent of the 1989 state budget, for example, was earmarked for this purpose. Social services were the second largest recipient, getting slightly more than 25 percent of 1989 budget allocations. Actual outlays for social services, however, had declined during the belt-tightening of the 1980s. Reliable figures for military expenditures were generally not available, although according to official pronouncements, they were modest and declining as a percentage of total outlays, accounting for less than 3 percent of the 1989 budget, as compared with 6.1 percent in 1960. Allocations for the police and security service were never published. A large portion of total budgetary expenditures (more than 27 percent) was not itemized in the 1989 state budget, as compared with 14.8 percent not itemized in the 1984 budget and only 1.7 percent in 1965 (see table 4, Appendix).

Banking

The Role of Banking in a Centrally Planned Economy

The banking system was nationalized soon after the installation of the communist regime and replicated the system that had evolved in the Soviet Union. Although organizational reforms were instituted in the course of the following four decades, the basic mission of banking and its relationship to the rest of the economy remained unchanged.

The role of banking in the Stalinist economic model differs markedly from that in a market economy. Banks are state owned and operated and are primarily an instrument of economic control. They do not compete for customers; rather, customers are assigned to them. Nor are they in business to make a profit, because in the absence of money and capital markets, there is no mechanism to assign an accurate price for credit and thereby earn a fair profit.

Economic reforms in the late 1970s assigned greater responsibility to the banks for policing the economy to ensure that enterprises were operating and developing in compliance with the national plan. The banks accomplished this mission by monitoring enterprises' operations and assessing financial penalties for inefficient use of resources. As one of the three principal sources of money to finance operations and investments—the others being state budget allocations and profits retained by enterprises from the sale of commodities—banks exercised considerable influence over all economic units.

Banking Institutions

The banking system in 1989 consisted of the National Bank of the Socialist Republic of Romania (known as the National Bank), the Investment Bank, the Bank for Agriculture and Food Industry, the Romanian Foreign Trade Bank, and the Savings and Consignation Bank. In addition, a centralized Hard Currency Fund was set up in January 1988 to supervise all transactions involving hard currencies and to control the use of hard currency earnings to finance imports. The new body included representatives of the National Bank, the Foreign Trade Bank, the Ministry of Finance, and the Ministry of Foreign Trade.

Established in 1880, the National Bank was the heart of the banking system. It issued the national currency, set exchange rates, monitored the flow of money, managed budgetary cash resources, coordinated short-term credit and discount activities, and participated in the formulation of annual and five-year credit and cash plans in cooperation with the State Planning Committee and the Ministry of Finance. All industrial, transportation, and domestic trade enterprises maintained accounts in the National Bank. The bank also controlled the production, processing, and use of precious metals and gems and had exclusive authority to purchase from individuals items made of precious metals or stones and items of artistic, historic, or documentary value.

The Investment Bank, established in 1948, was the conduit by which investment resources—including state budget allocations—were directed to individual state, cooperative, consumer-cooperative, and other public organizations except for food-industry and agricultural enterprises. With hundreds of affiliates throughout the country, the Investment Bank adjudicated loan applications from enterprises and granted long-term investment credit after verifying that the money would finance projects consistent with the national economic plan. The bank reviewed technical and economic investment criteria and evaluated the feasibility of proposed investment

projects on the basis of accepted standards. In theory, it approved only investment projects that satisfied all legal requirements regarding need, suitability, and adherence to prescribed norms; had an adequate raw materials base and assured sales outlets; and served to improve the economic performance of the organization undertaking the project. The bank also granted short-term credit to construction enterprises and to geological prospecting and exploration organizations. The Investment Bank was responsible for calculating capital depreciation allowances to be paid by the central government to the accounts of individual enterprises.

The Bank for Agriculture and Food Industry was created in May 1971 by expanding the functions and changing the name of the Agricultural Bank established three years earlier. The bank provided investment and operating credits for food-industry enterprises, state and cooperative farms, and private farmers and financed the distribution of agricultural products within the country.

The Savings and Consignation Bank, originally called the Savings and Loan Bank, held the savings and current accounts of individual citizens. The bank mobilized the cash resources of the population for investment through obligatory periodic transfers of deposited funds to the National Bank.

The Romanian Foreign Trade Bank was established in July 1968. In 1987 its deposits totalled nearly 168 billion lei. The bank collaborated with the Ministry of Finance to obtain and manage foreign credit, and it handled transactions in both foreign currencies and lei for import and export services and tourism. Through strict control of hard-currency allocations, the bank encouraged the substitution of domestic products for imports.

In 1972 eight French banks joined the Foreign Trade Bank in setting up the Paris-based Banque Franco-Roumaine, which had a founding capital of 20 million francs. Later that year, the Anglo-Romanian Bank with a founding capital of US$7 million was established in London. And in 1976, the Frankfurt-Bucharest Bank AG, with a founding capital of DM20 million was set up in Frankfurt.

Credit Policy

The state banks alone possessed the legal authority to proffer credit, the essential function of which was to ensure the fulfillment of the goals set forth in the national plan. Unlike subsidies from the state budget, credits had to be repaid—with a small interest charge—according to a fixed timetable. Initially, the banks set interest rates at levels high enough merely to cover expenses, because it was not the function of interest to reflect the market value of

money. But on January 1, 1975, a graduated scale of rates went into effect, whereby planned credits ranged from 0.5 to 5 percent; special loans to enable enterprises to meet their payment schedule ranged from 4 to 7 percent; and the rate for overdue loans went as high as 12 percent. Punitive surcharges were levied for delays in bringing investment projects into operation (2 percent) or for failing to free up unused machinery and equipment within six months (6 percent). Plant-modernization loans carried an interest charge of only 1 percent but were limited to 5 million lei per project and had to be repaid within four years.

Currency

In 1989 the official unit of currency, the leu, which consists of 100 bani, was valued at about 14.5 lei per US$1. In 1954 the government set the gold parity of the leu at 148.1 milligrams (where it remained as of 1989) and on this basis determined the official rate of conversion to Western currencies. But because Romania's centrally planned economy set prices independently of international economic forces, the official exchange rate quickly became divorced from reality. Thus, like the currencies of other Comecon states, the leu became a so-called "soft" currency—one that cannot be used outside the country of issue.

In addition to being a soft currency, the leu had no unitary exchange rate consistently applied for all transactions. Bucharest used a bewildering range of conversion rates in order to pursue various economic objectives, such as fostering exports and tourism. Although the International Monetary Fund (IMF—see Glossary), which had loaned hundreds of millions of dollars to Romania in the 1970s, insisted that the policy of multiple exchange rates be discontinued, at least thirteen different rates were still in use in 1982—one rate for imports and twelve for export transactions. According to World Bank (see Glossary) analysts in the late 1980s, however, it appeared that a unified commercial exchange rate for the leu was Bucharest's goal. A separate, bonus exchange rate continued to be offered to tourists. Both the commercial and noncommercial rates tended to remain in effect for long periods without the daily fluctuations that characterize hard currencies.

The state retained a monopoly on foreign exchange. Private citizens could not hold foreign currencies or securities or have bank balances abroad without official permission, nor could they import or export Romanian banknotes. They were forbidden to own or trade in gold, to export jewelry or diamonds, and to engage in foreign merchandise trade. All proceeds earned by foreign trade organizations were surrendered to the Foreign Trade Bank. All hard

currency earnings were consolidated in the Hard Currency Fund, set up in 1988 to prevent foreign trade organizations, ministries, and enterprises from making unofficial hard currency transactions.

On the black market, which thrived throughout the postwar era, especially during the austere 1980s, barter was more effective than the official currency in procuring the most highly sought goods and services. Kent brand cigarettes emerged as the most universally accepted unofficial medium of exchange, a status they could attain because of the state's prohibition against private ownership of hard currencies. The street value of one carton of Kents in 1988 was approximately US$100. In the countryside, agricultural products became the de facto currency.

Natural Resources

Land

The land itself is Romania's most valuable natural resource. All but the most rugged mountainous regions sustain some form of agricultural activity. In 1989 more than 15 million hectares—almost two-thirds of the country's territory—were devoted to agriculture. Arable land accounted for over 41 percent, pasturage about 19 percent, and vineyards and orchards some 3 percent of the total land area.

Romania's soils are generally quite fertile. The best for farming are the humus-rich chernozems (black earth), which account for roughly one-fifth of the country's arable land. Chernozems and red-brown forest soils predominate in the plains of Walachia, Moldavia, and the Banat region—all major grain-growing areas. Soils are thinner and less humus-rich in the mountains and foothills, but they are suitable for vineyards, orchards, and pasturage.

The area under cultivation has increased steadily over the centuries as farming has encroached on forest and pasture areas, marshes have been drained, and irrigation has been brought to the more arid regions. By late 1986, Romania had extended irrigation to roughly one-third of its arable land, and a major campaign had been conceived to drain the Danube Delta and develop it into a vast agro-industrial complex of some 1,440 square kilometers. The area of arable land grew incrementally from about 9.4 million hectares in 1950 to slightly more than 10 million hectares in the late 1980s.

Another strategy to gain arable land was the controversial program of systematization of the countryside. This policy, first proposed in the early 1960s but seriously implemented only after a delay of some twenty years, called for the destruction of more than 7,000 villages and resettlement of the residents into about 550

standardized "agro-industrial centers," where the farm population could enjoy the benefits of urban life. Only those villages judged economically viable by the authorities were to be retained. Through eradication of villages, fence rows, and reportedly even churches and cemeteries, the government aimed to acquire for agriculture some 348,000 hectares of land.

At the very time the government was attempting to increase the area of arable land, countervailing pressures were exerted by urban development, which consumed large tracts for residential and industrial construction. In May 1968, a law was passed to prohibit the diversion of farmland to nonagricultural uses without the approval of the central government. The law reversed the previous policy of assigning no value to land in calculating the cost of industrial and housing projects. It did not, however, curtail the ideologically driven policy of industrializing the countryside, and some of the country's most fertile farmland was lost to development.

Postwar farming practices took a heavy toll on the country's soil resources. It was estimated in the late 1980s that because of unwise cultivation methods, 30 percent of the arable land had suffered serious erosion. Moreover, residual agricultural chemicals had raised soil acidity in many areas.

Water

Along with an abundance of fertile soil, Romanian agriculture benefits from a temperate climate and generally adequate precipitation. The growing season is relatively long—from 180 to 210 days. Rainfall averages 637 millimeters per year, ranging from less than 400 millimeters in Dobruja (see Glossary) and the Danube Delta to over 1,010 millimeters in the mountains. In the main grain-growing regions, annual precipitation averages about 508 to 584 millimeters. Droughts occur periodically and can cause major agricultural losses despite extensive irrigation. The drought of 1985 was particularly damaging.

Despite relatively generous annual precipitation and the presence of numerous streams and rivers in its territory, including the lower course of the Danube, which discharges some 285,000 cubic feet of water per minute into the Black Sea, Romania experienced chronic water shortages throughout the 1980s. Water consumption had increased by over thirteen times during the preceding three decades, taxing reserves to the limit. The 1990 official forecast envisioned consumption of 35 billion cubic meters, very close to nominal reservoir capacity. Large-scale agriculture and heavy industry were the major water users and polluters. Personal consumption was restricted by the growing scarcity of unpolluted

drinking water, which could be obtained from fewer than 20 percent of the major streams.

The Danube and rivers emanating from the Transylvanian Alps and the Carpathians represent an aggregate hydroelectric potential of 83,450 megawatts. Roughly 4,400 megawatts of this potential had been harnessed by the mid-1980s—mostly during the preceding two decades. Important hydroelectric stations were built on the Danube, Argeş, Bistriţa, Mare, Olt, Buzău, and Prut rivers (see fig. 3). These stations generated roughly 16 percent of Romania's electricity in 1984. But chronically low reservoir levels in the 1980s, caused by prolonged drought and irrigation's increasing demand for water, severely limited the contribution of hydroelectric power to the national energy balance (see Energy, this ch.).

The country's water resources also were an increasingly important transportation medium. The government invested billions of lei in the 1970s and 1980s to develop inland waterways and marine ports. The Danube-Black Sea Canal, opened to traffic in 1984, was the largest and most expensive engineering project in Romanian history. Major investments were made to modernize and expand both inland and marine ports, especially Constanţa and the new adjacent facility at Agigea, built at the entrance to the Danube-Black Sea Canal. Another important project—still under construction in the late 1980s—was a seventy-two-kilometer canal linking the capital city, Bucharest, with the Danube (see Inland Waterways; Maritime Navigation, this ch.).

Forests

Over the centuries, the harvesting of trees for lumber and fuel and the relentless encroachment of agriculture greatly diminished the forestlands that originally had covered all but the southeastern corner of the country. Nevertheless, in the late 1980s, forests remained a valuable national resource, occupying almost 27 percent of the country's territory. Growing primarily on slopes too steep for cultivation, the most extensive forests were found in the Carpathians and the Transylvanian Alps. Hardwoods such as oak, beech, elm, ash, sycamore, maple, hornbeam, and linden made up 71 percent of total forest reserves, and conifers (fir, spruce, pine, and larch) accounted for the remaining 29 percent. The hardwood species predominated at elevations below 4,600 feet, while conifers flourished at elevations up to 6,000 feet.

Forestry had a long tradition in Romania, and for centuries timber was one of the region's primary exports. After World War II, the industry shifted its focus from raw timber to processed wood products. Increasingly aware of the economic value of the forests,

the government established a Council of Forestry in 1983 to supervise afforestation projects and ensure preservation of existing woodlands. In 1985 afforestation work on a total of 52,850 hectares was completed.

Fossil Fuels

The late 1980s saw the rapid depletion of Romania's extensive reserves of fossil fuels, including oil, natural gas, anthracite, brown coal, bituminous shale, and peat. These hydrocarbons are distributed across more than 63 percent of the country's territory. The major proven oil reserves are concentrated in the southern and eastern Carpathian foothills—particularly Prahova, Argeş, Olt, and Bacău *judeţe,* with more recent discoveries in the southern Moldavian Plateau, the Danube Plain, and Arad *judeţ* (see fig. 1). Despite an ambitious program of offshore exploration, begun in 1976, significant deposits in the Black Sea continental shelf had yet to be discovered as of the late 1980s. Most of the country's natural gas deposits are found in the Transylvanian Plateau. The Southern Carpathians and the Banat hold most of the hard coal reserves, while brown coal is distributed more widely across the country, with major deposits in Bacău and Cluj *judeţe,* the southeastern Carpathian foothills, and the Danube Plain.

Total oil reserves in 1984 were estimated at 214 million tons. Western analysts interpreted consistently lower output figures and Romania's intense search for improved oil-recovery technology as evidence that reserves were being depleted rapidly. By the mid-1980s, comparatively little oil was being burned for heat and electricity generation. Most of the domestically produced crude was being used as feedstock for refining into valuable gasoline, naphtha, and other derivatives.

As oil's share of the energy balance was declining during the 1970s and 1980s, natural gas and coal assumed increasing prominence. In the mid-1970s, Romania's natural gas reserves—the most extensive in Eastern Europe—were estimated at between 200 and 240 billion cubic meters. This resource was all the more valuable because of its high methane content of 98 to 99.5 percent. Natural gas and gas recovered with crude oil fueled about half of the country's thermoelectric power plants and provided feedstock for the chemical industry. Falling natural gas output figures in the 1980s suggested that this valuable resource also was being depleted. Romanian experts themselves predicted that reserves would be exhausted by 2010. The country had to begin importing natural gas from the Soviet Union in the mid-1970s. Annual imports had reached

2.5 billion cubic meters by 1986 and were expected to rise to about 6 billion cubic meters after 1989.

Although total coal reserves were estimated at 6 billion tons in the mid-1970s, much of this amount was low-quality brown coal containing a high percentage of noncombustible material. Only a fraction of the steel industry's considerable demand for coking coal could be covered by domestic sources.

Other Minerals

Romania possesses commercial deposits of a wide range of metallic ores, including iron, manganese, chrome, nickel, molybdenum, aluminum, zinc, copper, tin, titanium, vanadium, lead, gold, and silver. The development of these reserves was a key element of the country's industrialization after World War II. To exploit the ores, the government built numerous mining and enrichment centers, whose output in turn was delivered to the country's large and ever-expanding metallurgical and machine-building industries.

The major known iron ore deposits are found in the Poiana-Ruscă Mountains (a spur of the Transylvanian Alps) and the Banat, Dobruja, and the Harghita Mountains (in the Eastern Carpathians). Though commercially significant, these deposits were unable to satisfy the huge new steel mills that were the centerpiece of Romania's industrial modernization after the mid-1960s. Indeed, by 1980 Romania had to import more than 80 percent of its iron ore. Some experts predicted that domestic iron ore resources would be exhausted by the early 1990s.

Most of the nonferrous metal reserves are concentrated in the northwest, particularly in the Maramureş Mountains (in the Eastern Carpathians) and the Apuseni Mountains (in the Western Carpathians). The Maramureş range contains important deposits of polymetallic sulfides—from which copper, lead, and zinc are obtained—and certain precious metals. The Apuseni range holds silver and some of the richest gold deposits in Europe. Major copper, lead, and zinc deposits also have been discovered in the Bistriţa Mountains, the Banat, and Dobruja. Bauxite is mined in the Oradea area in northwestern Transylvania. Although new mines to extract these ores continued to be developed throughout the 1970s and 1980s, the proclaimed goal of self-sufficiency in nonferrous metals by 1985 was unrealistic, considering that in 1980 foreign sources supplied 73 percent of the zinc, 40 percent of the copper, and 23 percent of the lead consumed by Romanian industry.

The country also has commercial reserves of other minerals, which are processed by a large chemical industry that barely existed before World War II. The inorganic chemical industry exploits

sulfur obtained as a metallurgical by-product or refined from gypsum, an abundant mineral. There are large deposits of pure salt at Slănic, Tîrgu Ocna, and Ocna Mureş. Caustic soda, soda ash, chlorine, sulfuric and hydrochloric acid, and phosphate fertilizers are among the chemical products based on domestic raw materials.

Labor

Distribution by Economic Sectors

A prerequisite for rapid economic growth after World War II was the wholesale transfer of labor from agriculture, which had employed 80 percent of the population before the war, to other sectors—primarily to heavy industry. The industrial work force grew by an average of 5 percent per year during the 1950-77 period, as Romania was accomplishing its most dramatic economic development, and industrial output was rising by an average 12.9 percent annually. As late as 1960, 65 percent of the labor force was still engaged in agriculture, with only some 15 percent working in industry and 20 percent in other sectors. But in the course of the following two decades, the labor force would be transformed, as peasants left the land in the wake of agricultural collectivization to take better-paid jobs in the cities. Between 1971 and 1978, the outflow of rural labor accelerated to 11 percent per year—more than twice the rate of the 1950s and 1960s.

By 1980 agriculture employed no more than 29 percent of the labor force, while industry occupied 36 percent and other sectors the remaining 35 percent. By this time the rural exodus had slowed, and although half the population continued to reside in rural areas, the reserves of able-bodied young men in agriculture had been reduced drastically. As a result, targets for expansion of the industrial labor force were unattainable, and agriculture was becoming the domain of the elderly and women (see table 5, Appendix).

Unpaid Labor

The rapid realignment of the work force created difficulties for agriculture, particularly during planting and harvest seasons. To compensate for the loss of farm workers, the government followed the Stalinist practice of mobilizing soldiers, young people, and even factory workers to "donate" their labor. Throughout the communist era, these groups have supplied unpaid labor that made possible the massive civil engineering projects launched after World War II. In 1988 more than 720,000 high school and college students and 30,000 teachers were detailed to agricultural work sites, and

another 50,000 students and 2,000 teachers "donated" labor at construction projects.

Throughout the 1980s, the government appeared to be growing more reliant on compulsory labor, issuing a decree in August 1985 requiring all citizens to make labor and financial contributions to public works projects. At the same time, the military's role in the economy was also becoming more prominent. Soldiers worked on such important national projects as the Danube-Black Sea Canal, the Iron Gate hydroelectric project, and the Bucharest subway, as well as on more mundane details such as repairing streets and bringing in the harvest. After 1985, when Ceauşescu militarized the electric power industry, army officers even became involved in the management of the civilian economy.

Demographics

Romania had a population of more than 23 million in 1987, but the active work force numbered about 10.7 million—an increase of only 550,000 workers since 1975. Women accounted for only about 40 percent of the labor force in 1988 and therefore represented the largest reserve of underused talent. After the mid-1970s, the rate of growth of the industrial labor force dropped significantly compared with the previous quarter century, falling from 5.1 percent in 1976 to 2.3 percent in 1980. Moreover, demographers forecast a growth of only 2.5 to 3.6 percent for the entire Eighth Five-Year Plan (1986–90).

Three major trends precipitated the slowdown in the growth of the labor force. First, the reserve of underused rural labor that could be transferred to the industrial sector was nearing depletion; the countryside had lost nearly half a million men in the four years between 1976 and 1979 alone. Second, Romania's birthrate—after Poland's, the highest in Eastern Europe—declined as urbanization proceeded, and despite the government's pronatalist policy, this trend was not reversed. And finally, large numbers of skilled workers were emigrating.

As in all of Eastern Europe and the Soviet Union, Romania's fertility level dropped significantly as urbanization brought more women into the work force and abortion became available on demand. In 1958 112,000 abortions were performed, but by 1965, the figure had skyrocketed to 1,115,000 annually, or approximately 4 abortions for every live birth. Realizing that a lower birthrate would inhibit economic growth, the government began instituting a pronatalist policy and in 1966 declared an end to abortion on demand. But abortions—legal and illegal—continued to be performed at a worrisome rate, reaching 421,386 in 1983. A relatively

ungenerous incentive program to promote childbearing, instituted in the 1960s, had little positive effect. As a result, the birthrate declined steadily after 1967 and by the early 1980s had become a serious concern for Romania's economic planners.

Compared with the other communist regimes of Eastern Europe, Romania appeared to have a rather liberal emigration policy, but in the 1980s applicants for emigration increasingly were subjected to harassment and persecution. Most of the once-thriving Jewish community had been allowed to emigrate to Israel. In the late 1970s and throughout the 1980s, nearly 1,000 ethnic Germans were permitted to depart each month for the Federal Republic of Germany (West Germany). Large numbers of ethnic Hungarians illegally crossed into Hungary to escape economic and cultural oppression. Western diplomats in Belgrade claimed that as many as 5,000 refugees crossed into Yugoslavia each year, and that in 1988 some 400 persons were shot to death and many others drowned trying to swim across the Danube. Those seeking permission to leave legally often lost their jobs, housing, and health benefits and were forced to wait long periods for their exit papers. These harsh policies reflected the seriousness with which the regime regarded the loss of the country's skilled workers and its concern for the overall deterioration of the labor pool.

Productivity

Romania traditionally had one of the lowest levels of labor productivity in Europe. Agricultural units before World War II were small-scale and inefficient. Because of the high density of the rural population, much of the farmland had been subdivided into small parcels, making mechanization impractical. As a result, per capita farm output was low. Industrial labor productivity was somewhat higher. Employing less than 10 percent of the labor force in 1938, industry then produced 31 percent of total national income. The classic extensive development strategy pursued after the war accomplished gains in industrial output as a result of massive capital and labor inputs, not because of improved labor productivity and efficiency. But beginning in the late 1970s, as labor reserves dwindled, continued economic growth required substantially improved productivity. The government's inability to make significant gains in this area and to make the transition to an intensive development strategy was a primary cause of the economic crisis of the 1980s.

The postwar modernization process inevitably brought improvements in labor productivity in most sectors. Agriculture, however, because of the rapid loss of many of its most productive workers,

underinvestment and neglect by the central planners, and peasant demoralization in the aftermath of forced collectivization, remained one of the least efficient sectors of the economy. Although agriculture still employed some 28 percent of the labor force in the mid-1980s, it accounted for only 14 percent of national income. And in 1980, Romania ranked no better than twentieth of twenty-three European countries in terms of output per hectare of farmland. Industrial labor productivity, on the other hand, improved steadily through the first three decades of communist rule, growing an average 7.9 percent per year between 1950 and 1977— primarily because of the acquisition of modern machinery and technology. These improvements notwithstanding, in 1985 Romania ranked last among the East European Comecon countries in terms of per capita gross national product (GNP—see Glossary).

Labor productivity growth rates slowed noticeably toward the end of the 1970s. The annual target of 9.2 percent for the Sixth Five-Year Plan (1976–80) proved unattainable. Instead, the government claimed to have achieved an annual growth of 7.2 percent—still a respectable accomplishment. The reliability of that figure, however, was questioned by Western analysts, who were becoming increasingly distrustful of official Romanian statistics. During the decade of the 1980s, the government set the unrealistic goal of doubling labor productivity by 1990. But this target would not be met, as the economy took a severe downturn. Western sources estimated, for example, that 1988 gross industrial output was no higher than and possibly lower than that of 1987, which in turn might have been lower than output in 1986. Because the government had predicated most of its ambitious economic growth targets on improved labor productivity, the poor results in gross industrial output indicated that the labor situation had not improved.

A number of factors underlay the chronically low productivity of Romanian labor. Foremost among these were the extreme degree of economic centralization, which gave workers little input in decisions that affected their working conditions and incomes, and the absence of rewards for personal initiative. The labor force endured low wages, few bonuses, ungenerous pensions, long workweeks, poor living conditions, and a general sense of powerlessness.

With an average per capita annual income of approximately US$1,000 in 1987, Romanian workers remained among the most poorly paid in Europe. Low labor remuneration, along with high taxes, and neglect of the consumer goods sector were deliberate government policies designed to accumulate funds for investment in the economy. Thus, while national income (see Glossary) rose

an impressive 9.2 percent per annum between 1951 and 1982, wages during the same period grew by only 4.9 percent. In 1983 Ceauşescu, frustrated by persistent worker apathy, abolished fixed wages in favor of a policy that tied a worker's income directly to plan fulfillment by the enterprise. Previously every worker had been assured of receiving 80 percent of his or her nominal salary regardless of performance, with the remaining 20 percent dependent on the individual's productivity.

Rather than spurring the worker to produce more, the new remuneration policy in fact caused further demoralization because it invariably lowered wages. For example incomes fell by an average 40 percent at the Heavy Machinery Plant in Cluj-Napoca after the new policy went into effect. Workers were now being penalized for factors beyond their control, such as parts shortages and power failures. Their reaction was predictable. Passive resistance in the form of sloppy workmanship, excessive absenteeism, and drinking on the job became commonplace. More alarming to the government, however, were the scattered but sizable strikes and demonstrations that were occurring with greater frequency in the late 1980s. Across the country there were reports of work stoppages in protest of the new wage law. Following the November 1987 outbreak of riots at the Red Flag Truck and Tractor Plant in Braşov—precipitated by low wages, food shortages, and poor working conditions—Ceauşescu announced that pay raises for all industrial workers and larger pensions would be phased in by the end of 1990. After the raises, the average worker theoretically would be earning 3,285 lei per month, and average monthly pensions would pay some 2,000 lei.

The Ceauşescu regime's approach to the problem of labor apathy in the late 1980s ran counter to the wave of reforms that were being tested in other Comecon nations at that time. Rather than encouraging workers with monetary incentives that recognized differences in skills and productivity, in 1988 and 1989 Ceauşescu offered modest wages that were graduated so that wage differentials between the highest- and lowest-paid workers were actually reduced. Wage hikes for the latter, averaging 33 percent, went into effect in August 1988, whereas increases of less than 10 percent for workers in the higher wage brackets were not scheduled to take effect until 1989. Instead of offering concessions that would improve their standard of living, Ceauşescu continued to exhort the workers to sacrifice for the building of socialism (see Glossary) and a better life for future generations. But these traditional motivational appeals were becoming less effective as life grew harder for most citizens.

Workers increasingly felt alienated from the institutions that were supposed to be defending their interests, particularly the PCR and its labor organ, the General Union of Trade Unions of Romania (Uniunea Generală a Sindicatelor din România—UGSR), which they viewed as merely another control mechanism, a conduit for the downward flow of directives from the central planners. A survey taken shortly before the economic downturn of the late 1970s revealed that more than 63 percent of a sampling of 6,200 young Romanian workers felt their union was not representing their interests.

Because of the late emergence of a working class, Romania had little experience with grass-roots labor movements. In 1979, however, Paul Goma, a prominent exiled dissident, and three compatriots inside Romania—Vasile Paraschiv, Theorghe Braşoveneau, and Ionel Cana—led an ill-fated attempt to organize an independent union. The PCR would not tolerate such a threat to its control of labor, and within a month, the three principal leaders had been arrested and the nascent union movement had been, at least temporarily, crushed.

In addition to low wages and nonrepresentation of the workers' interests, several other developments contributed to the growing disaffection of labor. For years the government had promised a shortening of the workweek, which was supposed to have been cut to forty-five hours by 1985. Although a forty-six-hour week was proclaimed in 1982, in practice most Romanians continued to work forty-eight hours or more. Adding to their misery, average workers wasted hours each day waiting in line for basic foodstuffs, gasoline, and other consumer items that were becoming ever more difficult to obtain.

Poor placement practices created immediate job dissatisfaction and were a primary cause of the high labor turnover rate. A survey of some 6,000 workers aged fourteen to thirty, taken in the relatively prosperous 1970s, revealed that more than half wanted to leave their jobs, and about one-quarter had already done so at least once. The problem of high turnover was most acute in the construction industry, where more than 28 percent of the work force quit their jobs during the 1982–86 period, and in the mining industry, which reportedly was hit even harder. To discourage turnover, the new wage system announced in September 1983 contained a provision that required newly hired workers to remain with an enterprise for at least five years. Failing that provision, they would forfeit a large share of their salaries, which had been withheld in compulsory savings accounts, and they would have to repay the enterprise for training expenses. But punitive monetary

measures of this type proved ineffective in an economy that offered workers few consumer goods on which to spend their money.

Foreign Trade

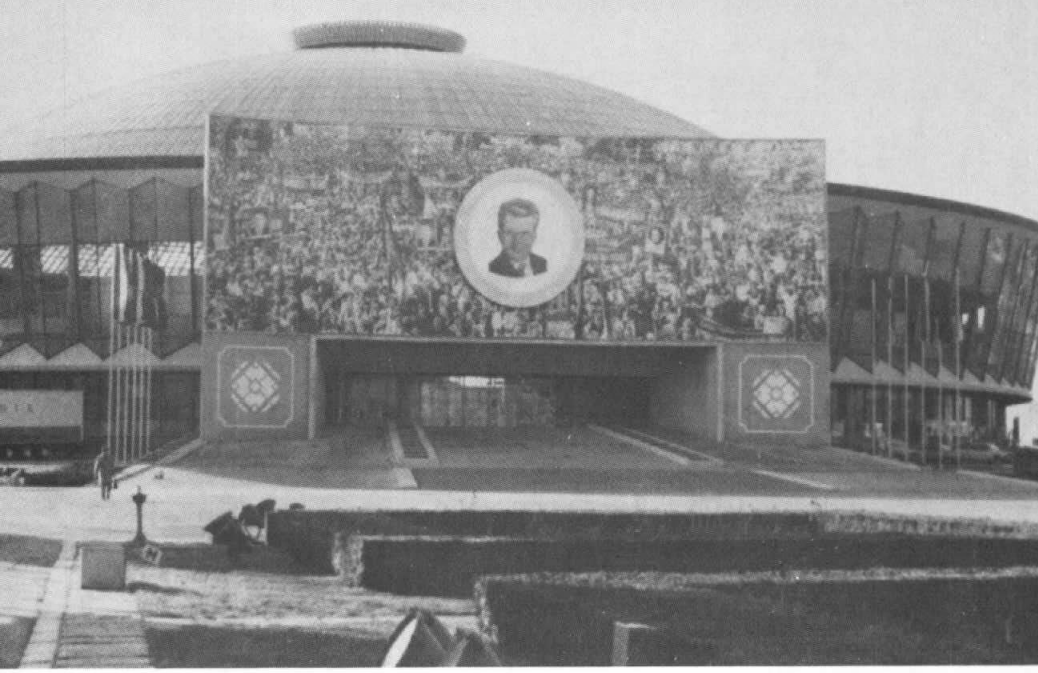
Goals and Policy

During the postwar era, Romania used foreign trade effectively as an instrument to enhance the development of the national economy and to pursue its goal of political and economic independence. In this context, earning a foreign-trade surplus was not a primary concern until the late 1970s. The primary goal, rather, was acquisition of the modern technologies and raw materials needed to create and sustain a highly diversified industrial plant. The export program was geared to earning the required hard currency to purchase these materials and technologies. But in the 1980s, the focus of foreign trade was shifted to curtail imports and run large hard-currency surpluses to repay the debt that had accrued in the previous two decades. Enterprises that produced for export received preferential treatment in resource allocation and higher prices for their output.

Foreign trade was a state monopoly. Trade policy was established by the PCR and the government, and its implementation was the responsibility of the Ministry of Foreign Trade and International Economic Cooperation. Subordinate to the ministry were special state agencies—foreign-trade organizations—that conducted all import and export transactions. In 1969 the ministry was reorganized to become essentially a coordinating agency, and within a year only three foreign-trade organizations remained under its direct control. This decentralization was short-lived, however, as the number of foreign-trade organizations was reduced from fifty-six in 1972 to forty in 1975, and all but four of these were returned to the ministry's control.

Trading Partners

Before World War II, the West accounted for more than 80 percent of Romania's foreign trade. During the postwar period up to 1959, however, nearly 90 percent of its trade involved Comecon nations. The Soviet Union was by far the most important trading partner during this period. But the PCR's insistence on autarkic development led Romania into direct confrontation with the rest of the Soviet bloc. In the late 1950s and early 1960s, Soviet leader Nikita Khrushchev had envisioned an international division of labor in Comecon that would have relegated Romania to the role of supplier of foodstuffs and raw materials for the more industrially



International Trade Fair Building, Bucharest
Courtesy Scott Edelman

developed members, such as the German Democratic Republic (East Germany) and Czechoslovakia. In April 1964, however, General Secretary Gheorghe Gheorghiu-Dej threatened to take Romania out of Comecon unless that organization recognized the right of each member to pursue its own course of economic development.

As early as the 1950s, Gheorghiu-Dej had begun to cultivate economic relations with the West, which by 1964 accounted for nearly 40 percent of Romania's imports and almost one-third of its exports. When Ceauşescu came to power in 1965, the West was supplying almost half of the machinery and technology needed to build a modern industrial base. In 1971 Romania joined the General Agreement on Tariffs and Trade (GATT—see Glossary) and the following year it won admission to the IMF and the World Bank. In 1975 Romania gained most-favored-nation trading status from the United States.

Between 1973 and 1977, Romania continued to increase its trade with the noncommunist world and initiated economic relations with the less-developed countries. In 1973 about 47.3 percent of its foreign trade involved the capitalist developed nations, with which it incurred a large trade deficit that necessitated heavy borrowing from Western banks. During this period, major obligations to the IMF (US$159.1 million) and the World Bank (US$1,502.8 million) were incurred.

To gain greater access to nonsocialist markets, Romania set up numerous joint trading companies. By 1977 twenty-one such ventures were in operation, including sixteen in Western Europe, three in Asia, and one each in North America and Africa. Romania held at least 50 percent of the start-up capital in these companies, which promoted its manufactured goods and agricultural products abroad. In 1980 Romania became the first Comecon nation to reach an agreement with the European Economic Community (EEC), with which it established a joint commission for trade and other matters.

During the 1980s, however, trade relations with the West soured. Ceauşescu blamed the IMF and "unjustifiably high" interest rates charged by Western banks for his country's economic plight. For its part, the West charged Romania with unfair trade practices, resistance to needed economic reform, and human rights abuses. In 1988 the United States suspended most-favored-nation status, and the following year, the EEC declined to negotiate a new trade agreement with Romania. Meanwhile, attempts to increase trade with the less-developed countries had also met with disappointment. After peaking in 1981 at nearly 29 percent of total foreign trade, relations with these countries deteriorated, largely because the Iran-Iraq War had cut off delivery of crude oil from Iran.

Frustrated by the downturn in trade with the West and the less-developed countries, Romania reluctantly returned to the Soviet fold during the 1980s. By 1986 socialist countries accounted for 53 percent of its foreign trade. But the Ceauşescu regime continued to assert its independence, refusing to endorse the Comecon program that would allow enterprises to circumvent routine bureaucratic channels and establish direct business relationships with enterprises in other member countries. And he refused to cooperate in Comecon attempts to establish mutual convertibility of the currencies of the member states (see table 6, Appendix).

Structure of Exports and Imports

The assortment of export products changed dramatically during the postwar era. Before the war, raw materials and agricultural products accounted for nearly all export income, but in the 1970s and 1980s, the primary exports were metallurgical products, especially iron and steel; machinery, including machine tools, locomotives and rolling stock, ships, oil-field equipment, aircraft, weapons, and electronic equipment; refined oil products; chemical fertilizers; processed wood products; and agricultural commodities (see table 7, Appendix).

Retirement of the Foreign Debt

After 1983 Ceauşescu refused to seek additional loans from the IMF or the World Bank and severely curtailed imports from hard-currency nations while maximizing exports—to the great detriment of the standard of living. As a consequence, Romania ran balance-of-trade surpluses as large as US$2 billion per year throughout the rest of the decade. With great fanfare, Ceauşescu announced the retirement of the foreign debt in April 1989, proclaiming that Romania had finally achieved full economic and political independence. Shortly thereafter, the GNA enacted legislation proposed by Ceauşescu to prohibit state bodies—including banks—from seeking foreign credits.

Industry

Geographic Distribution

The development program sought to distribute industrial capacity evenly across the country. This policy of disaggregation often appeared counterproductive to western observers. For example, by siting a vast steel complex at Călăraşi, some of the most valuable farmland in the country had to be sacrificed. But the PCR argued that dissemination of industry into the countryside was necessary to transform Romania from a peasant society to a proletarian society, one of the prerequisites for attaining communism.

The campaign to industrialize all regions was moderately successful. In 1968 nearly half of the forty *judeţe* reported per capita industrial output of less than 10,000 lei, but by 1990 no *judeţ* was expected to produce less than 50,000 lei per capita. In addition to the Bucharest agglomeration, which accounted for nearly one-seventh of total industrial output in 1986, major industrial centers had been built in many other regions of the country. Measured in value of industrial output, the ten leading *judeţe* in 1986 were Bucharest, Prahova, Braşov, Argeş, Bacău, Galaţi, Timiş, Hunedoara, Sibiu, and Cluj—in that order. These ten *judeţe* accounted for 51.2 percent of industrial production in 1986. The ten most industrially developed *judeţe,* with 48.2 percent of all fixed industrial assets in 1986, were Bucharest, Galaţi, Prahova, Hunedoara, Braşov, Gorj, Argeş, Bacău, Dîmboviţa, and Dolj. On the other hand, the ten least developed *judeţe,* Satu Mare, Botoşani, Călăraşi, Ialomiţa, Bistriţa-Năsăud, Covasna, Vrancea, Harghita, Sălaj, and Vaslui, had only 8.9 percent of the fixed industrial assets.

Energy

Crisis of the 1980s

Despite significant energy resources and an extensive industry to exploit them, the sector performed poorly during the 1980s, seriously damaging economic performance as a whole and causing great hardship for the population. In 1986, for example, electricity production fell 2.6 percent below target; this poor performance resulted in an estimated 4.7 percent reduction in national income. Not only was the goal of energy self-sufficiency by 1990 not fulfilled, all trends indicated that in the 1990s Romania would be increasingly dependent on imported fuels and electricity—especially from the Soviet Union. The sector performed so poorly that Ceauşescu issued a decree in 1985 militarizing the energy industry. That decree stated that a military commander and subordinate cadres would be assigned to each power plant to improve its efficiency and ensure uninterrupted operation.

The energy program for the 1980s called for drastically reducing reliance on oil and gas, while increasing the contribution of coal, hydroelectric power, nuclear power, and nonconventional sources (see table 8, Appendix). Romanian industry was among the world's least energy-efficient. Measures to reduce waste were largely unsuccessful, and the population bore the brunt of conservation, even though private households accounted for only about 6 percent of total consumption. During the 1980s, the government strictly rationed electricity, natural gas, gasoline, and other oil products, levying heavy fines for exceeding ration allotments.

Electric Power

Enormous investments made in the sector following World War II resulted in dramatic gains in capacity and output (see table 9, Appendix). Despite the impressive growth in output, averaging 8.3 percent annually between 1966 and 1985, however, the power industry did not keep pace with overall industrial growth, which averaged 9.5 percent annually during the same period. The result was an acute and worsening energy deficit.

Thermal power plants burning fossil fuels accounted for more than 80 percent of electricity output in the mid-1980s, and the development program envisioned an installed capacity of 16,518 megawatts at such plants by 1990. The largest thermal plants operating in the mid-1980s were located at Rovinari in Gorj *judeţ* (1,720 megawatts), Turceni in Gorj *judeţ* (1,650 megawatts), Brăila (1,290 megawatts), Mintia in Hunedoara *judeţ* (1,260 megawatts), Craiova (980 megawatts), Deva (840 megawatts), Luduş in Cluj *judeţ* (800

megawatts), Borzeşti in Botoşani *judeţ* (650 megawatts), Galaţi (320 megawatts), and Bucharest (300 megawatts). After 1965, thermal plants producing both heat and electricity were favored, and by 1984 their combined capacity exceeded 6,100 megawatts—roughly one-third of total installed capacity. A serious problem for thermal plants during the 1980s was the deteriorating quality of lignite fuel, which was damaging equipment and causing frequent shutdowns. At the start of the 1988–89 peak-demand season, only 45 to 50 percent of total installed generating capacity was operational.

Capitalizing on the country's considerable hydroelectric potential, the government built some 100 hydroelectric plants between 1965 and 1985, bringing total capacity to 4,421 megawatts. Nevertheless, it was estimated in early 1989 that only 35 percent of the technically feasible hydroelectric potential had been tapped. The most important project was the 2,100-megawatt Iron Gates I complex on the Danube. Built in collaboration with Yugoslavia, which operated a twin plant on the right bank, the project was completed in 1972. In 1977 the two countries began work on a much smaller Iron Gates II project (sixteen twenty-seven-megawatt generating units). Other important projects were the 220-megawatt Gheorghiu-Dej plant on the Argeş River and a chain of fourteen smaller plants downstream with a combined capacity of 179 megawatts; the V.I. Lenin complex of twelve plants on the Bistriţa River; a chain of plants along the 737-kilometer Olt River totalling more than 1,200 megawatts; a chain of sixteen plants on the Mare River with a total capacity of 536 megawatts; and numerous stations along the Buzău, Jiu, Prut, and other rivers.

To offset declining petroleum and gas reserves, the PCR pinned its hopes on nuclear power. But these hopes were partially frustrated by repeated setbacks in the construction of the first nuclear power plant at Cernavodă, which appeared unlikely to become operational before 1992. The Cernavodă plant would use five 660-megawatt Canadian-built reactors. The Canadians also had been engaged to build a nuclear station at Victoria-Braşov. In 1982 a contract was signed with the Soviet Union to build the Moldova nuclear plant, which would have three 1,000-megawatt reactors. And preparatory work began in March 1986 for construction of a nuclear plant at Piatra Neamţ, to be equipped largely by the Soviet Union. As late as 1985, the government was anticipating that nuclear plants would be supplying 20 percent of the nation's electricity by 1990, when some 4,500 megawatts of capacity would be on line, but the long-range goal of building sixteen nuclear plants by 2000 appeared unattainable.

Geothermal, solar, wind, methane, and small hydroelectric installations produced the energy equivalent of nearly 450,000 tons of conventional fuel during the first three years of the Eighth Five-Year Plan (1986–90). The plan called for starting up some 240 alternative-energy installations during this period, including 125 solar and 70 methane plants. Methane accounted for over 80 percent of nonconventional energy production. In 1989 alternative energy sources were expected to double their output. The development program anticipated that such sources would contribute one-fifth of total energy capacity in 1995, when more than 60 percent of the geothermal, nearly 50 percent of the methane, and 63 percent of the small-stream hydroelectric potential would have been harnessed.

A transmission grid of 110-, 220-, and 400-kilovolt lines with a total length of about 27,000 kilometers in the mid-1980s distributed electricity throughout the country. Integrated into Comecon's Peace Unified Power System, the Romanian network was connected to the national grids of all neighboring states. In 1988 a 750-kilovolt transmission line built jointly with the Soviet Union and Bulgaria delivered some 5 billion kilowatt-hours of electricity to Romania from the South Ukraine Nuclear Power Station.

Oil and Gas

With the largest petroleum reserves in Eastern Europe, Romania was a major oil producer and exporter throughout much of the twentieth century. The oil extraction industry, developed primarily by German, United States, British, and Dutch companies, was the forerunner of the country's belated industrialization. In 1950 oil satisfied nearly half of total energy needs. Peak production was reached in 1976, gradually declining in subsequent years, as many of the country's 200 oil fields began nearing depletion and discovery of new reserves waned. Increasingly large quantities of crude had to be imported, and in 1979 imports surpassed domestic production for the first time. Despite an accelerated exploration program, with average drilling depths increasing to 8,000 to 10,000 meters, oil output continued to decline in the 1980s.

Beginning in the late 1970s, Romania became one of only ten countries producing offshore oil-drilling rigs. In 1988 seven such platforms were operating in the Black Sea under the supervision of the Constanţa-based Petromar enterprise to develop hydrocarbon reserves in the continental shelf.

During the 1970s, Romania invested heavily in developing an outsized oil-refining industry just as domestic petroleum production was beginning to decline and the world market price for crude

was skyrocketing. Some observers estimated that by 1980 the country was losing as much as US$900,000 per day by exporting oil products derived from imported crude. But because these products found a ready market in the West—they accounted for 40 percent of exports to the West in the late 1980s—Romania continued large-scale processing of imported crude to earn hard currency. By 1988 domestic crude output had fallen to 9.4 million tons, while refining capacity stood at some 30 to 33 million tons annually. To keep the refineries running, ever larger volumes of crude had to be imported—first from members of the Organization of Petroleum Exporting Countries (OPEC), but after the outbreak of the Iran-Iraq War, from the Soviet Union. Soviet crude deliveries reached about 6 million tons in 1986. Under the terms of a barter arrangement, Romania was to receive at least 5 million tons of Soviet crude annually during the 1986-90 period in exchange for oil-drilling equipment and food products.

The natural gas industry was unable to offset depletion of known reserves, and output declined from 1,216 billion cubic feet in 1976 to 940 billion cubic feet in 1986. Some Western experts believed that Romanian reserves could be exhausted as early as 1990. After it had begun importing gas from the Soviet Union in the mid-1970s, Romania obtained incrementally larger shipments; in 1986 it imported 2.5 billion cubic meters of Soviet gas. For its participation in projects to develop Soviet gas resources, Romania was expected to receive shipments of at least 6 billion cubic meters annually after 1989. In addition, as payment for transit rights for a 200-kilometer gas pipeline across Dobruja to Bulgaria, Romania would be receiving an unspecified amount of Soviet gas for a twenty-five-year period.

Coal

The energy program of the 1970s and 1980s aimed for dramatic increases in coal output to compensate for the reduced role of oil and natural gas in power production. The use of oil and gas in electricity generation was projected to drop from 50 percent in 1981 to 5 percent in 1990. When Romania's energy vulnerability had been revealed by the stoppage of crude oil shipments from Iran in the late 1970s, Ceauşescu launched a campaign to expand coal production rapidly. Because of labor unrest in the Jiu Valley, the primary coal-mining region, he decided to develop other coal fields. But the coal from the new mines turned out to be of poorer quality and had a lower caloric content. Although a total of thirty-five new open-pit and underground mines began operating during the 1982-85 period, the initial output target of 86 million tons annually

by 1985 had to be revised to 64 million tons, and actual production amounted to just 44 million tons. Even as late as 1988, only 58.8 million tons were mined. Poor mine-development methods, numerous accidents, pit flooding, equipment failure, and high labor turnover were the principal causes of the industry's disappointing performance.

Coal production could not keep up with industrial needs. Nearly three-fourths of coal output was burned by large thermoelectric power plants located at or near the major coal basins. Large quantities of coking coal had to be imported from the Soviet Union. In 1989 Hancock Mining Company of Australia signed a contract to deliver up to 6 million tons of coking coal annually for a twelve-year period.

Machine Building

Contributing about 35 percent of total industrial output in the 1980s, machine building had become the largest industrial sector. The Soviet Union and Comecon helped set up and outfit machine-building plants in the 1950s, but during the 1960s Romania began acquiring technology and know-how from the West. In the 1980s, however, many manufacturing ventures initiated with Western partners in the previous decade were on shaky ground or had already failed. As a rule, capitalist enterprises found both the output and quality of goods produced by these ventures unsatisfactory. Because of restrictions on imports, domestic industry was required to satisfy nearly 90 percent of the country's machinery and equipment needs during the 1980s.

In terms of both volume and diversity of output, the machinery sector was impressive. In 1982 Romania ranked tenth in the world in the production of machine tools and was the world's largest exporter of railroad freight cars and the third largest exporter of oil-field equipment. It was one of the few countries to build offshore-drilling platforms. A symbol of industrial sophistication, the giant rigs were assembled at the Galaţi shipyard using domestically manufactured components. And great strides had been made in the production of aircraft, electronic and electrical equipment, ships, and ground vehicles.

Aircraft Industry

The aircraft industry in Romania dates from 1925, when the first airplane factory began operation in Braşov. Following World War II, the few production facilities not retooled for other purposes built only light planes and gliders. But in 1968, in keeping with PCR aspirations of economic autonomy, the government

revived production of heavy aircraft and established the National Center of the Romanian Aircraft Industry under the Ministry of Machine Building. The center oversaw the operation of airframe plants in Craiova, Bacău, Bucharest, and Braşov, and the Turbomecanica plant in Bucharest, where all the jet engines for Romanian-built planes were manufactured.

Romania was able to acquire both Western and Soviet technology to manufacture modern aircraft. The most successful projects involving such technology transfer included the Soviet-designed Yak-52 piston-engine two-seater (the primary trainer used in the Soviet Union) and Ka-126 agricultural-use helicopter; the Rombac 1-11 airliner, built under license from British Aerospace using a fuselage designed by British Airways and a Rolls-Royce engine; Viper engines built under license from Rolls-Royce; and the French-designed IAR-316 Allouette III and IAR-330 Puma helicopters. A noteworthy example of homegrown aircraft design was the IAR-93 Orao combat aircraft and a later model, the IAR-99, which were developed jointly with Yugoslavia.

Automotive Industry

In 1965 a fledgling automotive industry produced only 3,653 passenger cars. In the 1980s, the industry consisted of three large auto assembly plants (at Piteşti, Craiova, and Cîmpulung in Argeş *judeţ*), eight subassembly enterprises, and more than 100 automotive parts factories. Production in 1988 amounted to 121,400 passenger cars and 17,400 trucks—well below the target set forth in the Eighth Five-Year Plan, which had anticipated an annual production of 365,000 automobiles by 1990.

A plant in Piteşti began assembling Dacia passenger cars in 1968 under license from Renault and turned out its millionth unit in 1985. In 1986 an affiliated plant in Timişoara began building a subcompact, the Dacia 500, using exclusively Romanian-designed and Romanian-produced components; the plant expected the car to compete on the world market beginning in 1990. Other automotive centers in the 1980s were Craiova (Oltcit automobiles produced under license from Citröen); Cîmpulung (Aro cross-country vehicles); Braşov (trucks and tractors); Brăila (earthmovers); and Bucharest (vans and panel trucks). In 1989 negotiations were under way to set up a joint venture with two Japanese corporations to manufacture buses and trucks at a factory in Bucharest for sale to third-world countries.

Between 50 and 80 percent of the automotive industry's output during the 1980s was exported. Poor quality control, however, damaged the international reputation of Romanian vehicles. Hungary,

a primary client, complained that 60 to 70 percent of Dacia cars delivered in 1986 were defective and required repairs before they could be sold to the public.

Locomotives and Rolling Stock

Claiming to be the world's largest exporter of railroad cars, Romania sold roughly 70 percent of its output to foreign clients during the 1980s, and during the 1970–84 period it exported more than 100,000 freight cars, 3,000 passenger coaches, and 1,500 locomotives. The Soviet Union bought the lion's share, including the entire output of 70-ton and 105-ton freight cars. The August 23 Machinery Plant in Bucharest, the largest manufacturing facility in the country, was a major producer of diesel-electric locomotives and railroad cars. Other important plants were located in Craiova in Olt *judeţ,* Arad, Drobeta-Turnu Severin, Caracal, Iaşi, and several other cities. In the mid-1980s, a large new plant was built at Caracal to produce grain cars for export to the Soviet Union in exchange for electricity.

Machine Tools

Annual production of machine tools in the two decades after 1965 expanded more than six-fold in terms of tonnage. At the same time, ever more sophisticated units were manufactured, and the monetary value of output rose by a factor of thirty-one. During the 1980s in particular, Romania pushed to replace imported machine-tool technology with its own products and began designing and building high-precision units featuring numerical control, automatic lines, and flexible processing cells. The Scientific Research and Technological Engineering Institute for Machine Tools, established in 1966, coordinated a successful research and design program that placed Romania among the world's top ten machine-tool manufacturers in the 1980s. Romania manufactured 35.5 percent of the universal and specialized machine tools on the Comecon product list—second only to the Soviet Union.

Computers and Automation Technology

The high-status automation-technology and computer industries received priority treatment during the 1970s and 1980s. Plants began producing a wide range of computers, peripherals, industrial electronic measuring equipment, and electronic control systems for domestic consumption and export—primarily to other Comecon and Third-World countries. In 1973 the United States firm Control Data Corporation set up a joint venture with the Bucharest Industrial Central for Electronics and Automation—known as the

Rom-Control-Data Company—to manufacture and market computer disk drives and printers. The joint venture was among the most successful operating on Romanian territory and was earning an annual profit of 7 to 8 percent in the late 1980s. More than a dozen major automation-technology plants and research centers were located in Bucharest by the mid-1980s, and facilities had also been built in such cities as Timişoara and Cluj-Napoca. In the late 1980s the Bucharest Computer Enterprise was producing fourth-generation Independent microcomputers, and its Felix models found application in machine-tool control, data transmission, and robotics. Romania intended to double its production of computer equipment during the Eighth Five-Year Plan.

Electrical Engineering

Nearly half of Romania's electricity output was generated by Soviet equipment, and the Piatra Neamţ nuclear plant, the construction of which began in 1986, was expected to use mostly Soviet-supplied components. It was not until 1970 that domestic industry was able to manufacture steam turbines larger than 6 megawatts, but by the 1980s Romania was producing 330-megawatt steam turbines, hydraulic turbines of all sizes, boilers, nuclear reactor components, transformers, and other power-engineering equipment. By then Romania had become the largest foreign supplier of electric power transformers to the Soviet Union. The major power-engineering plants included the Bucharest Heavy Machinery Plant, the Reşiţa Machine-Building Plant, and the Vulcan enterprise in Bucharest.

Shipbuilding

After the mid-1960s, the shipbuilding program developed rapidly, as the industry made the transition from small-tonnage vessels to huge bulk-cargo and special-purpose ships. By the late 1980s, Constanţa, the country's most important shipyard, was building 165,000-deadweight-ton ore carriers, 150,000-deadweight-ton oil tankers, sea-going railroad ferry ships, and offshore-drilling platforms. Other important shipbuilding centers were Mangalia (site of Romania's largest naval base) and several cities along the Danube—Drobeta-Turnu Severin, Oltenita, Giurgiu, Brăila, Galaţi, and Tulcea—that built river craft and smaller ocean-going ships. In 1989 the Galaţi shipyard launched an 8,000-deadweight-ton roll-on/roll-off (Ro-Ro) container carrier—the first of its kind built in the country.

Metallurgy

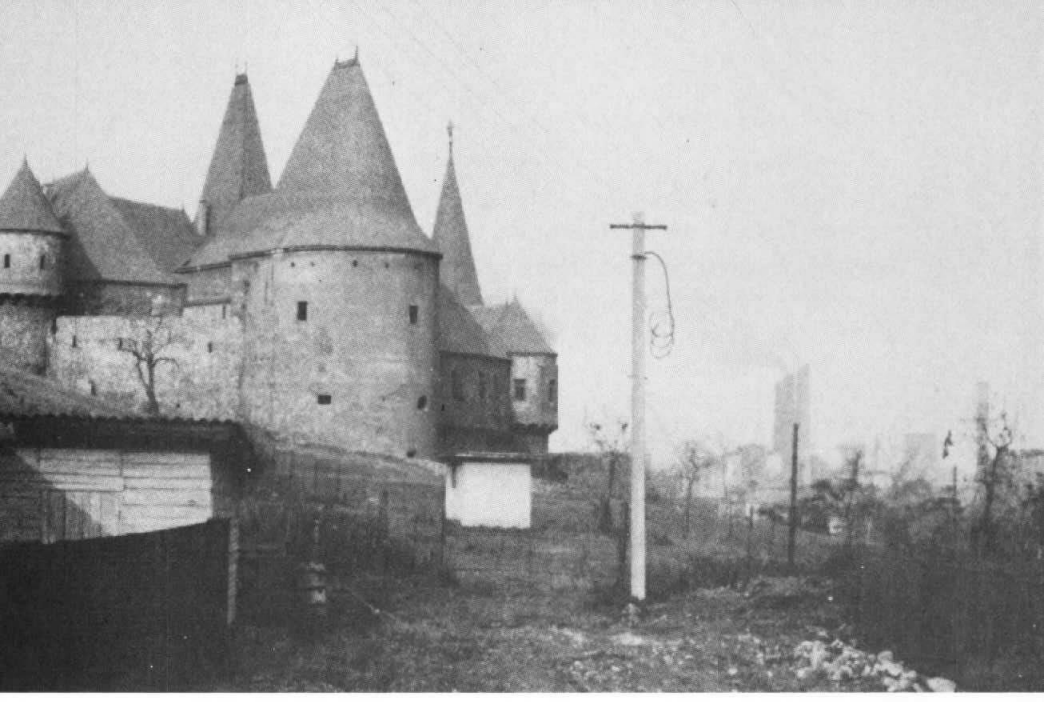
Attaining self-sufficiency in steel to supply the vital machine-

building industry was a primary economic goal after World War II. It was Romania's determination to pursue that goal and to build the Galaţi steelworks that precipitated the clash with Khrushchev and Comecon in 1964. Steel output rose from 550,000 tons in 1950 to 1.8 million tons in 1960 to 6.5 million tons in 1970. Despite this impressive growth, production fell short of demand, and the steel was of insufficient quality for many machine-building applications. Therefore the government decided in the early 1970s to build a state-of-the-art steelworks at Tîrgovişte using West German technology. In the second half of the decade, another large complex was built at Călăraşi—again with Western technology. But the industry failed to reach its 1980 production target of 18 million tons, as the country headed into a general economic decline. Production in 1985 was 13.8 million tons, and in 1988 it was 14.3 million tons—still below target but sufficient to place Romania among the world's top ten producers on a per capita basis.

Romania also imported Soviet technology. Using Soviet rolling mills delivered in 1985, the Galaţi steelworks and the Republica works in Bucharest began manufacturing 1,420-millimeter seamless steel pipe for Soviet gas pipelines; Romania was the only non-Soviet Comecon member to obtain this technology. In the late 1980s, the Soviets also agreed to equip a new steel plant at Slatina.

The Soviet Union also became the chief foreign supplier of raw materials for the steel industry, including iron ore and coking coal. Because of its participation in the Krivoy Rog iron-ore development project, Romania was assured of receiving 27 to 30 percent of output from that complex up to the year 2000. Australia was another promising supplier; the Hancock Mining Company signed a contract to improve the ore-transloading facility at Constanţa and to deliver 53 million tons of iron ore between 1988 and 2000.

Nonferrous metallurgy, which dates to pre-Roman times, became increasingly important after World War II. Output during the period of 1966–82 increased an average 8.1 percent annually. Nonferrous metals increased their share of total industrial output from 3.2 percent in 1966 to 4.0 percent in 1982. Following World War II, Romania built flotation plants at six new sites and modernized existing facilities. Major centers of the industry included Brăneşti in Galaţi *judeţ,* Baia Mare, Copşa Mică in Sibiu *judeţ,* Zlatna in Alba *judeţ,* Tulcea, Oradea, Slatina, and Moldova Nouă in Caraş-Severin *judeţ.* The copper and aluminum industries received special attention. Aluminum output increased by a factor of twenty-seven between 1965 and 1987. Construction of a major new aluminum combine, using Soviet technology, was under consideration in the late 1980s. New copper, titanium, and vanadium mines



Castle and steel mill at Hunedoara
Courtesy Scott Edelman

were also being developed to reduce dependence on imports. Through participation in projects to develop nonferrous metal resources in the Soviet Union and in a number of Third-World nations, Romania secured foreign supplies of critical ores.

Chemicals

The chemical sector developed rapidly after World War II and especially after 1965. Before the war, it generated less than 3 percent of total industrial output and its product list was limited to carbon black; hydrochloric and sulfuric acid; soda ash; caustic soda; and a few types of chemical fibers, paints, and lacquers. By the 1980s, the industry produced between 10 and 20 percent of industrial output and accounted for more than 25 percent of export earnings. The petrochemical branch was the heart of the industry, producing about half of total output. The largest petrochemical complexes were built at Ploeşti and Piteşti, but numerous smaller production units were scattered across the country. With new plants at Turda, Tîrnăveni in Mureş *judeţ,* Ocna Mureş, and Govora in Vîlcea *judeţ,* Romania became the largest producer of sodium- and chlorine-based products in Comecon after the Soviet Union. New sulfuric acid plants were built at Copşa Mică, Victoria in Ialomiţa *judeţ,* and Năvodari in Constanţa *judeţ.*

In later years, Romania reduced its emphasis on bulk chemicals and focused on more sophisticated products, such as special plastics, synthetic rubber, chemical fibers, electrodes, pharmaceuticals, dyes, and detergents. The government also gave priority to artificial fertilizers, building plants at Valea Călugărească in Prahova *judeţ,* Făgăraş, Tîrnăveni, Năvodari, Piatra Neamţ, Victoria, Tîrgu Mureş, Craiova, Turnu Măgurele in Teleorman *judeţ,* and Slobozia. The Eighth Five-Year Plan (1986–90) called for doubling the production of agricultural chemicals.

Light Industry

Traditionally the leading products of this sector were processed foods, textiles and clothing, and furniture. In the 1980s, food-processing plants produced about 13 percent of total industrial output, and processed foods were a major source of foreign currency earnings. The trend of the 1980s was to locate such plants in agro-industrial centers near the source of agricultural products in order to reduce transport losses and streamline processing. Textiles and clothing accounted for about 12 percent of industrial output in the early 1980s, but much of this production was exported. A severe shortage of all items of apparel persisted within Romania throughout the 1980s. After 1981 the government stopped publishing production statistics for cotton and wool clothing, knitwear, underwear, hosiery, footwear, and similar items.

Furniture, especially wood furniture, had long been a major export product. In 1980, for example, Romania claimed to be the world's sixth largest furniture exporter. Important furniture-making centers were Tîrgu Mureş, Iaşi, Tîrgu Jiu, Arad, and Oradea.

Transportation and Telecommunications

Railroads

The basic structure of the national railroad network had been completed by the outbreak of World War II, when the total system length was 9,900 kilometers. In 1986 the network had a combined length of 11,221 kilometers, including 10,755 kilometers of 1.435-meter standard-gauge, 421 kilometers of narrow-gauge, and 45 kilometers of broad-gauge track; about 3,060 kilometers of route had been double-tracked; and 3,328 kilometers of track had been electrified—roughly 30 percent of the system (see fig. 5).

The Thirteenth Party Congress of the PCR called for diverting freight from the highway system onto the railroads and increasing the volume of rail transport by 10 to 13 percent during the 1986–90 period. In 1984 the railroads carried 289.3 million metric

tons, as compared with 417.7 million metric tons transported by the highways. Measured in ton-kilometers, however, railroads hauled more than ten times as much freight as the highways (75.2 billion and 7.3 billion metric ton-kilometers, respectively).

Two important railroad construction projects completed in the 1980s were the Vîlcele-Rîmnicu Vîlcea line, which connected the Piteşti-Curtea de Argeş mainline with the Piatra Olt-Podul Olt mainline and shortened the distance to Transylvania by 100 kilometers, and the Borcea-Cernavodă line (part of the North-South Trans-European System), which tripled the traffic capacity of the Bucharest-Dobruja-Constanţa route. These projects required building some of the longest bridges, viaducts, and tunnels in the country. Construction of the Bucharest subway system was another major investment in rail transportation during the 1980s.

Highways

The highway network remained relatively underdeveloped in the late 1980s. Of 72,799 kilometers of roads in 1985, only 11,000 could be classified modern by international standards. In 1985 the system included 15,762 kilometers of concrete, 20,208 kilometers of blacktop, 27,729 kilometers of gravel, and 9,100 kilometers of dirt roads. During the 1970s and 1980s, highways took on a larger share of freight and passenger transport, although the PCR program for the late 1980s attempted to reverse the trend. Among major road construction projects of the Ceauşescu era, the Trans-Făgăraşan Highway, the Sibiu-Bucharest-Constanţa super-highway, and the Cernavodă Bridge (the longest on the Danube) were the most noteworthy.

Inland Waterways

As a result of a long-term effort to develop inland navigation, river transport increased by 50 percent during the 1980–85 period. Except for the lower Prut River in the east and the Bega Canal in the west, commercial navigation was restricted to the Danube waterway. The Danube-Black Sea Canal, which became operational in 1984, was the costliest engineering project in the country's history. The 64-kilometer canal linking Cernavodă and Constanţa required excavating twice as much earth and rock as had the Panama Canal. The massive undertaking involved building some 150 kilometers of access roads, modernizing 80 kilometers of railroad track, and erecting thirty-six major bridges. Three important new port facilities were developed along the canal: Cernavodă, projected to transload as much as 7 million tons annually; Medgidia, expanded to handle 11.5 million tons a year; and Basarabi, which had a capacity of about 1 million tons annually. With an average

Figure 5. Transportation System, 1982

depth of 7 meters, the canal can accommodate seagoing ships as large as 5,000 deadweight tons and drafts of 5.5 meters. The canal was projected to carry up to 75 million tons of freight annually, but in its first five years of operation, traffic was disappointingly light.

In 1983 work began on a twenty-seven-kilometer lateral canal running northeast from Balta Albă on the Danube-Black Sea Canal through two natural lakes to a new port being built on the Black Sea at Midia. Two new ports were built along the route at Ovidiu and Luminiţa. Officially known as the Poarta Albă-Midia-Năvodari Canal, it was opened to traffic in late 1987.

In 1985 Romania undertook the second-costliest canal project in its history. The project would tranform the southern part of the Argeş River into a seventy-two-kilometer navigable canal, providing Bucharest a direct link to the Danube and the Black Sea. The project had originally been started in 1952 but had been abandoned shortly thereafter.

Upstream from Cernavodă, a chain of weirs and locks was built on the Danube to ensure a minimum navigation depth of 2.5 meters as far as the Yugoslav border. Aside from Galaţi and Brăila, which could be considered seaports, the most important inland ports were Giurgiu, Drobeta-Turnu Severin, and Orşova.

Maritime Navigation

After 1965 the maritime fleet grew rapidly, and modern seaport facilities were developed. By 1989 the commercial fleet consisted of 275 vessels with a total capacity of more than 5 million deadweight tons and included 15 modern Ro-Ro ships. But the goal of the Eighth Five-Year Plan—a fleet capacity of 8 million deadweight tons by 1990—was clearly unattainable.

Constanţa handled about 65 percent of marine traffic, transloading more than 52 million tons annually during the 1980s. A port-modernization program had been started in 1964, and the first Ro-Ro facility went into service in 1979. By 1988 the port was handling more than 700,000 tons of Ro-Ro cargo annually and was processing containerized, pelletized, packaged, and bulk cargoes. Construction of a new port facility—Constanţa-Sud—was nearing completion in the late 1980s. Located in the town of Agigea, south of the old port, Constanţa-Sud was projected to cover some 2,000 hectares. It was designed to accommodate vessels as large as 165,000 deadweight tons. When completed, the port was expected to become one of the ten largest in the world. Integrated into the national rail and highway systems, and with direct access to a major international highway, Constanţa also serves as the terminus of the Danube-Black Sea Canal.

Sea-going ships as large as 12,000 deadweight tons are able to ascend the Danube as far as Galaţi and Brăila. Mangalia, on the Black Sea south of Constanţa, is a secondary seaport but is the site of the most important naval installation.

Air Transport

In 1984 the nation's two airlines, TAROM and LAR, had a fleet of seventy heavy transport aircraft. Air service was offered to every region of the country through a network of 160 airfields, of which 15 had runways 2,500 meters or more in length. Four international airports (Bucharest, Constanţa, Timişoara, and Suceava) provided connections to thirty-eight foreign destinations. In passenger volume, the busiest airports were Bucharest, Caransebeş in Caraş-Severin *judeţ,* Timişoara, Satu Mare, Botoşani, Iaşi, and Constanţa. Between 1965 and 1984, the volume of cargo transported by air increased from 5 million to about 40 million

ton-kilometers, while passenger transport rose from 374 to 1,936 million passenger-kilometers.

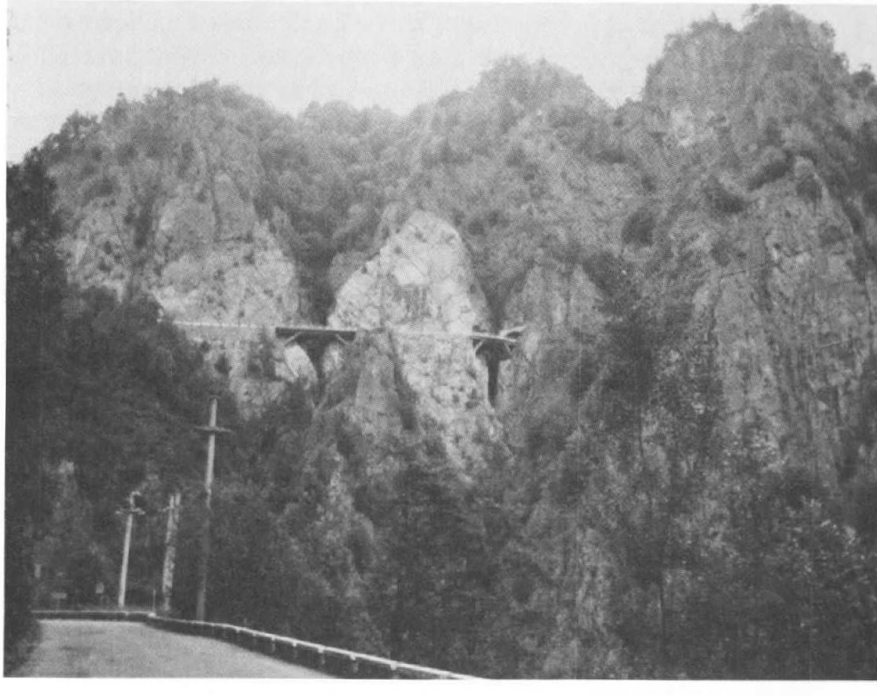
Telecommunications

Although Romania's telecommunications systems had developed moderately by the 1980s, they lagged behind those of other Comecon members. In 1989 Romania operated thirty-nine AM and thirty FM radio stations, thirty-eight television broadcasting stations, and one satellite ground station. Television was not introduced until the mid-1960s, and, although the number of receivers owned by the population rose steadily to about 3.9 million in 1989, television did not have the pervasive influence on society that it did in other parts of Eastern Europe. Only about twenty-two hours of television programming were broadcast each week (see Mass Media, ch.4). In 1988 the Bucharest Electronics Enterprise, the sole manufacturer of television sets in Romania, expected to produce 650,000 black-and-white and color television receivers, about half of which would be exported. The plant also manufactured radios. Much of the local telephone system had been automated by the late 1980s. In 1985 there were 1,962,681 telephone subscribers in Romania.

Agriculture

Agricultural Regions

The historic provinces of Walachia, Transylvania, Moldavia, Dobruja, and the Banat have distinct soil and climatic conditions that make them suitable for different types of agriculture (see Climate, ch. 2; Land, this ch.). The breadbasket of Romania is Walachia, which provides half the annual grain harvest and roughly half the fruit and grapes. Truck farming, especially in the Ilfov Agricultural District surrounding Bucharest, is also important. Despite the fertility of Walachia's soil, yields fluctuate considerably from year to year because of recurrent droughts. Transylvania, which receives more precipitation than Walachia, has poorer soils and more rugged terrain that restricts large-scale mechanized farming. Livestock raising predominates in the mountains, and potatoes and grains are the principal crops in the central basin. Moldavia has generally less fertile soil than Walachia and receives scant rainfall. Its primary crops are corn, wheat, fruit and grapes, and potatoes. The Banat region has a nearly ideal balance of rich chernozem soils and adequate precipitation. Grain, primarily wheat, is the principal crop; fruits and vegetables are also important. Dobruja, a region of generally inadequate rainfall, was becoming



Danube-Black Sea Canal near Constanţa
Courtesy Scott Edelman
Trans-Făgăraşan Highway Through the Transylvanian Alps
Courtesy Scott Edelman

agriculturally more important during the 1980s, because much of the marshland in the Danube Delta was being drained and brought under cultivation. The traditional crops of Dobruja are grain, sunflowers, and legumes.

Major Crops

Corn and wheat (predominantly of the winter varieties) occupied nearly two-thirds of all arable land in the 1980s and about 90 percent of all grain lands. Corn, the staple of the peasant diet, was grown on 3.1 million hectares in 1987, while wheat was sown on 2.4 million hectares. Other important grains included barley (560,000 hectares), oats (70,000 hectares), rice (47,000 hectares), and rye (42,000 hectares). Among the major nongrain crops, the most widely grown in 1987 were hay (870,000 hectares), sunflowers (455,000 hectares), potatoes (350,000 hectares), soybeans (350,000 hectares), sugar beets (271,000 hectares), feed roots (70,000 hectares), corn silage (50,000 hectares), and tobacco (35,000 hectares). Wine and table grapes were widely grown, but the best vineyards were in Moldavia. Romania had gained a reputation for fine wines as early as the nineteenth century, and subsequently became one of the major producers of Europe.

Thanks to the increased use of fertilizers and plant-protecting chemicals and the expansion of arable land area through irrigation and drainage, grain output rose steadily from only 5 million tons in 1950 to between 20 and 30 million tons in the 1980s. How much grain was produced in the late 1980s was unclear because official figures had become unreliable. The Romanian government reported a 1987 grain harvest of more than 31.7 million tons, a record amount and far larger than the 1985 harvest of 23 million tons. The United States Department of Agriculture, however, estimated the 1987 harvest at only 18.6 million tons—well below the harvest of 1985.

Livestock

Prior to the dramatic increase in grain cultivation in the nineteenth century, livestock raising, sheep breeding in particular, was the most important economic activity in the country. But with the diversion of grazing land and a perennial shortage of fodder, livestock raising fell into decline. After a drastic reduction in livestock inventories in World War II, herds were gradually replenished, but the number of horses continued to decline, as agriculture became more mechanized. Cattle were raised throughout the country, particularly in the foothills of the Carpathians.

Sheep predominated in the mountainous areas and Dobruja. Pigs, poultry, and rabbits were raised on a wide scale.

Private farmers, who produced a large share of livestock brought to market, operated under dire conditions. The state theoretically was obliged to provide fodder to the livestock breeders it contracted to fatten animals. But fodder and protein-rich mixed feeds were not made available in the necessary quantities, especially in the 1980s, when imports were drastically curtailed.

Fishing

The numerous rivers emanating from the central mountains, the Danube, the Black Sea coastal waters, and Lake Razelm in the Danube Delta provide rich fishing grounds. The lower Danube supplies roughly 90 percent of the total catch, about 80 percent of which is consumed fresh. In 1985 approximately 260,100 tons were produced, and the 1986 plan called for 380,100 tons. Fish farming was being practiced on an increased scale in the late 1980s, particularly in the Danube Delta, where more than 63,000 hectares were expected to be covered with fish ponds by 1990.

Farming Practices

By the mid-1980s, more than 30 percent of the country's 10 million hectares of cropland was irrigated. The remaining 7 million hectares were subject to recurrent and sometimes severe droughts, which were particularly destructive in the southern and eastern regions.

At the same time, large areas of land along the Danube and in its delta were waterlogged, and the government decided to drain much of this marshland and make it arable. The Danube Delta, covering more than 440,000 hectares, was being developed rapidly after 1984. By 1989 some 35,750 hectares had been made arable and large areas of pastureland had been created. By 1990 more than 144,000 hectares of the delta were expected to be useful agricultural land.

Poor crop rotation practices, with corn and wheat sown year after year on the same ground, led to serious depletion of soil nutrients, and supplies of chemical fertilizers were inadequate to restore the lost fertility. In the early 1980s, for example, only thirty-four to thirty-six kilograms of fertilizer were available per acre. Furthermore, much of the best farmland had been severely damaged by prolonged use of outsized machinery, which had compacted the soil, by unsystematic application of agricultural chemicals, and by extensive erosion.

During the first three decades of communist rule, agricultural planners ordered the slaughter of thousands of workhorses, which

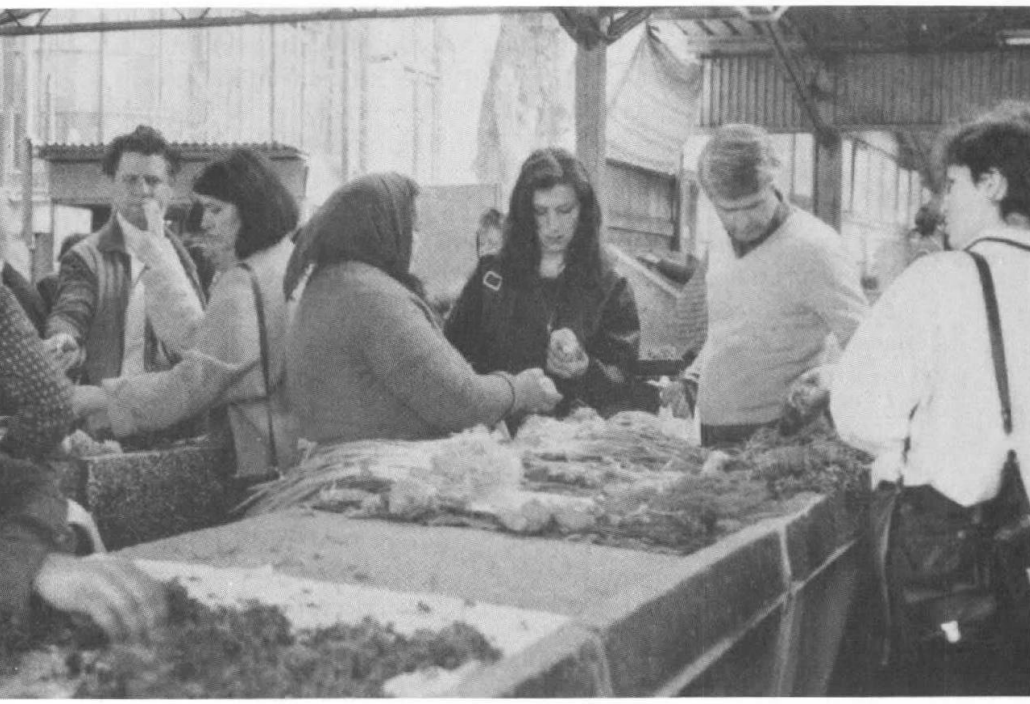
were to be replaced by more powerful tractors. Indeed, the number of tractors available to agriculture grew from 13,700 in 1950 to 168,000 in 1983. But with the onset of the energy crisis, the regime reversed its policy. A program adopted by the National Council for Agriculture, Food Industry, Forestry, and Water Management in 1986 called for increasing horse inventories by 90,000 head by the end of the decade and reducing the number of tractors in service by nearly one-third. By 1990, according to plans, horse-drawn equipment would perform 18 to 25 percent of all harvesting and virtually all hauling on livestock farms.

Farm Organization

Cooperative and state farms were the two primary types of farm organization, although a significant number of small private farms continued to exist in the 1980s. State farms accounted for more than 17 percent and cooperatives nearly 75 percent of all arable land. In 1982 cooperatives employed 2.2 million farmers, while state and private farms employed about 400,000 each.

The formation of state farms, which were intended to be the rural equivalent of socialist industrial enterprises, had begun as early as 1945. These ideologically favored farms received the best lands expropriated in 1949 and during the major collectivization campaign of the 1958–62 period, and they had priority access to machinery, chemicals, and irrigation water. Because of these advantages, state farms reported higher crop yields than did cooperative farms. Like other state enterprises, state farms operated according to the directives of the central government. Workers received a fixed wage in return for their labor on the farm and had no private plot rights. Their incomes in the 1980s approached those of urban workers.

Although cooperative farms owned their land and certain basic equipment, they had little more autonomy than the state farms. Their directors routinely accepted production directives from Bucharest with little objection. The cooperatives were told what crops to grow, how to grow them, and how much to deliver to the state. Many smaller cooperatives were ordered to combine into associations during the 1970s and 1980s to pool their assets. According to a decree issued by the Council of State, cooperative farmers were required to work at least 300 days per year on the cooperative, and they were subject to transfer to other farms or even to construction and lumber work sites if their own cooperative had no work for them. Between 40 and 60 percent of the average cooperative farm income was derived from the sale of products from private plots. Despite this supplementary income, cooperative farmers earned only about 60 percent as much as their counterparts on state



Villagers and their livestock at the animal market in Negreni
Courtesy Sam and Sarah Stulberg
Outdoor market, Bucharest
Courtesy Scott Edelman

farms in the 1980s. Cooperative farmers also had much smaller pension benefits.

As late as 1988, almost 9.5 percent of the country's 15 million hectares of agricultural land remained in private hands. As a rule, this land was located in relatively inaccessible mountainous regions, where use of heavy machinery was impractical. In addition, in 1988 cooperative farms reserved some 922,000 hectares (about 6 percent of all arable land) for private plots, which were cultivated by families working on the cooperatives. These plots averaged 1,500 square meters in area, but in rugged terrain they could be considerably larger. Thus in the late 1980s, the private sector was still cultivating more than 15 percent of the country's agricultural land—the highest total in Eastern Europe after Poland and Yugoslavia. Privately owned land could not be sold, nor could it be inherited by persons unable to tend it adequately.

Even official government statistics revealed that private agriculture was more than four times as productive as socialized agriculture in the cultivation of fruit; twice as productive in grain growing and poultry raising, and 60 percent more efficient in milk, beef, pork, and vegetable production. In 1987 the private sector produced half the sheep, 40 percent of the beef, 28 percent of the pork, and 63 percent of the fruit output.

Despite the higher productivity of private agriculture and its major contribution to total farm output, the Ceauşescu regime systematically penalized the nonsocialist sector. At the very time most of the communist world was beginning to permit peasants to lease larger tracts for longer periods, Romania was actually reducing the area under private cultivation—from 967,500 hectares in 1965 to 922,841 in 1985. Beginning in 1987, an area of at least 500 square meters (or one-third) of each private plot was required to be sown in wheat, and the harvest was to be traded to the state for the yield from an equivalent amount of land cultivated by the cooperative farm. This policy was designed to discourage peasants from spending an inordinate amount of time cultivating their private plots instead of working for the cooperative. Its effect, however, was to further demoralize the farm population and thus make it less productive.

In the late 1980s, the systematization program aimed to subordinate privately owned land and private plots on cooperative farms to the regional agro-industrial councils and thereby tighten central control of private farming (see Administration and Control, this ch.). Systematization would eliminate many of the plots, as villages were levelled to create vast fields for socialized farming. This policy directly contradicted the government's mandate in the 1980s

that the population essentially feed itself by cultivating small plots (even lawns and public parks had been converted to vegetable gardens) and breeding poultry and rabbits.

Administration

Romanian agriculture in the late 1980s remained the most centralized in Comecon. A complicated and constantly changing network of overlapping state and party agricultural bureaucracies had evolved over the previous four decades. The Ministry of Agriculture set production targets and oversaw the distribution of resources among the *judeţe*. It became the frequent target of Ceauşescu's ire and received much of the blame for agriculture's persistent problems. In 1978 the Congress of the Higher Councils of Socialist Agricultural Units and of the Whole Peasantry and its permanent bureau, the National Agricultural Board, were established. The apparent purpose of the new body was to approve and thereby legitimize the PCR's policy directives. The following year a joint party and state agricultural policy-making body was established—the National Council For Agriculture, Food Industry, Forestry, and Water Management. Meeting as frequently as four times a year in plenary session, the council provided a forum for Ceauşescu to address thousands of agricultural specialists and functionaries.

In 1979 pursuant to the guidelines of the New Economic and Financial Mechanism enacted the previous year, a network of agro-industrial councils was set up to coordinate the activities of as many as five state and cooperative farms in an area served by a single state machinery station. A Stalinist holdover abandoned in the rest of Eastern Europe, these stations controlled access to tractors and other heavy equipment. In the 1980s the agro-industrial councils gained additional powers to coordinate agricultural production, food processing, research, and agricultural training. After 1980 *judeţ* and village people's councils bore responsibility for fulfilling agricultural production targets set in Bucharest. In each *judeţ* a General Directorate for Agriculture and Food Industry made assignments to individual state and cooperative farms.

Procurement and Distribution

State farms, like other socialist enterprises after the implementation of the New Economic and Financial Mechanism, were in theory self-financed and self-managed concerns that were expected to earn a profit while delivering assigned quantities of output to the state. In reality, few state farms in the 1980s could turn a profit, because the government's procurement prices were consistently lower than production costs. Cooperatives and private farmers,

too, had large state-imposed quotas to fill even before satisfying their own food requirements. A 1984 decree specified the quantity of production to be delivered to the state by farmers. For example, potato growers were required to deliver three tons per hectare of land cultivated, and dairy farmers had to turn over 800 liters of milk per cow. To ensure compliance with the compulsory quotas, Ceauşescu reinstituted the Department for Contracting, Acquiring, and Storing Farm Produce, which had been disbanded in 1956. The state was able to hold sway over individual farmers because it controlled the supply of fertilizers, herbicides, machinery, construction materials, and other inputs. To gain access to these materials, the farmer had to sign delivery contracts. Farmers who failed to comply with the delivery quotas even risked losing their land.

Farmers were permitted to keep for their own use any food remaining after their quotas had been filled, and they could sell the surplus at farmers' markets, where prices in the early 1980s were frequently five times the state procurement prices. A law passed in 1983 required peasants to obtain a license to sell their products on the open market, and it imposed a maximum commodity price of 5 percent above the state retail price. Disappointing harvests in the early 1980s convinced the government to raise procurement prices. As a result, peasant incomes rose by some 12 percent between 1980 and 1985, and farm output increased by about 10 percent. Private farmers in the mid-1980s were obliged to sell to the state 30 percent of the milk, 50 percent of the pork, 12 percent of the potatoes, and comparable shares of other commodities they produced.

Throughout the 1980s, a self-sufficiency program, mandated by the PCR, was in effect. Each village and *judeţ* was responsible for producing, to the maximum extent possible, the food needed by the local population. In reality the program was another means for procuring agricultural products for export. Nearly all the production from the three types of farms was confiscated by state procurement agencies, which then returned the amount of food the state deemed sufficient to meet the dietary needs of the village and *judeţ*. The quantity returned invariably was less than that delivered. The self-sufficiency program in effect reversed the rationalization of the 1970s, when regions specialized in the crops and livestock best suited to local conditions. Thus a portion of the prime grain lands of Walachia had to be diverted to truck farming, while cool, wet regions of Transylvania attempted to grow sunflowers. The self-sufficiency program seriously impeded the distribution of agricultural products among regions and damaged the domestic marketing system.

Waiting in line for cooking oil, Bucharest
Courtesy Scott Edelman

The party secretary of each *judeţ* was responsible for delivering a specified quota of food to the state. Because these individuals reacted in different ways to the countervailing needs of their constituents and the central authorities, there was considerable regional variation in food supplies. Many party secretaries began understating output figures so that less would have to be delivered to Bucharest and more would be available for the people of their *judeţ*. Aware of this regional variation, citizens made food-hunting forays into other *judeţe* hoping to find stores better stocked. Ceauşescu ordered the militia to monitor the highways and railroads to prevent "illegal" food trafficking.

The Ministry of Agriculture and Food Processing itself was torn between a sense of responsibility to safeguard the interests of the agricultural sector and its obligation to fulfill the regime's mandate to maximize procurement. To resolve these conflicting loyalties, in February 1986 a separate Ministry of Food Industry and Procurement was established.

Consumption

Although gross agricultural output had been increasing at a rate four times higher than population growth between 1950 and 1980, food availability remained inadequate. In 1981 rationing was imposed for the first time since 1953, and it remained in effect

throughout the decade, as the regime exported as much as possible to pay off the foreign debt. In 1985 the average citizen was eligible to receive 54.88 kilograms of meat and fish, 1.1 kilograms of margarine, 9.6 kilograms of cooking oil, 14.8 kilograms of sugar, 114.5 kilograms of flour, 45.3 kilograms of potatoes, 20 kilograms of fruit, and 114 eggs per year. In reality, most Romanians were unable to obtain even these scant rations, as the situation deteriorated even further in following years. The food supply program of 1988 enacted by the GNA provided for an annual per capita consumption of 38 liters of milk, 3.5 kilograms of cheese, 1.5 kilograms of butter, 128 eggs, 21 kilograms of sweets, 3.6 kilograms of rice, 500 grams of oatmeal, and 22 kilograms of cornmeal.

Reliable statistics on food consumption were not available during the 1980s. Comecon statistical reports omitted Romanian data after 1981. Romania's own statistical yearbooks stopped reporting figures for consumption of food and many other commodities, including clothing, appliances, automobiles, and bicycles. Ceauşescu claimed in November 1988 that the daily per capita calorie intake of Romanians was 3,200 calories, which he termed excessive. He promised to improve food supplies in 1988 by slaughtering 8 million sheep and between 7.5 and 12.5 million hogs—an unlikely proposal considering that the entire national inventory included only 18.6 million sheep and 14.3 million hogs.

Goals for the 1990s

According to long-standing PCR predictions, by 1990 Romania was to have attained the status of a "medium-developed country," and by the year 2000, it was to have become a multilaterally developed socialist country. By the end of the century, according to Ceauşescu's vision, the country would have an overwhelmingly industrial economy, employing a well-trained, highly skilled work force in technologically advanced branches, such as electronics, computers, and aeronautics. The "new agrarian revolution" would have made agriculture more productive by applying the latest scientific advances and better utilizing available resources.

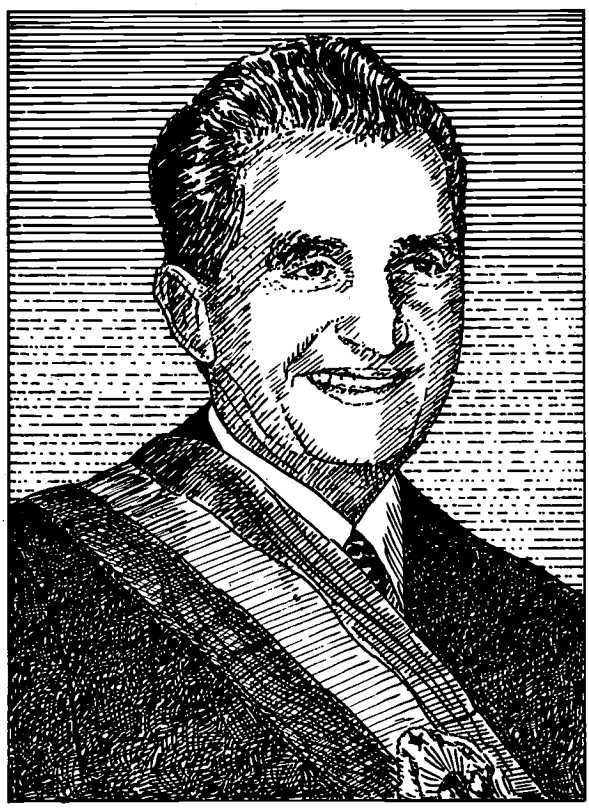
As late as 1989, Ceauşescu was confidently predicting that during the Ninth Five-Year Plan (1991–95) the energy problem would be completely resolved. The plan would focus on modernizing metallurgy, chemistry, mining, oil production, and raw material processing. Foreign trade would receive greater emphasis, and Romania would remain an active member of Comecon. The rate of accumulation and investment in the economy would remain among the world's highest, hovering around one-third of gross national product. Achieving these goals would mean a continuation

of consumer sacrifice and no immediate improvement in the standard of living.

* * *

Several excellent English-language publications dealing with the Romanian economy appeared in the 1980s. Michael Shafir's *Romania: Politics, Economics, and Society* and William E. Crowther's *The Political Economy of Romanian Socialism* describe the evolution, structure, and performance of the economy in the twentieth century. Daniel N. Nelson's *Romanian Politics in the Ceauşescu Era* provides insight into the relationship between the people and the political and economic institutions that control their lives. Richard F. Staar's fifth edition of *Communist Regimes in Eastern Europe* summarizes the administrative changes of the 1970s and 1980s. The *East European Economic Handbook,* whose main contributor is Alan H. Smith, presents comprehensive statistical information and analysis of all aspects of the economy. *Romania, 40 Years (1944–1984),* edited by Vlad Georgescu, contains excellent essays by Paul Gafton and Serban Orescu on the performance of Romanian industry and agriculture since World War II. Radio Free Europe Research publications are an indispensable source for the most current information and analysis of the economic situation in Romania. For readers of Romanian, *Anuarul Statistic al Republicii Socialiste România,* published by the Central Statistical Directorate in Bucharest, is a useful reference work. (For further information and complete citations, see Bibliography.)

Chapter 4. Government and Politics



President Nicolae Ceauşescu

THE PROMULGATION of the Constitution of 1965, in which Romania officially proclaimed its status as a socialist republic, was a milestone on its path toward communism. The country had set out on that path in 1945 when the Soviet Union pressured King Michael to appoint communists to key government positions, where they provided the power base for a complete communist takeover and the abolition of the monarchy in December 1947. The political system installed in April 1948, when the Romanian People's Republic was created, was a replica of the Soviet model. The system's goal was to create the conditions for the transition from capitalism through socialism (see Glossary) to communism.

The formal structure of the government established by the Constitution of 1965 was changed in a significant way by a 1974 amendment that established the office of president of the republic. The occupant of that office was to act as the head of state in both domestic and international affairs. The first president of the republic, Nicolae Ceauşescu, still held the office in mid-1989 and acted as head of state, head of the Romanian Communist Party (Partidul Comunist Român—PCR, see Glossary), and commander of the armed forces. His wife, Elena Ceauşescu, had risen to the second most powerful position in the hierarchy, and close family members held key posts throughout the party and state bureaucracies. The pervasive presence of the Ceauşescus was the distinctive feature of Romania's power structure.

Romania's political system was one of the most centralized and bureaucratized in the world. At the end of the 1980s, the Council of Ministers had more than sixty members and was larger than the council of any other European communist government except the Soviet Union. Joint party-state organizations not envisioned by the Constitution emerged and proliferated. The organizations functioned as a mechanism by which the PCR and the Ceauşescus controlled all government activity and preempted threats to their rule.

Despite Ceauşescu's tight control of the organs of power and the effectiveness of the secret police, more properly the Department of State Security (Departamentul Securităţii Statului—Securitate), in repressing dissent, sporadic political opposition to the regime surfaced in the 1980s. The Western media published letters written by prominent retired communist officials accusing Ceauşescu of violating international human rights agreements, mismanaging the economy, and alienating Romania's allies.

Although Romania remained in Soviet-dominated military and economic alliances, PCR leader Gheorghe Gheorghiu-Dej and his successor, Ceauşescu, pursued a defiantly independent foreign policy. During the 1958–75 period, they successfully cultivated contacts with the West, gaining most-favored-nation trading status from the United States and membership in the International Monetary Fund (see Glossary), the World Bank (see Glossary), the General Agreement on Tariffs and Trade, and other international organizations. Romania condemned the Soviet-led Warsaw Treaty Organization (Warsaw Pact) invasion of Czechoslovakia and was the only member of the pact to maintain diplomatic relations with Israel following the June 1967 War. After 1975, however, Romania became increasingly isolated from the West, on which Ceauşescu heaped much of the blame for his country's economic dilemma. In the 1980s, international outcries against human rights abuses further isolated the Stalinist Romanian regime from both the West and the East. Relations with Hungary were particularly tense, as thousands of ethnic Hungarians fled across the border. At the close of the decade, Ceauşescu's regime was badly out of step with the reform movements sweeping the Soviet Union, Poland, and Hungary.

Governmental System

Since the imposition of full communist control in December 1947, Romania has had three constitutions. The first, designating the country a "people's republic," was adopted by the Grand National Assembly (GNA, see Glossary) in April 1948, just four weeks after the assembly had been reorganized under new communist leadership. The second, adopted in September 1952, was closer to the Soviet model. The third, ostensibly reflecting Romania's social and ideological development, went into effect on August 21, 1965.

In many ways similar to the initial constitutions of the other Soviet-dominated states of Eastern Europe, the 1948 constitution was designed to mark Romania's entry into the first stage of the transition from capitalism to socialism. There was no separation of legislative, executive, and judicial powers. As a people's democracy, the state was said to derive power from the people's will, expressed through the GNA. A nineteen-member Presidium was elected by and from the GNA membership to provide continuity of legislative authority when the assembly itself was not in session. The highest executive and administrative organ was the Council of Ministers, which functioned under the direction of the prime minister. Although not mentioned in the constitution, the PCR, under close Soviet supervision, functioned as the supreme decision-making authority over and above the government.

At the ministry level, the most important decisions were taken under the supervision of Soviet advisers.

The right of private property ownership was guaranteed, although the constitution provided that privately held means of production, banks, and insurance companies could be nationalized when the "general interest" so required. Less than two months after the adoption of the constitution, the GNA passed legislation nationalizing the main industrial and financial institutions.

The organs of state power in the regions, counties, districts, and communes were designated "people's councils." Formally established by law in 1949, these bodies were organized into a centralized system in which the lower-level councils were fully subordinated to the next higher council, and all functioned under the direct control of the central government.

Largely patterned after the 1936 constitution of the Soviet Union, the 1952 constitution specifically designated the Romanian Workers' Party (Partidul Muncitoresc Român—PMR)—as the communist party was known between 1948 and 1965—the country's leading political force. The nation's close ties with the Soviet Union were strongly emphasized, and the Soviets were described as great friends of the Romanian people. Whereas the 1948 constitution declared that "the Romanian People's Republic was born amid the struggle conducted by the people, under the leadership of the working class, against fascism, reaction, and imperialism," the 1952 version asserted that the republic "was born and consolidated following the liberation of the country by the armed forces of the Soviet Union."

As had its predecessor, the 1952 constitution guaranteed full equality to national minority groups, and it also established an autonomous administrative unit for the large ethnic Hungarian population—the Hungarian Autonomous Region. The region was given its own council and local authorities, although these bodies were clearly subordinated to the organs of the central government.

Citizens were guaranteed the right to work for remuneration; the right to rest, ensured by the establishment of an eight-hour workday and paid annual vacation; the right to material security when old, ill, or disabled; and the right to education. The constitution stated that full equality in all aspects of economic, political, and cultural life was guaranteed to all working people regardless of nationality, race, or sex.

The constitution also guaranteed freedom of speech, the press, assembly, public demonstration, and worship. Churches, however, were forbidden to operate schools except for the training of religious personnel. Other provisions guaranteed the protection of the

person from arbitrary arrest, the inviolability of the home, and the secrecy of the mails. Citizens also had the right to form public and private organizations, although associations having a "fascist or antidemocratic character" were prohibited.

It was the citizens' duty to observe the constitution and the laws of the republic, to preserve and develop socialist property, to practice work discipline, and to strengthen the "regime of people's democracy." Military service and the defense of the nation were described as duties of honor for all citizens.

In March 1961, the GNA established a commission to draft a new constitution. At the same time, the 1952 constitution was revised to transform the Presidium into the State Council. The new body, vested with supreme executive authority, consisted of a president, three vice presidents, and thirteen members. As was the case with the Presidium, the State Council was elected by and from the GNA membership and was, in theory, responsible to it.

The State Council had three kinds of powers—permanent powers, powers to be exercised between assembly sessions, and special powers that could be exercised in exceptional circumstances. The permanent powers were exercised by the president, who as head of state represented the republic in international relations. Between GNA sessions, the State Council was empowered to oversee the activity of the Council of Ministers, appoint and recall members of the Supreme Court and the commander in chief of the armed forces, supervise the functioning of the Office of the Prosecutor General, or Procuratura (see Glossary), and convene standing commissions of the assembly.

The council could also issue decrees having the force of law, although, technically, these had to be submitted to the next GNA session for ratification. If circumstances prevented the assembly from convening, the council was authorized to appoint the Council of Ministers, declare war, order mobilization, proclaim a state of emergency, approve the budget, and prepare economic plans.

Although the constitution drafted by the 1961 commission was never adopted, it served as the basis for the work of a second commission named in June 1965. Chaired by Ceauşescu, the commission prepared a new draft and submitted it to the party congress and the State Council. After approval by these bodies, the Constitution was adopted by the GNA on August 21, 1965, and after important amendments in 1974, it remained in effect in late 1989.

With the promulgation of the 1965 Constitution, the country was officially renamed the Socialist Republic of Romania. In adopting this name, the Romanian leadership was asserting that the

country had completed the transition from capitalism and had become a full-fledged socialist state.

The most innovative provision of the 1965 Constitution is the stipulation that the leading political force in the entire country is the Romanian Communist Party—the only legal party. Under its leadership, the working people have the expressed goal of building a socialist system to create "the conditions for transition to communism."

Whereas the 1952 constitution repeatedly stressed the country's close ties to the Soviet Union and the role of the Red Army in the liberation of Romania, the 1965 Constitution omits all references to the Soviet Union. Instead it refers only to the policy of maintaining friendly and fraternal relations with all socialist states and, in addition, expresses the intention of promoting relations with nonsocialist states.

The 1965 Constitution declares that the basis of the economy is socialist ownership of the means of production. Cooperative farmers, however, are permitted to own some livestock and tools, certain craftsmen are guaranteed ownership of their workshops, and peasants not in cooperatives are able to own small parcels of land and some farm implements. In the 1980s, however, these provisions for private ownership of farmland were violated by a controversial plan known as systematization (see Land, ch. 3).

In contrast to the 1952 constitution, which provided for representation in the GNA at a ratio of one deputy for every 40,000 persons, the 1965 document fixed the number of deputies at 465 and required the establishment of that number of electoral districts of equal population. A later amendment reduced the number of deputies to 369.

The provision of the 1952 constitution establishing the Hungarian Autonomous Region among the sixteen regional units was deleted in the 1965 Constitution, ostensibly in order to integrate all minority groups into the Romanian political community. PCR spokesmen asserted that while the heritage and political rights of the various nationality groups would be respected, the country would be united under the leadership of the party. A 1968 territorial reorganization eliminated the sixteen regional units and established a system of thirty-nine (subsequently increased to forty) *judeţe* or counties (see fig.1).

Structure and Functioning of the Government

Central Government

In 1989 the major institutions of the central government were the GNA, the State Council, the office of president of the republic,

the Council of Ministers, and the court system. The president was elected by the GNA for the duration of a legislative period and remained in office until a successor was elected during the next legislative period.

Grand National Assembly

The Grand National Assembly was nominally the supreme organ of state power and supervised and controlled the functions of all other state organs. It consisted of 369 deputies elected by universal adult suffrage from an equal number of electoral districts for a five-year term of office. In accordance with a 1974 constitutional amendment, the GNA met in regular session twice a year, and special sessions could be called by the State Council, the Bureau of the GNA, or, in theory, by one-third of the total number of deputies. If circumstances prevented the holding of elections, the GNA was empowered to extend its term of office for as long as necessary.

The GNA had the constitutional authority to elect, supervise, and recall the president of the republic, the State Council, the Council of Ministers, the Supreme Court, and the attorney general. The GNA had ultimate authority for regulating the electoral system, debating and approving the national economic plan and the state budget, and overseeing the organization and functioning of the people's councils.

The GNA was empowered to establish the general line of the country's foreign policy and had ultimate responsibility for the maintenance of public order and national defense. The Constitution gave it the authority to declare war, but only in the event of aggression against Romania or an ally with which Romania had a mutual-defense treaty. A state of war could also be declared by the State Council.

Other GNA powers included adopting and amending the Constitution and controlling its implementation. Empowered to interpret the Constitution and to determine the constitutionality of laws, the GNA was in effect its own constitutional court. To exercise its authority as interpreter of laws, the GNA elected the Constitution and Legal Affairs Commission, which functioned for the duration of a legislative term. The 1965 Constitution specified that up to one-third of the commission members could be persons who were not GNA deputies. The 1974 amended text, however, omitted this provision. The primary duty of the commission was to provide the assembly with reports and opinions on constitutional questions.

The GNA elected a chairman to preside over sessions and direct activities. The chairman and four elected vice chairmen, who

formed the Bureau of the GNA, were assisted in their duties by a panel of six executive secretaries. In addition to the Constitution and Legal Affairs Commission, there were eight other GNA standing commissions: the Agriculture, Forestry, and Water Administration Commission; the Credentials Commission; the Defense Problems Commission; the Education, Science, and Culture Commission; the Foreign Policy and International Economic Cooperation Commission; the Health, Labor, Social Welfare, and Environmental Protection Commission; the Industry and Economic and Financial Activity Commission; and the People's Councils and State Administration Commission. Their functions and responsibilities were substantially increased during the 1970s and 1980s. Reports, bills, or other legislative matters were submitted to the standing commissions by the GNA chairman for study and for recommendations on further action.

To conduct business, the GNA required a quorum of one-half of the deputies plus one. Laws and decisions were adopted by simple majority vote with the exception of an amendment to the Constitution, which required a two-thirds majority of the full assembly. Laws were signed by the president of the republic and published within ten days after adoption.

Until the early 1970s, election to the GNA and to the organs of local government was based on the Soviet model, with one candidate for each seat. A 1972 decree stated that thereafter more than one candidate could be nominated for a deputy seat in the GNA or in the people's councils. In 1975, of 349 seats in the GNA, 139 were open to "multiple candidacy," and in 1980 the ratio was even higher—190 of 369. A total of 594 candidates were nominated by the Socialist Democracy and Unity Front for the 369 GNA seats in the 1985 election. But the front emphasized that the introduction of multiple candidacies was never intended to offer the electorate a choice of political platforms.

The State Council

The Constitution stipulated that the State Council was the supreme body of state power in permanent session, and that it assumed certain GNA powers when that body was out of session. As of mid-1989, the State Council consisted of the president of the State Council, four vice presidents, a secretary to the president, and fifteen members. At its first session, the newly elected GNA selected the State Council from its own membership. The council remained in office until another was elected by the succeeding GNA. Although the president of the State Council was simultaneously the president of the republic, the Constitution dictated that the

council was to function on the principle of collective leadership. In 1989 all but two members of the State Council were also members of the PCR Central Committee and held other important party posts.

Amendments to the Constitution adopted in 1974 reduced the scope of the power of the State Council in favor of the power of the president. In this connection, Article 63 listed only five permanent powers for the State Council, as opposed to eleven in the 1965 Constitution. Among the powers that were deleted were appointing and recalling the supreme commander of the armed forces; representing the republic in international relations; granting citizenship, amnesty, and asylum; and appointing and recalling diplomatic representatives.

Other permanent powers of the State Council were establishing election dates; ratifying or rejecting international treaties (except for those whose ratification or rejection was within the purview of the GNA); and establishing decorations and honorary titles. The provision in the 1965 text of the Constitution giving the State Council the right to appoint and recall the heads of central bodies of state administration (excluding the Council of Ministers) was replaced with the nebulous stipulation that the State Council "organizes the ministries and other central state bodies," another limitation of its prerogatives.

GNA powers that devolved to the State Council between assembly sessions or when exceptional circumstances prevented the GNA from acting included the authority to appoint and recall members of the Council of Ministers and members of the Supreme Court. The right to appoint or recall the prosecutor general was omitted in the 1974 amended Constitution. The State Council could also assume powers to establish legal norms, to control the application of laws and decisions passed by the GNA, and to supervise the Council of Ministers, the ministries and the other central bodies of state administration as well as the activities of the people's councils. In the event of a national emergency, the State Council could also exercise the GNA's power to declare a state of war.

In December 1967, the GNA elected PCR General Secretary Ceauşescu president of the State Council, thereby making him head of state. The rationale for concentrating party and government power in Ceauşescu's hands was to provide unitary leadership and thereby improve efficiency and ensure full party control at the highest level of government. The decision to unite the two posts, as well as to combine a number of party and government positions on lower administrative levels, had been taken at a national party conference. Outside observers saw the move as one of a series of steps

designed to ensure the continued subordination of both the party and the state apparatus to Ceauşescu's personal power.

President of the Republic

The 1974 amended Constitution created the office of president of the republic. Although listed below the GNA and the State Council, the president was the most powerful figure and had the authority to act on behalf of both the GNA and the State Council. Creation of the office was a watershed event in Ceauşescu's methodical consolidation of power. Although he had held the position of head of state after 1967, it was only after 1974 that he emerged as an international figure, launching an energetic career of foreign travel and diplomacy.

The official motivation for the PCR decision to establish the office of president was to improve the functioning of the organs of state power—both domestic and international. It was also stressed that the president would be able to exercise those functions of the State Council not requiring plenary meetings. In fact, after 1974 rule by presidential decree became common practice.

On the recommendation of the Central Committee of the PCR and the Socialist Democracy and Unity Front, the president was elected by a two-thirds majority of GNA deputies. He represented the state in internal and international relations. And as chairman of the Defense Council, he was also the supreme commander of the armed forces. He was empowered to proclaim a local or national state of emergency.

Ceauşescu greatly broadened the powers of the presidency in domestic political life. He appointed and recalled the ministers and the chairmen of other central bodies of state administration. When the GNA was not in session—that is, for most of the year—he appointed and recalled the president of the Supreme Court and the prosecutor general without even consulting the State Council. He frequently presided over the meetings of the Council of Ministers, and he usurped the State Council's power to grant pardons, citizenship, and asylum.

The president's prerogatives in international relations included establishing the ranks of diplomatic missions, accrediting and recalling diplomatic representatives; receiving the credentials and letters of recall of diplomatic representatives of other states; and concluding international agreements on behalf of Romania.

Council of Ministers

Defined in the Constitution as the supreme body of state administration, the Council of Ministers exercised control over the activities

of all state agencies on both the national and local levels. Although the size and composition of the Council of Ministers fluctuated, its basic elements were the prime minister, the deputy prime minister, the ministers, and the heads of certain other important government agencies. Unlike the 1952 constitution, which listed twenty-six specific ministries, the 1965 version fixed neither the number of ministries nor their particular areas of competence.

In 1989 the Council of Ministers had sixty-one members including the prime minister, three first deputy prime ministers, six deputy prime ministers, twenty-eight ministers, and twenty-four committee chiefs or state secretaries with ministerial rank. Elena Ceauşescu held two positions in the council—first deputy prime minister and chairman of the National Council for Science and Technology. All but one of the members of the council were also members or candidate members of the PCR Central Committee, and the nine first deputies or deputies were members or candidate members of the PCR Political Executive Committee, usually known as Polexco (see Glossary).

The Constitution gave the Council of Ministers responsibility for the general implementation of the nation's domestic and foreign polices, the enforcement of laws, and the maintenance of public order. As the supreme governmental body, the council coordinated and controlled the activities of the ministries and other state organs at all levels. The council directed economic matters by drafting the Unitary National Socioeconomic Plan and state budget and providing for their implementation. In addition it directed the establishment of economic enterprises and other industrial and commercial organizations.

The council's responsibilities also included the general administration of relations with other states and the conclusion of international agreements. Its prerogatives in the area of defense, however, were diminished by the 1974 constitutional amendments. The council's right to act for the general organization of the armed forces was replaced by the provision that it could take measures in that area only "according to the decision of the Defense Council."

Formally elected by the GNA at the beginning of each new assembly session, the council's term of office continued until the election of a new council by the succeeding assembly. Both collectively and individually, the council members were responsible to the GNA or—between sessions—to the State Council. The Constitution asserted that the Council of Ministers was to operate on the principle of collective leadership to ensure the unity of its political and administrative actions.

After the promulgation of the 1965 Constitution and especially after Ceauşescu was elected president of the republic in 1974, the Council of Ministers underwent numerous reorganizations. The number of ministries almost doubled. Several of them, for example, the Ministry of Mines, Petroleum, and Geology, were repeatedly split and merged. Some of the departments in separate ministries were combined to form new ministries or central organizations. In 1989 Romania had the largest number of ministries and central organizations of any East European state.

Agency reshuffling and the reassignment or dismissal of large numbers of officials plagued the ministries. Between March 1985 and the beginning of 1988, there were over twenty government reorganizations affecting such key functions as defense, finance, foreign trade, and foreign affairs. In 1984, at least twelve ministers were removed. The following year, the ministers of foreign affairs and national defense were replaced, and in 1986 the ministers of foreign affairs, foreign trade, and finance lost their positions following criticism from high-level PCR officials for trade shortfalls. In 1987, in the largest government reshuffle to date, eighteen ministers were dismissed over a four-week period, and some were expelled from the party.

Judicial System

The general organization and functioning of the judiciary was established by the Constitution and by the 1968 Law on the Organization of the Court System. Overall responsibility for the functioning of the courts was vested in the Ministry of Justice, and the prosecutor general was charged with the general application of the law and the conduct of criminal proceedings.

To fulfill its responsibility for the functioning of the courts and the supervision of state marshals, state notaries, and the national bar organization, the Ministry of Justice was divided into six directorates: civil courts, military courts, studies and legislation, personnel, administration, and planning and accounting. In addition, the ministry included a corps of inspectors, an office of legal affairs, and the State Notary Office.

The court system included the Supreme Court, *judeţ* courts, lower courts, military courts, and local judicial commissions. The Constitution placed the judiciary under the authority of the GNA, and between assembly sessions, under the authority of the State Council. The Supreme Court, seated in Bucharest, exercised general control over the judiciary activity of all lower courts.

Members of the Supreme Court were professional judges appointed by the GNA to four-year terms of office. The Supreme

Court functioned as an appeals court for sentences passed in lower tribunals and, in certain matters specified by law, could act as a court of first instance. It could also issue guidance, in the form of directives, on legal and constitutional questions for the judicial actions of lower courts and the administrative functions of government agencies. The Supreme Court was divided into three sections—civil, criminal, and military. A panel of three judges presided over each section. The minister of justice presided over plenary sessions of the entire court held at least once every three months for the purpose of issuing guidance directives.

In 1989 there were forty *judeţ* courts and the municipal court of Bucharest, which had *judeţ* court status. Each court on this level was presided over by a panel of two judges and three lay jurors, known as people's assessors, and decisions were made by majority vote. People's assessors were first introduced in December 1947 and were given additional legal status in 1952 by the Law on the Organization of Justice. Most of the people's assessors were appointed by the PCR or by one of the district bodies of the mass organizations.

Subordinate to the *judeţ* courts were various lower courts. In the city of Bucharest, these lower courts consisted of four sectional courts, which functioned under the supervision of the municipal court. The number of lower courts and their territorial jurisdiction were established for the rest of the country by the Ministry of Justice. Panels consisting of a judge and two people's assessors presided over courts on this level, and verdicts were based on majority vote.

Military courts were established on a territorial basis, subdivisions being determined by the Council of Ministers. The lower military tribunals had original jurisdiction over contraventions of the law committed by members of the armed forces; the territorial military tribunals exercised appellate jurisdiction over decisions of the lower units. In certain situations specified by law, cases involving civilians could be assigned to military courts. At each level, the military courts, when acting in the first instance, consisted of two judges and three people's assessors. In appeals cases on the territorial level, the courts consisted of three judges only. As in the civil courts, decisions were reached by majority vote (see Law and Order, ch. 5).

In 1968 the GNA enacted a law establishing a system of judicial commissions to function as courts of special jurisdiction in the state economic enterprises and in localities. These commissions were designed as "an expression of socialist democracy" to provide for the increased participation of working people in the settlement of problems involving minor local disputes and local economic issues.

The Procuratura exercised general supervision over the application of the law and the initiation of criminal proceedings. Elected by the GNA for a five-year term, the prosecutor general exercised supervisory powers that extended to all levels of society, from government ministers down to ordinary citizens. Procuratura subunits were hierarchically organized and included offices in each judicial district plus the prosecutor's military bureau.

Joint Party-State Organizations

Joint party-state organizations were an innovation in Romanian political life; the Constitution made no reference to them. Ceauşescu used the organizations to increase his authority and minimize the possibility of government action that could challenge the power structure. At the beginning of 1989 there were nine joint party-state organizations. Five of them were headed by either Nicolae or Elena Ceauşescu: the Defense Council; the Supreme Council for Economic and Social Development; the National Council for Science and Education; the National Council for Science and Technology; and the National Council of Working People. The remaining party-state organizations were the National Council for Agriculture, Food Industry, Forestry, and Water Management; the Central Council of Workers' Control of Economic and Social Activities; the Economic and Social Organization Council; and the Silviculture Council.

The names of these organizations themselves bespeak the ambiguity and redundancy of their powers. Alongside the existing ministries and other central organizations, three of the joint party-state organizations dealt with economic problems, two with science, two with agriculture and forestry, and two with social problems. The new structures were accountable to both the PCR Central Committee and the Council of Ministers or the State Council. The regional branches of some of the party-state councils were placed under the direct supervision of local party committees.

One of the most important joint party-state organizations and the first to be created (in 1969), the Defense Council had decision-making powers for high-level military affairs. At the inception of the Defense Council, its chairman, Ceauşescu, automatically became supreme commander of the armed forces. After 1974 the president of the republic became ex officio chairman of the Defense Council. Some observers considered the creation of the council a move to weaken Ceauşescu's opponents in the armed forces.

The membership of the Defense Council reflected its importance. Besides the chairman, other members were the prime minister, the

minister of national defense, the minister of interior, the minister of foreign affairs, the chairman of the Department of State Security, the chairman of the State Planning Committee, the chief of staff—who held the position of ex officio secretary—and three other members. Among the members in the late 1980s was General Ilie Ceauşescu, the president's brother, who was the chief of the Higher Political Council of the Army and the official historian of the regime.

The Supreme Council for Economic and Social Development, created to supervise development of the national economy and to coordinate social and economic planning, had fourteen sections, which paralleled both the existing ministries and State Planning Committee departments with similar areas of concern. Another joint party-state organization, the Central Council of Workers' Control of Economic and Social Activities had broad authority to make overall economic policy and to ensure plan fulfillment (see Administration and Control, ch. 3).

Local Government

Local government bodies, known as people's councils, existed on the *judeţ,* town, and commune level. The 1965 Constitution had also provided for subunits of state administration on regional and district levels, but a territorial-administrative reorganization voted by the GNA in 1968 replaced the 16 regions and 150 intermediate districts with a system of 39 *judeţe* and 44 independent municipal administrations. *Judeţ* lines in the southeastern part of the country were subsequently redrawn, creating a fortieth *judeţ;* the municipality of Bucharest, which had *judeţ* status; and a surrounding agricultural district.

In addition to the establishment of *judeţ* and municipal people's councils, local councils were also set up in 142 smaller towns, and communal councils were formed in rural areas. A number of smaller communes were combined in order to give them a larger population base. Boundaries of each *judeţ* were drawn to include about fifty communes consisting of 4,000 to 5,000 persons each.

Along with the territorial reorganization, the decision was also made to combine party and government functions on the *judeţ* level so that the same person acted both as party committee first secretary and as people's council chairman. In explaining this fusion of party and state authority, Ceauşescu stated that there were many instances in which offices in both the party and the government dealt with the same area of interest, a practice that resulted in inefficiency and unnecessary duplication of party and state machinery. Despite fusion of party and government functions, however, the bureaucratic structure on all government levels continued to expand.

New civic center in Satu Mare
Courtesy Scott Edelman

According to the Constitution and the 1968 Law on the Organization and Operation of People's Councils, the people's councils were responsible for the implementation of central government decisions and for the economic, social, and cultural administration of their particular jurisdictions. Deputies to the people's councils were elected for five-year terms, except for the communes and municipal towns, where the term was two-and-one-half years.

Organized to facilitate highly centralized control, the people's councils functioned under the general supervision of the GNA or, between assembly sessions, under the direction of the State Council. The Law on the Organization and Operation of People's Councils specifically placed the people's councils under the overall guidance of the PCR.

Each people's council had an executive committee as its chief administrative organ and a number of permanent committees with specific responsibilities. The executive committee, consisting of a chairman, two or more deputy chairmen, and an unspecified number of other members, functioned for the duration of the council's term of office. Each executive committee also had a secretary, who was appointed with the approval of the next-higher-ranking council and was considered an employee of the central government. The chairman of an executive committee in a city, town, or commune served as the mayor of that unit. The executive committee was

responsible to the people's council that elected it and to the executive committee of the next higher council.

The executive committee implemented laws, decrees, and decisions of the central government; carried out decisions made by the people's council; worked out the local budget; and drafted the local economic plan. It was also charged with directing and controlling the economic enterprises within its area of jurisdiction and with supervising the executive committees of inferior councils. The executive committee was also responsible for the organization and functioning of public services, educational institutions, medical programs, and the militia.

Electoral System

Although the Constitution asserted the right of all citizens eighteen years of age and older to participate in the election of all representative bodies with a universal, direct, equal, and secret vote, it did not determine how elections were to be organized or specify who was responsible for conducting them. The Constitution did declare, however, that the right to nominate candidates belonged to the PCR, as well as to all labor unions, cooperatives, youth and women's leagues, cultural associations, and other mass organizations.

Elections were organized under the direction of the Socialist Democracy and Unity Front, the national entity that incorporated the country's numerous mass organizations under the leadership of the PCR. All candidates for elective office needed the approval of the front in order to be placed on the ballot.

The Socialist Democracy and Unity Front was established in November 1968 under the original name of the Socialist Unity Front. It succeeded the People's Democratic Front, which had existed since the communists began to organize effectively during World War II. The Socialist Democracy and Unity Front listed among its member organizations, in addition to the PCR, the labor unions; cooperative farm organizations; consumer cooperatives; professional, scientific, and cultural associations; student, youth, women's, and veteran's organizations; religious bodies; and representatives of Hungarian, German, Serbian, and Ukrainian minorities. In the late 1980s, chairing the organization was among Ceauşescu's many official duties. In addition to a chairperson, the front had an executive chairman, one first vice chairman and six other vice chairmen, two secretaries and eighteen members.

The Socialist Democracy and Unity Front conducted a general election in March 1985, when 369 deputies to the GNA were elected. Of the 15,733,060 registered voters, 97.8 percent voted for

front candidates, while 2.3 percent voted against them—about 33 percent more than in 1980, according to published results. Although this figure was the highest number of dissenting votes ever recorded, outside observers contended that the percentage would have been much higher in an open election.

Romanian Communist Party

Founded in 1921, the Communist Party was declared illegal in 1924 and forced underground until 1944. Because of the party's association with Moscow, it was unable to attract broad support. The communists came to power as a result of the Soviet occupation of Romania during the final year of the war. With Soviet backing, the party gradually consolidated power and sought to extend its base of popular support. In early 1948, it merged with a wing of the Social Democratic Party to form the Romanian Workers' Party. By the end of 1952, however, almost all of the Social Democrats had been replaced by Communists.

Membership

At the close of World War II the Communist Party had fewer than 1,000 members. Three years later, at the official congress that sanctioned the merger with the Social Democratic Party, it reported more than 1 million members. This rapid growth was the outcome of an intensive propaganda campaign and membership drive that employed political and economic pressures. Subsequently, a purge of so-called hostile and nominal members during the early 1950s resulted in the expulsion of approximately 465,000 persons.

During the early years of full Communist control, the party considered itself the vanguard of the working class and made a sustained effort to recruit workers. By the end of 1950, the party reported that 64 percent of leading party positions and 40 percent of higher government posts were filled by members of the working class. Efforts to recruit workers into the party, however, consistently fell short of goals.

By 1965, when the name Romanian Communist Party was officially adopted, membership had reached 1,450,000—about 8 percent of the country's population. Membership composition at that time was 44 percent workers, 34 percent peasants, 10 per cent intelligentsia, and 12 percent other categories.

After his accession to power in 1965, Ceauşescu sought to increase the party's influence, broaden the base of popular support, and bring in new members. His efforts to increase PCR membership were extremely effective. By February 1971, the party claimed 2.1 million members. The Twelfth Party Congress in 1979

estimated membership at 3 million, and by March 1988, the PCR had grown to some 3.7 million members—more than twice as many as in 1965, when Ceauşescu came to power. Thus, in the late 1980s, some 23 percent of Romania's adult population and 33 percent of its working population belonged to the PCR.

At the Thirteenth Party Congress in November 1984, it was announced that the nationality composition of the PCR was 90 percent Romanian, 7 percent Hungarian (a drop of more than 2 percent since the Twelfth Party Congress), less than 1 percent German, and the remainder other nationalities.

As of 1988, workers made up about 55 percent of the party membership, peasants 15 percent, and intellectuals and other groups 30 percent (see table 10, Appendix). Because of the PCR's special effort to recruit members from industry, construction, and transportation, by late 1981 some 45.7 percent of workers in these sectors belonged to the party. In 1980 roughly 524,000 PCR members worked in agriculture. Figures on the educational level of the membership in 1980 indicated that 11 percent held college diplomas, 15 percent had diplomas from other institutions of higher learning, and 26 percent had received technical or professional training.

In the 1980s, statistics on the age composition of the party were no longer published. The official comment on the subject was that the party had a "proper" age composition. Outside observers, however, believed that the average age of the membership had risen dramatically. The share of pensioners and housewives increased from 6.6 percent in 1965 to 9 percent in 1988.

Women traditionally were underrepresented in the PCR. In late 1980, they accounted for only 28.7 percent of the party's members, prompting Ceauşescu to call for increasing their representation to about 35 percent.

A document on the selection and training of party cadres adopted by a Central Committee plenum in April 1988 provided information on the backgrounds of individuals staffing the political apparatus. According to that document, workers, foremen, and technicians supplied 79.8 percent of the cadres of the PCR apparatus, 80.1 percent of the apparatus of the Union of Communist Youth (Uniunea Tineretului Comunist, UTC—see Glossary), and 88.7 percent of the trade union apparatus. By late 1987, the proportion of women in the party apparatus had risen to 27.8 percent from only 16.8 percent in 1983. More than 67 percent of activists in the state apparatus and 59.4 percent in the trade unions were under forty-five years of age. The document also asserted that 95.7 percent of PCR Central Committee activists and 90.7 percent of activists in *judeţ,* municipal, and town party committees were

graduates of, or were attending, state institutions of higher education.

Organizational Structure

As the fundamental document of the PCR, the party statutes set basic policy on party organization, operation, and membership. Originally adopted in May 1948, the statutes underwent several modifications, with significant revisions in 1955, 1965, 1967, 1969, 1974, and 1984. Many of these changes strengthened Ceauşescu's hold on the party and reduced the role of rank-and-file members.

All organs of the party were closely interrelated and operated on the principle of democratic centralism. (Derived from the Communist Party of the Soviet Union, this concept required a firm hierarchical subordination of each party organ to the next higher unit. In practice, party programs and policies were directed from the center and decisions of higher organs were unconditionally binding on all lower organs and on individual members.) The statutes called for the free and open discussion of policy questions at congresses, conferences, and local membership meetings. But discipline required that once a decision was made, the minority fully submitted to the will of the majority.

According to the party statutes, the supreme organ of the PCR was the party congress, consisting of delegates elected by the *judeţ* conferences at a ratio of 1 delegate per 1,000 members. The party congress, which convened at least once every five years, elected the PCR general secretary, the Central Committee, and the Central Auditing Commission and discussed and adopted programs and policies proposed by central party organs.

Between congresses the leading party organ was the Central Committee. At the Thirteenth Party Congress in 1984, the Central Committee consisted of 265 full and 181 candidate members—twice as many members as in 1969. The Central Committee was responsible for the overall direction of party activities and the implementation of policies established by the party congress. In addition, it screened nominations for the more important party and state positions. Party statutes required a plenary session of the Central Committee at least four times a year.

Several important changes in the structure of the party leadership were enacted by the Central Committee in March 1974, a few months before the Eleventh Party Congress. The Standing Presidium of the Central Committee, whose members were the most influential individuals in the party, was abolished and replaced by the Polexco Permanent Bureau. Although formally the Central Committee elected the leading party organs, in practice the Polexco

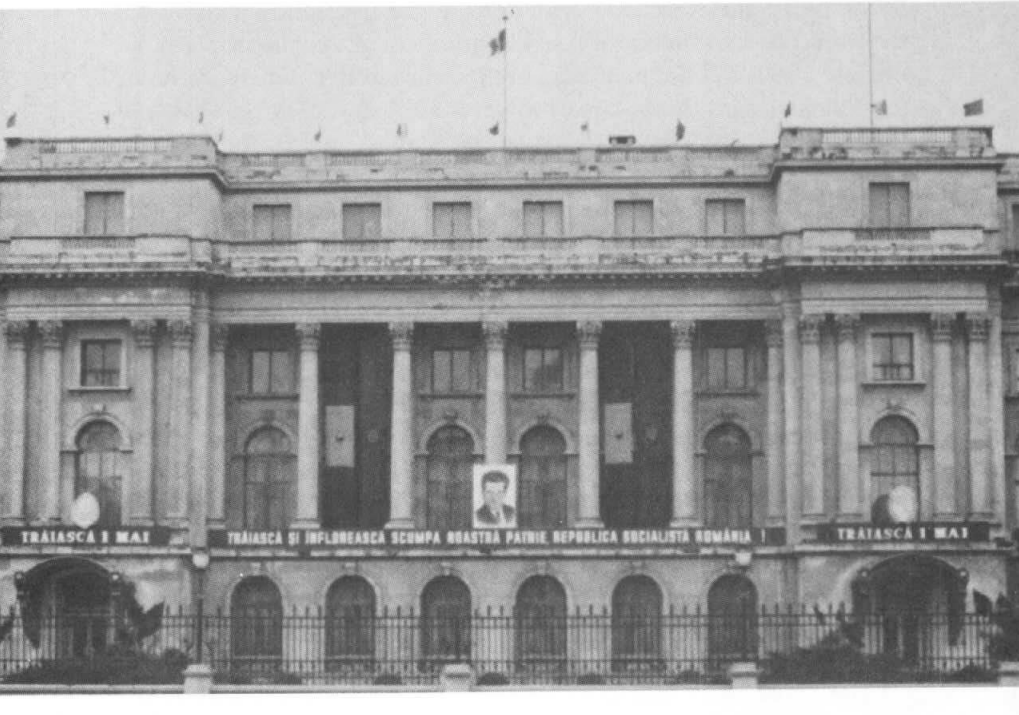
Permanent Bureau was a self-perpetuating body, and any change in its membership or in that of the Secretariat was generated from within rather than through a democratic decision by the Central Committee. The Secretariat, most of whose members were full or candidate members of the Polexco, had responsibility for overseeing the implementation of party decisions. As general secretary of the party, Ceauşescu headed both the Polexco Permanent Bureau and the Secretariat and chaired the Polexco.

The Central Committee was backed by an extensive bureaucratic structure that in many instances paralleled the organization of the government ministries. A chancellery office, headed by a chief and three deputies, coordinated the committee's overall administrative activities. Party work was organized under several permanent sections, which were typically headed by a supervisory secretary, and a number of administrative sections and functional commissions. The designations of the sections were agriculture, armed forces and security forces, cadre, culture and education, economic affairs, foreign relations, letters and audiences, local economic administration, organization, party affairs, propaganda and media, social problems, and administration.

In 1989 the following commissions were directly tied to the Central Committee: the Party and State Cadres Commission; the Ideology, Political and Cultural Activities, and Social Education Commission; the Party Organization and Mass and Public Organization Commission; and the Economic Cooperation and International Relations Commission. Most of these commissions appeared redundant, addressing problems within the purview of the Central Committee sections, various joint party-state organizations, and the ministries.

As the center for decision-making and policy control, the Polexco Permanent Bureau was the most powerful body in the country. Established in 1974, the Permanent Bureau went through several stages. Initially it consisted of five members, but after the Twelfth Party Congress in 1979, it expanded to fifteen members. In 1984, however, it was reduced to eight members, including Nicolae and Elena Ceauşescu, and in June 1988 it had only seven members. Most observers agreed that in fact the decision-making process was limited to the Ceauşescus and their most trusted allies, not all of whom held positions in the Permanent Bureau, the Polexco, or the Secretariat.

Little information was available on the responsibilities of the Polexco, although some observers regarded it as an administrative link between the Permanent Bureau and the Central Committee. In practice, it functioned as a rump Central Committee



Communist Party Central Committee Headquarters, Bucharest
Courtesy Scott Edelman
Palace of the Council of State; May Day banner reads, "May Our Dear Fatherland, the Romanian Socialist Republic, Live Long and Flourish."
Courtesy Scott Edelman

when the latter was not in session. The Secretariat served as the continuing administrative unit of the party. It supervised the execution of policies decreed by the Permanent Bureau.

Two other important party organs functioned under the supervision of the Permanent Bureau and the Secretariat: the Central Auditing Commission and the Central Collegium, formerly known as the Party Control Commission. Consisting of seventy-three members (none of whom could belong to the Central Committee), the Central Auditing Commission was empowered to exercise general control over party financial affairs and examine the management of finances by the various party organs. During the 1980s, the commission literally became a place of exile for officials who had fallen out of favor. The twenty-two-member Central Collegium dealt with matters of party discipline and served as a type of appeals court for penalties imposed on members by *judeţ* or local party committees.

An interlocking of authority and functions at the highest level of the party and state was evidenced in the frequency with which the senior party officials also held important government posts. In the late 1980s, all the members of the Polexco Permanent Bureau, the Polexco, and the Secretariat were GNA deputies, and most of them held prominent positions in the State Council, the Defense Council, or the Council of Ministers.

The party statutes described the basic party organization as the foundation of the party. Basic party organizations existed in factories, offices, cooperatives, military and police units, social and cultural organizations, and residential areas. Some of the party units consisted of a few members, whereas those in the larger enterprises could have as many as 300 members. In 1980 there were an estimated 64,200 basic party organizations.

The local and occupational basic party organizations implemented party directives and programs, recruited and indoctrinated new members, and disseminated propaganda directed at those outside the party. Members had the duty to participate in social, economic, and cultural activities, particularly those associated with economic enterprises, and to examine critically production and community life in the light of party ideology and goals. In all their activities, the local party units were required to uphold the discipline of the party and to adhere to the policies established by the ruling bodies of the PCR.

Between the basic party organizations and the higher organs of the PCR stood a hierarchy of party committees organized on the *judeţ,* town, and communal levels. Each of these units was directly subordinate to the next higher level of the party organization. Each party committee set up its own bureau and elected a secretariat.

In most cases the secretariat consisted of a first secretary, a first vice-chairman, and three or more vice-chairmen or secretaries.

The activity of the bureau was conducted through several functional departments, which generally consisted of sections on personnel, administration, agitation and propaganda, economic enterprises, youth, and women's affairs. The *judeţ* and city committee also had their own control commission and training programs. The first secretary of the *judeţ* committee served as chairman of the *judeţ* people's council, linking the party and government offices.

At each of these levels—*judeţ,* city, town, and commune—the highest authoritative organ was the party conference, which played a role similar to that of the party congress on the national level. The party statutes called for the convening of conferences every five years in the *judeţe,* in the city of Bucharest, and in the larger towns. In communes and smaller towns the conference was held every two years. Although the conferences were held ostensibly to discuss problems and formulate policies, they served in practice as transmission belts for the official party line set down by the central PCR authorities. *Judeţ* conferences and the Bucharest city conference elected candidates to the national party Congress.

Ideology and Party Program

In the early 1970s, the PCR carried on a campaign to strengthen the Marxist character of its ideological, cultural, and educational activities. Within limits Ceauşescu encouraged "socialist democracy" and open communication between the masses and the party leadership. He defined "socialist democracy" as a spirit of social responsibility among the citizens to perform their duties in accordance with the needs and imperatives of society as a whole. Socialist democracy sought to stimulate the masses to support the cause of socialism by involving them in PCR programs so that the individual citizen's goals and values coincided with those of the party.

In the mid-1970s, Ceauşescu announced a new ideological program and the tightening of party control over government, science, and cultural life. Some observers regarded this campaign as a response to Soviet criticism of Ceauşescu's foreign policy. It may have been a reminder to Moscow that socialism was not endangered in Romania and that the Soviets could not use this pretext to justify intervention as they had done in Czechoslovakia in 1968. Others considered it an assertion of authority by Ceauşescu to combat domestic ideological laxity and what he perceived as corrupting Western influences. Partially directed at the youth of the nation, the campaign included curbs on alcohol in the youth clubs and on the screening of foreign television programs and music.

Another objective was increased party control over literature and cultural life. New ideological guidelines were issued for writers, publishers, and theaters. Ceauşescu declared that the arts must serve the single purpose of socialist-communist education. At the same time, he called for increasing guidance of the arts by all levels of the PCR and requested that works of art and literature be judged for their conformity to party standards and their service to the working class. Although Ceauşescu ruled out repressive measures, he asserted that the party would rely on persuasion to implement the new ideological program.

In the late 1980s, the PCR ideological program consisted of two major components—the political and ideological education of the citizenry and the scientific study of Romanian history. The former entailed the thorough study of PCR experience, Ceauşescu's theses and recommendations, and the classics of Marxism-Leninism. The scientific study of Romania's history was considered profoundly important in developing the population's awareness of their Dacian-Roman origin and the continuity of Romanian habitation of their homeland, particularly in the face of historical claims made by neighboring countries.

During the 1980s, the party's perception of its role in society changed. It no longer saw itself as the detached vanguard of the working class, but rather as the vital center of the nation and society. The party's identification with national interests was interpreted as rejection of the concept of "dictatorship of the proletariat," a phrase that was supplanted in party parlance by "state of the revolutionary workers' democracy." The policies pursued by the PCR were designed to maintain firm control of economic planning and administration. Party control was enhanced by the territorial and administrative reorganization of 1968, which set up commissions in all of the new *judeţe* to function under the direct supervision of the *judeţ* PCR committees. These commissions gave the party direct control over local economic programs.

Party Training

In early 1970, the PCR carried out a major reorganization of its primary institution for the training of leading party workers, the Stefan Gheorghiu Party Academy, which was renamed the Stefan Gheorghiu Academy for Social-Political Education and the Training of Leading Cadres. The academy's mission was to train party activists and develop party leaders who could resolve problems by "applying the science of political leadership to the party and society." In September 1986, the academy was renamed the Party Academy for Social and Political Training, but its structure was not changed.

In 1989 the academy still consisted of two departments, one for the training of cadres in the party and mass organizations and a second for the training of personnel working in economic and state administration. Each department was subdivided into a number of institutes, sections, and training centers.

Admission to academy programs was carefully controlled by the party. Courses in the first department lasted four years, and candidates were selected from among activists in the *judeţ* and city party committees, central PCR bodies, and mass organizations. Political activists in the Ministry of National Defense, the Ministry of Interior, and the Department of State Security were also eligible for training in the first department.

The PCR also maintained the Institute of Historical and Social-Political Studies in Bucharest, which functioned under the direct supervision of the Central Committee, and lower-level training programs that operated under the *judeţ* party committees.

In 1988 the PCR Central Committee adopted a document setting forth policy on cadre political and ideological training. The document demanded that party and state bodies work with greater determination to accomplish the political, ideological, and revolutionary education of cadres. The Central Committee also adopted a draft program for improving cadre training in the party apparatus, the ministries, and industrial enterprises. It called for special programs to send party workers without access to political schools to university courses for political and managerial training.

The study programs, which included practical work, discussion of specific problems, and field trips, covered such subjects as automated data processing, socioeconomic analysis, forecasting, and many specialized topics. To facilitate training of large numbers, branches of the Party Academy's Center for the Education and Training of Party and Mass Organization Cadres were set up in Bucharest and in three *judeţe*.

Mass Organizations

The PCR fostered the development of a large number of mass organizations that functioned as its auxiliaries. These included traditional mass organizations (youth, labor, and women's organizations) and new types of political mass organizations such as the National Council of Working People. Mass organizations representing major ethnic groups also emerged.

Citizens were constitutionally guaranteed the right to join together in organizations. At the same time, the Constitution defined the leading role of the party in relation to the mass organizations, asserting that through such organizations the PCR "achieves

an organized link with the working class, the peasantry, the intelligentsia, and other categories of working people and mobilizes them in the struggle for the completion of the building of socialism."

There were two broad classes of mass organizations: those based on common interests and categories of persons, such as youth and women's associations; and those based on professions, such as the General Union of Trade Unions (Uniunea Generală a Sindicatelor din România, UGSR—see Glossary). Several of the groups belonged to international organizations and associations, such as the World Federation of Trade Unions and the World Federation of Democratic Youth.

In November 1968, the Council of Working People of Hungarian Nationality and the Council of Working People of German Nationality were established. The former had units in fifteen *judeţe,* and the latter was active in nine. In *judeţe* with substantial Serbian or Ukrainian populations, local councils were established for these groups. The nationality councils were affiliated with the Socialist Democracy and Unity Front.

The purpose of the nationality councils, Ceauşescu declared, was to "cultivate socialist patriotism, socialist internationalism, and devotion to our new order and to the common fatherland . . . against any backward nationalistic concepts and manifestations." Although the councils facilitated communication between the PCR and ethnic groups, they functioned primarily as transmitters of official nationality policies. During the 1980s, the councils served as a forum for expressing Romanian nationalism in the prolonged dispute with neighboring Hungary on the question of minority rights in Transylvania.

Union of Communist Youth

Founded in 1949, the Union of Communist Youth (Uniunea Tineretului Comunist—UTC, see Glossary) was modelled after Komsomol (the Soviet communist youth organization). Having essentially the same organizational structure as the PCR, the UTC was both a youth political party and a mass organization. Its mission was to educate young people in the spirit of communism and mobilize them, under the guidance of the PCR, for the building of socialism. The UTC organized political and patriotic courses in schools, among peasant groups, and among workers and members of the armed forces. It also guided and supervised the activities of the Union of Communist Student Associations.

In the 1980s, the UTC remained one of the most powerful mass organizations in the country, having a membership of some 3.7 million in 1984 compared with 2.5 million in early 1972. Membership was open to persons between the ages of fifteen and twenty-six;

UTC members over eighteen could also become members of the PCR. The Tenth Party Congress in 1969 introduced the requirement that applicants under the age of twenty-six would be accepted into the party only if they were UTC members.

The structure of the UTC underwent a number of changes in the decades following its creation. In early 1984, the organization functioned on the national level with an eight-member Secretariat, including the first secretary, who was also the UTC chairman, and a bureau of twenty-one full and ten candidate members. The first secretary of the UTC also held the position of minister of youth. In the late 1980s, Ceauşescu's son, Nicu, functioned as UTC first secretary. In each of the forty *judeţe* and the city of Bucharest, UTC committees were patterned after the national-level organization. The UTC had its own publishing facilities and published its own propaganda organ, *Scînteia Tineretului* (The Spark of Youth).

A second youth movement, the Pioneers, was created for young people between the ages of nine and fourteen. The organization's responsibilities paralleled those of the UTC and involved political and patriotic training. Until 1966 the Pioneers functioned as an integral part of the UTC, but thereafter it was under the direct control of the party Central Committee.

General Union of Trade Unions

As the official organization representing all blue- and white-collar workers, the General Union of Trade Unions of Romania (Uniunea Generală Sindicatelor din România—UGSR, see Glossary) was the largest of the country's mass organizations, with a membership of 7.3 million in 1985. Headed by a Central Council, the UGSR consisted of eleven labor union federations and forty-one area councils, one for each *judeţ* and the city of Bucharest. The Central Council had a chairman, appointed by the PCR Central Committee, eight vice chairmen, two secretaries, and an executive committee of forty-eight members. In the late 1980s, there were an estimated 12,000 local union units.

The primary function of the labor unions was the transmission of party policies to the rank and file. The UGSR statutes specified that the organization would conduct its activities under the political leadership of the PCR; a similar provision was included in the statutes of the *judeţ* UGSR committees. In early 1971, in the aftermath of increased labor problems, the PCR took steps to reform the labor union organization. Proclaiming a democratization of the UGSR and its component unions, Ceauşescu promised workers protection of their interests and a voice in the appointment of industrial management. According to Ceauşescu, democratization

meant that the labor unions would serve the party as a framework for organizing consultations with the masses and as a forum where workers could debate the country's economic and social development. But UGSR statutes introduced later that year failed to reform the system, and labor unions were still unable to take the initiative in matters of wages and the standard of living (see Labor, ch.3).

Political Developments During the Ceauşescu Era

Period from 1965 to 1970

After becoming PCR first secretary in March 1965, Ceauşescu's first challenge was consolidating his power. Posing a major threat to his authority were three of his predecessor's closest associates—Chivu Stoica, a veteran party leader; Gheorghe Apostol, first deputy prime minister and a former PCR first secretary; and Alexandru Drăghici, minister of interior and head of the powerful state security apparatus.

A temporary compromise was found in a system of collective leadership with Ceauşescu acting as head of the party and Stoica becoming president of the State Council and, as such, head of state. Apostol remained first deputy minister, and Drăghici kept the position of minister of interior. Ion Gheorghe Maurer, who had served as prime minister under Gheorghiu-Dej, retained that position. At the same time, changes were made in the party statutes to prevent one man from holding dual party and government offices as Gheorghiu-Dej had done.

At the Ninth Party Congress in July 1965, Ceauşescu was able to add a number of supporters to an enlarged PCR Central Committee and to change his title to general secretary. At the same time a new body was added to the party hierarchy—the Executive Committee, which stood between the Standing Presidium and the Central Committee. Although Ceauşescu was not able to gain full control of the Executive Committee immediately, in time the new body provided him the means to place his supporters in the leading PCR organs and to implement his own policies.

Political observers identified three principal factions within the PCR during the 1965-67 period: Ceauşescu and his supporters; the veteran party men led by Stoica, Apostol, and Drăghici; and the intellectuals, represented by Maurer. Those people allied with Ceauşescu, who was forty-seven years old when he came to power, tended to be men of his own generation and outlook, and whenever possible he engineered their appointment or promotion into important party, government, and military positions.

One of Ceauşescu's foremost concerns was what he termed the vitalization of the PCR. To achieve this end, he not only brought younger people into the top party organs but also sought, for a limited time, to broaden the professional skills represented in those bodies through the recruitment of technicians and academicians. At the same time, he allowed increased technical and scientific contacts with Western nations and lifted the ban on works by certain foreign writers and artists, thereby gaining support among intellectuals.

1967 Party Conference

At a special National Conference of the PCR in December 1967—the first such event in twenty-two years—Ceauşescu continued to strengthen his position. Attending the conference were members of the Central Committee and 1,150 delegates from local party organizations. Ceauşescu elected to employ the technique of the party conference rather than a special party congress in order to have his proposals approved by a larger body than the Central Committee. At the same time, he wanted to avoid election of a new Central Committee, which a party congress would have required.

Ceauşescu proposed a number of reforms in the structure and functioning of the party and government, and he asserted the need to eliminate duplication. He proposed that the Central Committee limit itself to basic decisions of economic policy and that specific matters of implementation be left to the ministries.

Political and ideological activity, Ceauşescu proposed, would remain under the control of the Central Committee and would be given greater emphasis and direction through the creation of an ideological commission that would develop an intensified program of political education. A defense council, composed of the party's Standing Presidium and other members, would be established to deal with most military questions, but basic guidance for both the armed forces and the state security apparatus would remain the responsibility of the Central Committee. Major foreign policy questions would be decided by the Standing Presidium.

Ceauşescu proposed several reforms in the organization and responsibilities of government organs and called for redrawing the country's administrative subdivisions. He sought to broaden the activities of the GNA and its commissions, and he recommended a larger role for the Council of Ministers in formulating long-term economic plans. In addition, he suggested that the heads of three important mass organizations—the UGSR, the UTC, and the National Union of Agricultural Production Cooperatives—be included in the government and be given ministerial ranking.

The National Conference unanimously adopted Ceauşescu's proposals and reversed the party statutes adopted in 1965 that prevented the party leader from simultaneously holding the position of head of state. The official rationale for uniting the highest offices of the party and state was to eliminate duplication of functions and increase efficiency. Stoica was given a position in the party Secretariat and later, in 1969, was named chairman of the Central Auditing Commission.

In implementing Ceauşescu's recommendations, certain positions in the party and state organizations were fused. For example, *judeţ* and city party first secretaries became chairmen of the corresponding people's councils, and secretaries of local party units and labor union representatives became involved in the councils of industrial enterprises.

Immediately following the National Conference, the GNA convened to elect Ceauşescu president of the State Council. Apostol was demoted from his position as a first deputy prime minister to his previously held post of UGSR chairman. Drăghici was removed from the party Secretariat and given a position as a deputy prime minister under Maurer, who was reappointed prime minister. With the successful demotion of his chief rivals, Ceauşescu emerged at the close of 1967 as the undisputed leader of both the party and the state.

Rehabilitation and De-Stalinization

With his power base firmly established, Ceauşescu proceeded to dissociate his regime from the Gheorghiu-Dej era. In April 1968, at a plenary session of the Central Committee, the Gheorghiu-Dej regime was indicted for abuses of power, and the victims of his political purges were officially rehabilitated. Because of his close association with Gheorghiu-Dej and his position as head of the interior ministry during the period of the purges Drăghici was relieved of all his positions. Apostol and Stoica were censured but were allowed to remain in their posts, although their standing in the party was considerably weakened.

During the 1968–70 period, Ceauşescu pursued a cautious policy of de-Stalinization in domestic affairs while maintaining Romania's independent stance in international relations. The domestic relaxation was short-lived, however, and in April 1968, Ceauşescu cautioned intellectuals and artists not to overstep the bounds established by the party.

Tenth Party Congress

The Tenth Party Congress of August 1969 reelected Ceauşescu

PCR general secretary, enlarged the Central Committee from 121 to 165 members, purged some of Ceauşescu's potential opponents, and further revised the party statutes. The statute revisions provided for electing the Central Committee by secret ballot and transferred responsibility for electing the general secretary from the Central Committee to the party congress. It was also decided that the party congress would be convened every five—rather than four—years so that it could discuss and adopt a five-year economic plan for the country.

Nearly half of the older members of the Central Committee were replaced by younger men who supported Ceauşescu. Two members of the old guard, Apostol and Stoica, were conspicuously not reelected, and immediately after the congress, Apostol lost his position as UGSR chairman after being charged with "serious breaches of Communist morality."

Eleventh Party Congress

The Eleventh Party Congress in November 1974 adopted the party program (a massive document establishing the framework for party activity for the following quarter century), the directives for the Sixth Five-Year Plan (1976-80), and the guidelines for the economy from 1974 through 1990. The congress failed, however, to complete all the items on its agenda, leaving such unfinished business as party statute revisions to the Central Committee for finalization.

The report of the Central Committee surveyed the party's achievements, examined "the problems of international political life" and cooperation with other countries, and defined the national goal as the building of a "multilaterally developed socialist society." The foreign policy objectives set forth in the report included the establishment of a "new world order," disarmament, and a "new type of unity" in the international communist movement.

The draft directives of the 1976-80 plan projected continued rapid development of "the technical and material basis of the national economy, and of the whole of society." The directives earmarked some one-third of the gross national product for investment, the highest rate in the communist world, and predicted an annual rate of industrial growth of between 9 and 10 percent for the period up to 1990.

The congress considered a proposal to appoint Ceauşescu PCR general secretary for life. Ceauşescu rejected the proposal in a brief speech, possibly because of the objections of Western communist delegates in attendance and the potential damage the appointment would cause to his international image.

The congress elected a new Central Committee, which was expanded to 205 members and 156 alternate members, and removed 43 members elected at the Tenth Congress, including former Prime Minister Maurer. Numerous party and government officials were assigned new positions. The Central Committee elected a twenty-eight-member Polexco, which selected the membership of the Permanent Bureau (created in March to replace the Presidium). Far from the broadly based committee initially projected, the Permanent Bureau comprised only Ceauşescu and a handful of persons who owed their rise entirely to him. Thus Ceauşescu's personal rule was further strengthened and institutionalized.

Twelfth Party Congress

The Twelfth Party Congress in November 1979 was attended by 2,656 delegates representing approximately 3 million party members and by delegations from 98 countries. None of the more senior officials from the other East European and Soviet parties was present. Ceauşescu presented a lengthy report detailing the economic shortcomings and mistakes of the previous five years, particularly those in the agricultural sector. He stressed the necessity for greater efficiency and for additional austerity measures, especially energy conservation. Announcing that offshore oil had been found in the Black Sea, Ceauşescu proclaimed the goal of energy self-sufficiency within ten years.

On internal party matters, Ceauşescu stressed the need for greater discipline and pointed out shortcomings in ideological, political, and cultural activities. To detect potential adversaries, party members' records were to be examined by the Party and State Cadres Commission, headed by Elena Ceauşescu.

The Twelfth Congress witnessed an unprecedented attack on Ceauşescu's personal leadership by a former high-ranking party official, Constantin Pirvulescu, who openly opposed Ceauşescu's reelection as general secretary, accusing him of putting personal and family interests above those of the party and the country. He accused the congress of neglecting the country's real problems in its preoccupation with Ceauşescu's glorification. Observers noted that this unprecedented attack came from a man who could not be accused of pro-Soviet sentiments, because he had been a staunch defender of PCR autonomy. Nor could he, at the age of eighty-four, be accused of personal ambition. Pirvulescu's remarks were, according to press reports, evidence of discontent in the party ranks. Pirvulescu was stripped of his delegate credentials, expelled from the congress, and placed under strict surveillance and house arrest.

The congress elected a new Central Committee of 408 members, including 163 alternate members, and a Polexco of 27 full and 18 alternate members. The Polexco Permanent Bureau was expanded from eleven to fifteen members. This steady growth reflected Ceauşescu's desire to make the body an institutional gathering of the most powerful people in the government and party.

Thirteenth Party Congress

At the Thirteenth Party Congress of November 1984, Ceauşescu's address was devoted mostly to the economy. The report made clear that there would be no substantial effort to increase the standard of living and that forced industrialization would continue unabated. It revealed that the industrial growth rate during the first four years of the decade had been much lower than was projected by the eleventh and twelfth congresses. The report did not mention food shortages and rationing. Ignoring the fact that electricity and fuel supplies to the general population had been cut drastically, Ceauşescu blithely predicted that by 1995, Romania would be energy self-sufficient.

A major part of the report was devoted to the question of political-educational activity and the "fashioning of a new man" in order to "elevate the socialist revolutionary awareness of all working people." Observers pointed out that the report featured Ceauşescu's Stalinist ideological orthodoxy more prominently than ever before. He called for intensified study of Marxist philosophical writings and urged the party to fight "mysticism" and "obscurantism" (euphemisms for religion), as well as "obsolete" and "foreign" ideological influences.

The congress elected a new Central Committee of 446 members, who in turn selected a commission to propose the composition of a new PCR Polexco of 23 full members and 25 alternate members. Among the new alternate members were Ceauşescu's son Nicu, whose political ambitions were undisguised, and Tudor Postelnicu, one of Ceauşescu's most trusted security men after the defection of Ion Pacepa in 1978 (see Security and Intelligence Services, ch.5). The size of the Permanent Bureau was reduced to eight members, only five of whom remained from the 1979 Permanent Bureau. All personnel changes after the Thirteenth Congress were designed to increase Ceauşescu's power base.

Cult of Personality

The distinctive feature of Romania's political power structure in the 1980s was the cult of personality surrounding Nicolae and Elena Ceauşescu. Some observers argued that the phenomenon

was the continuation of Romania's historical legacy. Others held that it was Ceauşescu's unique political creation.

Following Ceauşescu's rise to power in 1965, Romanians had enjoyed a short-lived liberalization, as the new leader sought to achieve genuine popularity. By 1971, however, the regime had reasserted its Stalinist legacy in socioeconomic and cultural matters. Thereafter ideological orthodoxy retained a tight hold on all intellectual life, and meaningful reforms failed to materialize. After assuming the newly established position of president of the republic, Ceauşescu was increasingly portrayed by the Romanian media as a creative communist theoretician and political leader whose "thought" was the source of all national accomplishments. His tenure as president was known as the "golden era of Ceauşescu." The media embellished all references to him with such formulaic appellations as "guarantor of the nation's progress and independence" and "visionary architect of the nation's future." In 1989, Ceauşescu functioned as the head of state, the PCR, and the armed forces; chairman of the Supreme Council for Economic and Social Development; president of the National Council of Working People; and chairman of the Socialist Democracy and Unity Front.

In the 1980s, the personality cult was extended to other members of the Ceauşescu family. Ceauşescu's wife, Elena, held a position of prominence in political life far exceeding protocol requirements. As first deputy prime minister, she took part in official negotiations with foreign governments and communist parties. She chaired both the National Council on Science and Technology and the National Council for Science and Education. Her most influential position, however, was that of chief of the Party and State Cadres Commission, which enabled her to effect organizational and personnel changes in the party apparatus and the government. By the mid-1980s, Elena Ceauşescu's national prominence had grown to the point that her birthday was celebrated as a national holiday, as was her husband's. With allies throughout the Central Committee and the powerful secret police, Elena Ceauşescu had emerged as one of the foremost contenders to succeed her husband, who in 1989 was reported to be in failing health. Their son, Nicu, was a candidate member of the Polexco, and two of Ceauşescu's brothers held key positions in the army and the secret police. In 1989, some twenty-seven of Ceauşescu's close relatives held top party and state positions.

Emergence of an Organized Opposition

Postwar Romania had less labor unrest and fewer overt acts of antigovernment defiance than any other East European country.

Poster marking the sixty-fifth anniversary of the Romanian Communist Party, Bucharest
Courtesy Scott Edelman

Victory of Socialism Boulevard leading to the new Palace of the Republic, Bucharest
Courtesy Scott Edelman

During the Hungarian Revolution of 1956, the Gheorghiu-Dej regime feared the unrest might spill over into Romania. But even though there was student unrest and tension among the Hungarian population of Transylvania, the regime was not seriously threatened. The gradual deterioration of the economy as well as poor and dangerous working conditions led to significant unrest during the late 1970s, however. In 1977 a prolonged strike by coal miners in the Jiu Valley climaxed in the miners holding the prime minister captive in a mine shaft for two days. As a result of this incident, the Securitate still maintained constant surveillance over the region more than a decade later. Despite further deterioration of the economy, the severe food shortages, and energy and fuel restrictions during the 1980s, only limited signs of unrest were observed, thanks to the strict surveillance and repressive measures of the internal security forces. But in November 1987, a massive protest occurred in the city of Braşov. Some 30,000 workers staged a violent protest against harsh living conditions and the prospect of another winter of food and energy shortages. The spontaneous demonstration began at a tractor and truck plant and spread into the streets. Joined by onlookers, the workers chanting anti-Ceauşescu slogans marched on the city hall and ransacked the mayor's office. The protest was broken up by militia and the Securitate, and a number of workers were arrested. Though it was crushed, the Braşov protest represented a rallying point for the possible emergence of an organized opposition.

In March 1989, a letter addressed to Ceauşescu criticizing his dictatorial policy reached the West. Written by a group of retired senior communist officials, it accused Ceauşescu of violating international human rights agreements, including the 1975 Helsinki Final Act (Helsinki Accords); ignoring the constitutional rights of citizens; mismanaging the economy; and alienating Romania's allies. The signatories called for a halt to the systematization program of destroying rural villages and forcibly relocating peasant families (see Land, ch.3). The letter was signed by former General Secretary Gheorghe Apostol; former Politburo member and Deputy Prime Minister Alexandru Birladeanu; Constantin Pirvulescu, a co-founder of the PCR; Corneliu Manescu, a former Romanian foreign minister and one-time president of the United Nations (UN) General Assembly; and Grigore Raceanu, a veteran party member. Many analysts considered the letter the most serious challenge to Ceauşescu's rule to date. The regime relocated and isolated all signatories and reportedly subjected them to other repressive measures. The United States expressed official concern

for their safety, and several other Western governments subsequently limited their relations with Romania.

Mass Media

In the late 1980s, the media continued to serve as propaganda, indoctrination, and disinformation tools to develop support for the regime's domestic and foreign policies and to consolidate Ceauşescu's personal power. The system of media control was highly centralized and involved an interlocking group of party and state organizations, supervising bodies, and operating agencies, whose authority extended to all radio and television facilities, film studios, printing establishments, newspapers, and book publishers and to the single news agency. The control apparatus also regulated public access to foreign publications, films, newscasts, books, and radio and television programs.

The 1965 Constitution promised freedom of information, but expressed the reservation that it "cannot be used for aims hostile to the socialist system and to the interests of the working people." In 1971, following a trip to China, Ceauşescu reinforced PCR authority over the highest information-control and policy-making bodies in the government. The former State Committee for Culture and Art, which was an element of the Council of Ministers, was reconstituted as the Council for Socialist Culture and Education and answered directly to the Central Committee of the PCR. Similar changes were made in the Committee of Radio and Television, which became the Council of Romanian Radio and Television. In 1985 a joint party-state organization, the National Council for Science and Education, chaired by Elena Ceauşescu, was created. Its responsibility was to ensure uniform policy implementation in science, technology, and education, and it provided the regime another mechanism with which to control educational activities.

The propaganda and media section of the Central Committee exercised general guidance and supervision of all publications and dissemination procedures. Its policies and directives, in turn, were implemented by such government-controlled agencies as the Romanian Press Agency and the individual publishing houses, printing establishments, book distribution centers, motion picture studios, and radio and television stations.

The UN's Educational, Scientific, and Cultural Organization (UNESCO), which collects statistics from all member states, reported that during the 1980s the number of Romanian daily and periodical publications dropped sharply. Whereas in 1969 Romania published fifty-one dailies, twenty-three weeklies, and two semiweeklies, in 1985 there were only thirty-six dailies and twenty-four

weeklies. Daily newspapers had a total annual circulation of more than 1.1 billion copies. Major mass organizations, government-sponsored groups, local government organs, and the PCR and its subsidiaries published the most important and influential newspapers, both in Bucharest and in the various *judeţe*. Little latitude was allowed either in the content or format of the news.

The most authoritative newspaper, *Scînteia,* was founded in 1931 as the official organ of the Central Committee of the Communist Party and in the late 1980s had by far the largest daily circulation. It was the outlet for party policy pronouncements and semiofficial government positions on national and international issues. Until the early 1970s, *Scînteia* was published as an eight-page daily, but thereafter it was condensed to four pages with one six-page issue per week. Its editorials, feature sections, and chief articles were frequently reprinted or excerpted in the provincial newspapers, shop bulletins, and enterprise newsletters.

After *Scînteia,* the most important daily was *România Liberă,* established by the Socialist Unity Front in 1942. Although the paper featured items of national and international interest, it concentrated on local issues. The only paper allowed to publish one-page advertisement sections, *România Liberă* was in great demand. During the 1970s, the daily *Munca,* published by the UGSR, became a weekly publication. *Scînteia Tineretului,* which addressed the younger element of the population and stressed the ideological and political training of youth as the basis for a "sound socialist society," was another national daily. The most widely circulated minority-language newspapers were the Hungarian daily *Előre* and the German daily *Neuer Weg.* Both publications generally repeated the news of the national newspapers but also featured items of minority interest. They promoted the official government position on such sensitive issues as Romanian-Hungarian tensions and served as mouthpieces for anti-Hungarian propaganda.

The number of periodicals also decreased in the 1970s and 1980s. Whereas in 1969 there were 581 Romanian periodicals, in 1985 there were only 422. All periodicals were considered official publications of the various sponsoring organizations and were subject to the same licensing and supervising controls as newspapers. Virtually all magazines and journals were published by mass organizations and party- or government-controlled entities, such as institutes, labor unions, cultural committees, and special interest groups. They covered a broad range of subjects and included technical and professional journals, among them magazines on literature, art, health, sports, medicine, statistics, politics, science, and economics.

Casa Scînteii, publishing house for major periodicals, Bucharest
Courtesy Scott Edelman

Established in 1949, the Romanian Press Agency (*Agenţia Română de Presă*—Agerpres) operated as a department of the central government under the control of the PCR Central Committee. Agerpres had exclusive rights to the collection and distribution of all news, pictures, and other press items, both domestic and foreign. In the 1980s, Agerpres increasingly concerned itself with reporting official ceremonial (protocol) events and foreign news. For foreign dissemination, it issued the daily *Agerpres News of the Day* and the weekly *Agerpres Information Bulletin.* For domestic consumption, Agerpres distributed about 45,000 words of foreign news coverage daily to various newspapers and periodicals and to radio and television broadcasting stations. It also provided articles from Western wire services to government and party officials in classified bulletins. The Agerpres network of press correspondents in foreign countries was largely dismantled after several defections, and in 1989 Agerpres maintained only a few correspondents in the other East European countries.

After 1960, recognizing the importance of radio as a medium for informing the public and molding attitudes, the regime launched a large-scale effort to build broadcasting facilities and manufacture receiving sets. The number of radio receivers increased from 2 million in 1960 to 3.2 million in 1989. Receivers and amplifiers

that reached group audiences in public areas were installed throughout the country.

In the 1980s, Romanian radio broadcast three programs on medium wave and FM. Until the mid-1980s, there were also six regional programs, with transmission in Hungarian, German, and Serbo-Croatian. Each week about 200 hours of broadcasts in thirteen languages were beamed to foreign countries by Radio Bucharest.

Since its inception in 1956, television broadcasting has been closely linked with radio as an increasingly important instrument of "propaganda and socialist education of the masses." Like radio, television operated under the supervision of the Council of Romanian Radio and Television, whose policy guidelines were received directly from the party apparatus. Television frequently came under close scrutiny and criticism by the Central Committee and by national congresses on "socialist education." At the June 1982 Central Committee plenum and again in 1984, Ceauşescu denounced the "polluting" influence of Western propaganda and its impact on literary, theatrical, film, and artistic broadcasts and stated that radio and television should report current events from a Marxist-Leninist perspective.

In 1989 there were approximately 3.9 million television sets in Romania. Following the energy crisis of 1984, the two TV channels were merged and broadcasting was reduced from 100 to 22 hours per week. Programs in Hungarian and German were dropped. Because of these cutbacks and the greater ideological content of the broadcasts, the number of viewers actually declined, and some citizens resorted to building their own antennae to receive Bulgarian and Soviet programs.

Before World War II, Romania was one of the leading book-publishing nations in southeastern Europe. But after 1948, the new communist regime nationalized all publishing facilities and made the publishing industry a propaganda and indoctrination instrument. From 1955 to 1966 the number of titles gradually increased, reaching a plateau of about 9,000. In the following decades, however, book publishing declined dramatically, and in 1985 only 3,063 titles were published—about one-third as many as during the 1960s. Not only the number, but also the variety of books published during the 1970s and 1980s was reduced. By far the largest number of titles credited to a single author was attributed to Ceauşescu, whose writings were published in Romanian and in foreign languages in large printings.

The Council for Socialist Culture and Education controlled all printing and publishing activities. It formulated policy guidelines

for the publishing industry and used other government agencies, the various publishing houses, and book distribution centers to supervise and coordinate day-to-day operations. The council allocated paper, determined the number of books to be printed, and set the sale prices of publications. The number of publishing houses delined from about twenty-five in the early 1970s to eighteen in the late 1980s.

Film production, distribution, and exhibition also operated under the supervision of the Council for Socialist Culture and Education. There were two production studios—one in Bucharest that produced documentaries, newsreels, cartoons, and puppet films, and another in Buftea (near Bucharest) that made feature films.

Until the late 1960s, Romanian films reflected a strong French influence. Both the native and co-produced pictures of this period were of high quality, and several won awards at international film festivals. In later years, however, the regime repressed artistic expression in the film industry, and as a result, fewer and lower-quality films were made. In 1985 only twenty-six films were produced. Furthermore, according to UNESCO statistics, fewer foreign films were allowed into the country. Whereas in 1968 Romania imported 188 feature films, in 1984 the number declined to 72. Also noteworthy is that in 1968 approximately 40 percent of imported films came from the Soviet Union, while 60 percent were from the West, Czechoslovakia, and the German Democratic Republic (East Germany), but in 1985 no films were imported from the West nor from any hard-currency country.

Foreign Policy

Foreign policy formulation, according to the Constitution, is the responsibility of the GNA, and its implementation is within the purview of the Council of Ministers. In reality the highest echelons of the PCR—in 1989 the Ceauşescu circle, the Permanent Bureau, and the Polexco—formulated foreign policy. Party decisions were channeled through the Central Committee's Directorate for International Affairs to the GNA, which approved them automatically and without amendment. The State Council had the executive function of ratifying international treaties and establishing diplomatic relations with other states. As the head of state, the president of the republic represented Romania in international relations.

The Council of Ministers coordinated and implemented foreign policy through the Ministry of Foreign Affairs and the Ministry of Foreign Trade and International Economic Cooperation. Because decision-making powers resided in the party leadership, however, the ministries functioned almost exclusively as administrative

agencies. The Ministry of Foreign Affairs was responsible for implementing party directives in diplomatic, educational, cultural, and scientific relations with other states and with international organizations. The Ministry of Foreign Trade and International Economic Cooperation functioned as the central organ for the country's international trade and economic activities.

In 1989 the organizational structure of the Ministry of Foreign Affairs remained essentially the same as that established by the Constitution of 1965. The ministry had five geographical and eight functional directorates. Geographical directorates were set up for the socialist countries; Western Europe; Africa; Asia, Middle East, and Oceania; and the Americas. There were functional directorates for consular affairs; culture and press; diplomatic courier and cable service; finance and accounting; foreign economic relations and international organizations; organization, control, and personnel training; protocol; and supply and administration.

In 1989 the Ministry of Foreign Trade and International Economic Cooperation consisted of nine geographical directorates and twelve functional directorates, two of which were merged in a separate department. The geographical directorates included Africa, Asia and Oceania, Latin America, Middle East, North America, members of the Council for Mutual Economic Assistance (Comecon), non-Comecon socialist countries, Soviet Union, and Western Europe. The functional directorates were economic, administrative, and secretariat; export-import I (authorizing exports and imports and monitoring the production of export commodities by the heavy equipment, machine-building, electrical engineering, metallurgical, extractive, and electric energy industries); export-import II (authorizing exports and imports and monitoring the production of export commodities by the chemical and petrochemical, wood-processing, agriculture, food-processing, and light industries); finance and accounting; foreign contracts, agreements, and legal matters; foreign trade and international economic cooperation plan; hard currency; organization and control; personnel, education, and remuneration; and prices and effectiveness of foreign trade operations. In addition, there was the international economic cooperation department consisting of two directorates—export of complex installations, international bids, and technical assistance; and joint companies and coordination of international economic cooperation activity. Over the years the ministry was subjected to several reorganizations and restructurings.

In 1989 Romania maintained diplomatic relations with 125 countries (118 at the ambassadorial level) and the Palestine Liberation Organization (PLO). Although most governments maintained

embassies in Bucharest, some Western countries maintained only symbolic representation or conducted business from a neighboring country because of the shortage of food and the inadequate heating during the winter. Romania also had trade relations with certain states with which it had not established formal diplomatic ties.

In 1989 Romania continued to be a member of the UN and a number of UN specialized agencies. It was also a member, albeit an often reluctant one, of the Warsaw Treaty Organization (see Glossary), more commonly known as the Warsaw Pact, and Comecon.

Relations with Communist States

Soviet Union and Eastern Europe

After coming under communist control in 1948, Romania was closely aligned with the international policies and goals of the Communist Party of the Soviet Union. But after mid-1952, when Gheorghiu-Dej had gained full control of the party and had become head of state, Romania began a slow disengagement from Soviet domination, being careful not to incur the suspicions or disapproval of Soviet dictator Joseph Stalin. The Gheorghiu-Dej regime strongly supported the Soviet suppression of the Revolution of 1956 in Hungary, hoping thereby to enhance prospects for the removal of Soviet occupation forces that had remained in Romania after the war. In fact Soviet forces were withdrawn in 1958, enabling Gheorghiu-Dej to take the first significant steps to diminish Soviet influence over Romanian foreign policy.

Gheorghiu-Dej rejected Soviet leader Nikita Khrushchev's plan to integrate the economies of the Comecon states and subordinate national economic plans to an overall planning body. Gheorghiu-Dej objected not only to the loss of economic autonomy but also to the subservient role Khrushchev envisioned for Romania—supplier of raw materials and agricultural products for the more industrially developed members. Therefore he proceeded with his own plans for the country's industrial development, asserting the right of each Comecon state to develop its economy in accord with national needs and interests. To lessen dependence on Comecon, the regime gradually expanded economic relations with noncommunist states (see Foreign Trade, ch.3).

The conflict with the Soviet Union became more acute in 1962, when Gheorghiu-Dej again rejected the Comecon plan for Romania and announced the signing of a contract with a British-French consortium for the construction of a large steel mill at Galaţi.

Romanian-Soviet relations continued to deteriorate as Gheorghiu-Dej exploited the Sino-Soviet dispute and supported the Chinese position on the equality of communist states and rejection of the Soviet party's leading role. In November 1963, Romania declared its readiness to mediate the Sino-Soviet dispute, a suggestion Moscow found arrogant and hostile.

A statement issued by the Central Committee in April 1964 declared the right of Romania and all other nations to develop national policies in the light of their own interests and domestic requirements. During the remainder of that year, the volume of economic and cultural contacts with Western nations increased significantly. Because of the increased tensions in Indochina that were developing into the Vietnam War, however, the regime curbed its efforts to improve relations with the United States.

Following the sudden death of Gheorghiu-Dej in March 1965, Ceauşescu continued a foreign policy that frequently diverged from that of the Soviet Union and the other members of the Warsaw Pact. Ceauşescu antagonized the Soviet Union by establishing diplomatic relations with the Federal Republic of Germany (West Germany) in 1967 and by refusing to follow the Soviet lead in breaking relations with Israel in the wake of the June 1967 War.

The 1968 invasion of Czechoslovakia by Soviet-led forces was a turning point in Romanian relations with Comecon and the Warsaw Pact. Some observers maintain that Ceauşescu's denunciation of the invasion marked the apogee of Romanian defiance of the Soviet Union. But Ceauşescu was careful not to press the policy to the point of provoking military intervention. The regime interpreted as a clear warning the enunciation of the Brezhnev Doctrine—the concept articulated by Soviet leader Leonid Brezhnev that the protection of socialism in any communist state is the legitimate concern of all communist states.

After 1968 pressures mounted on Romania to cooperate more fully in the Warsaw Pact and to agree to a supranational planning body within the framework of Comecon. Nevertheless, the Ceauşescu regime continued to resist the Soviet efforts toward economic integration. Several important events during the 1968-70 period strengthened Romania's international position, namely the visits of President Charles de Gaulle of France and President Richard M. Nixon of the United States and the long-delayed signing of a friendship treaty with the Soviet Union in July 1970.

As of mid-1989, Ceauşescu had dealt with several Soviet leaders during his tenure as head of state—Leonid Brezhnev, Yuri Andropov, Konstantin Chernenko, and Mikhail Gorbachev. Relations were most strained during the Brezhnev era, which witnessed the

Soviet-led Warsaw Pact invasion of Czechoslovakia, the Nixon visit to Romania, Soviet accusations of a Romanian plot to organize a pro-Chinese bloc in the Balkans, and the Soviet invasion of Afghanistan.

In 1976 Ceauşescu received Brezhnev in Bucharest—the first official visit by a Soviet leader since 1955. The final communiqué of the meeting reflected continuing disagreements between the two countries, as Romania refused to side with the Soviets in their dispute with China. In 1978, after visiting China, Ceauşescu attended a Warsaw Pact summit meeting in Moscow, where he rejected a Soviet proposal that member countries increase their military expenditures. On his return to Bucharest, Ceauşescu explained the refusal by stating that any increase in military expenditure was contrary to the socialist countries' effort to reduce military tensions in Europe. Perhaps because of Ceauşescu's uncooperative attitude, a 1980 Romanian attempt to secure supplies of energy and raw materials from the Soviet Union and other Comecon countries failed when those countries demanded world market prices and payment in hard currency. Nor would the Soviet Union guarantee that it would increase or even maintain existing levels of oil exports to Romania for the following year.

The Soviet invasion of Afghanistan caused Romania to distance itself further from Brezhnev. When the UN General Assembly voted on a resolution calling for the immediate and unconditional withdrawal of Soviet troops, Romania broke with its Warsaw Pact allies and abstained. And one month later, at a meeting of communist states in Sofia, Romania joined the Democratic People's Republic of Korea (North Korea) in refusing to endorse the invasion.

During Andropov's brief tenure as Soviet leader, relations remained frigid. The wording of the communiqué following a meeting with Ceauşescu in Moscow suggested that Andropov intended to pressure Romania to bring its foreign policy into line with the Warsaw Pact. The Romanian leadership appeared to suspect Andropov of pro-Hungarian sympathies because of his close personal friendship with First Secretary János Kádár of Hungary. Romanian disagreements with the Soviet position on intermediate nuclear forces in Europe also surfaced during the Andropov period.

Ceauşescu's Moscow meeting with Chernenko in June 1984 was cordial and promised an improvement in the Romanian-Soviet relationship. Ceauşescu had backed Chernenko over Andropov to succeed Brezhnev, and their mutual regard was reflected in less divergent positions on international issues. In contrast with previous years, Ceauşescu began to increase his criticism of the North Atlantic Treaty Organization (NATO) and the United States for the deterioration of international relations.

With the replacement of Chernenko by Gorbachev in 1985, political relations between Romaina and the Soviet Union began to cool again, although the economic relationship improved. Soviet oil deliveries rose while Romania became the largest supplier of oil- and gas-drilling equipment to the Soviet Union. In other spheres, however, relations were tense, as Ceauşescu's Stalinist philosophy conflicted with Gorbachev's program of *glasnost'* (openness) and *perestroika* (restructuring). In reaction to the political changes occurring throughout Eastern Europe in the wake of Soviet reforms, Romania moved toward retrenchment. Ceauşescu rejected the decentralization of economic planning and management, the reintroduction of market mechanisms, and private enterprise as incompatible with socialism.

Romania also rejected much of Gorbachev's foreign policy. In December 1987, Ceauşescu failed to attend a Warsaw Pact summit in East Berlin, where Gorbachev briefed leaders on his trip to Washington. While the Soviets frequently spoke of positive trends in East-West relations and progress in arms control, Ceauşescu's statements took exception. He criticized the rationale for the Soviet-United States dialogue, stating that the international situation remained complex and fraught with the danger of war. Romania increasingly adopted a more hawkish position than the Soviet Union and the other Warsaw Pact members on a number of East-West issues.

In May 1987, Gorbachev visited Romania, and the two leaders publicly aired their differences. Referring to complaints of mistreatment of the Hungarian minority, Gorbachev reminded Ceauşescu of the need to demonstrate "tact" and "consideration" in nationality policy. He also criticized nepotism in the Eastern bloc, without mentioning Ceauşescu by name, and complained about Romania's unwillingness to expand cooperation with the other members of Comecon. In October 1988, Ceauşescu visited Moscow for official discussions with Gorbachev but failed to improve the state of bilateral relations. By that time, the Hungarian-Romanian dispute had become an even more serious issue.

Romania's objections to *perestroika* influenced its relations with other East European countries. It appeared that two major camps were emerging within the Warsaw Pact, with Bulgaria, Czechoslovakia, East Germany, and Romania lining up against restructuring and Hungary, Poland, and the Soviet Union favoring it. Romania strove to improve its relationship with the countries sharing its dislike for *perestroika.* Bulgaria had already established a special relationship with Ceauşescu and his predecessor, Gheorghiu-Dej. Ceauşescu and Bulgarian leader Todor Zhivkov, the two East

European leaders with the longest tenure, met at least twice yearly and signed numerous joint venture and trade agreements.

Relations with Czechoslovakia improved markedly after Ceauşescu's May 1987 visit, largely because of the countries' shared opposition to *perestroika*. Likewise, even before Gorbachev's rise to power, Romanian-East German relations had been fostered by certain shared resentments of Soviet actions. East Germany's Erich Honecker was the only Warsaw Pact leader to appear in Bucharest on the occasion of the celebration of the fortieth anniversary of Romania's liberation.

Hungary

Although in the postwar period Romania and Hungary were "fraternal states in the socialist community of nations," bilateral relations were marred by historical hostility, and disputes continued to erupt throughout the 1970s and 1980s.

In 1977 Kádár visited Romania, and he and Ceauşescu signed a comprehensive agreement governing bilateral relations. The agreement called for more cultural exchanges between the countries and for setting up additional consulates in Szeged and Cluj-Napoca for that purpose. The Hungarian government hoped the agreement would improve its contact with the Hungarian minority in Romania, but the Ceauşescu regime failed to implement the agreement and continued its policy of forced assimilation under the guise of enhancing national unity.

In the 1980s Romanian-Hungarian relations remained tense. The Hungarian government and intellectual circles began to express concern over the issue of ethnic assimilation in Romania. In 1982, reports of mistreatment of the Hungarian minority in Transylvania further exacerbated relations. The media of both countries publicized the controversy, and an energetic anti-Hungarian propaganda campaign on the anniversary of Romania's union with Transylvania brought relations to their lowest level since World War II.

With the progressive deterioration of Romanian-Hungarian relations, polemics crept into official political statements. In 1985 the Central Committee secretary for international relations in Budapest blamed the poor relations on the political climate and reduced human contacts, presumably referring to a series of measures taken by Romania to hinder contacts between Transylvanian ethnic Hungarians and Hungarian visitors. The next day, Ceauşescu at a Central Committee plenum criticized "nationalism, chauvinism, and revanchism wherever it was to be found." In turn Radio Budapest accused Romania of failing to implement the 1977 agreements signed by Kádár and Ceauşescu.

A particularly serious episode in the chronology of the crisis was the Hungarian Ministry of Culture's 1986 publication of the three-volume *History of Transylvania.* The work followed Bucharest's publication of two volumes describing atrocities committed against Romanians by Hungarian forces occupying Transylvania from 1940 to 1944. The Romanians started a propaganda campaign against the publication of Hungary's three-volume work. Ceauşescu addressed a joint plenum of the German and Hungarian nationality councils and condemned the publication as the "revival of Horthyist, fascist, and even racist theses by reactionary imperialist circles."

In 1987 relations between the two countries further worsened as large numbers of ethnic Hungarians began leaving Romania. The Hungarian government established an interdepartmental committee and allocated the equivalent of approximately US$5 million to resettle the refugees. Meanwhile, 40,000 people marched to the Romanian embassy in Budapest to protest the planned demolition of Transylvanian villages. The demonstration, organized by Hungary's dissident Democratic Forum, appeared to have the tacit support of the Hungarian government. The protesters regarded the planned demolitions as an attempt to disperse the ethnic Hungarian population, which they claimed numbered some 2.5 million persons. Following the demonstration, Hungary was ordered to close its consulate in Cluj-Napoca and vacate its embassy in Bucharest, which was to be converted to a cultural center.

In an attempt to resolve some of the issues dividing the countries and to obtain guarantees for the rights of the Hungarian minority in Romania, new Hungarian leader Karoly Grosz met Ceauşescu in August 1988 at the Romanian city of Arad—the first meeting between the countries' leaders in more than ten years. The day-long discussion was fruitless, as the Romanians rejected two key proposals. The first called for reopening the consulates closed during the dispute—the Romanian office at Debrecen and the Hungarian facility at Cluj-Napoca. The second appealed for an end to the rural systematization program (see Systematization: A Settlement Strategy, ch. 2).

In March 1989, Hungary declared that it would lodge a complaint with the UN Human Rights Commission in Geneva concerning Romania's failure to abide by cultural agreements, its policy of forced assimilation of minorities, and the flood of refugees into Hungary. At Geneva the Hungarian representative accused Romania of "severe violations of basic human rights," while his Romanian counterpart reproached Hungary for "pursuing irredentist goals." The Hungarian government therefore decided to join the

Geneva Refugee Convention and to establish refugee camps in the eastern part of the country and in Budapest.

The Swedish representative to the UN Human Rights Commission submitted a resolution calling for an investigation of alleged human rights violations by Romania. The Swedish initiative was cosponsored by Australia, Austria, Britain, France, and Portugal. Later Hungary made an offer to "co-sponsor" the resolution. Romania rejected the criticism as meddling in its internal affairs. The Romanian representative to the Commission claimed that all ethnic groups in Romania enjoyed "legal guarantees and the means to preserve their cultural identity."

Relations with Noncommunist States

West Germany

In January 1967, Romania became the second Warsaw Pact state after the Soviet Union to establish diplomatic relations with West Germany, an action based on the Warsaw Pact's Bucharest Declaration of 1966. The declaration affirmed that there were "circles that oppose revanchism and militarism and that seek the development of normal relations with countries of both the East and the West as well as a normalization of relations between the two German states." The declaration also included a statement affirming that a basic condition for European security was the establishment of normal relations between states "regardless of their social system."

In the period after 1967, relations with West Germany passed through several stages. Initially, Romania minimized differences in ideology and foreign and domestic policy. But friction soon surfaced over the question of ethnic German emigration. In 1979 West Germany's Chancellor Helmut Schmidt visited Bucharest and extended credit guarantees of approximately US$368 million in return for Romanian pledges to facilitate the reunification of ethnic German families. The issue resurfaced in 1983 when the so-called education tax would have increased West Germany's payment of the equivalent of US$2,632 per ethnic German emigrant to US$42,105. After visits by Bavarian premier Franz Joseph Strauss and West German foreign minister Hans-Dietrich Genscher, an agreement was reached whereby the West German government increased its payment per emigrant to approximately US$5,263. According to press reports, the agreement remained in effect until June 30, 1988, and provided for the emigration of 11,000 to 13,000 Transylvanian Saxons annually. The West German publication *Die Welt* reported that in January 1989 a follow-up

agreement had been reached by which Romania would continue to permit emigration at the previous rate.

Political relations with West Germany, which had been their most cordial during Willi Brandt's chancellorship, took a sharp downturn in the 1980s. Ceauşescu's 1984 visit to Bonn had sought to exploit a setback in West German relations with Bulgaria, East Germany, and the Soviet Union. Observers believed that Ceauşescu was determined to rebuild his tarnished reputation in the West. But disagreements over arms control, trade, and the treatment of ethnic Germans prevented the issue of a joint communiqué.

After the mid-1980s, West German official criticism gave way to direct acts of protest against Romanian policies. In April 1989, Chancellor Helmut Kohl declared that the situation for Romania's ethnic Germans had become intolerable. At the same time, the West German Foreign Ministry lodged an official condemnation of Romania's human rights policies.

United States

Relations with the United States were initiated on a limited scale in the early 1960s, and ambassadors were exchanged in 1964. But with the United States' increased involvement in the Vietnam War, relations deteriorated. In the late 1960s, following Romanian condemnation of the Warsaw Pact invasion of Czechoslovakia and the opening of the Paris peace talks, political relations between the two states improved significantly, but economic relations remained minimal because of United States restrictions on trade with Eastern Europe.

Evidence of improved relations between the nations was President Nixon's visit to Romania in August 1969—the first visit by an American head of state to a communist country since the 1945 Yalta Conference. Nixon received an enthusiastic welcome, and a wide range of international problems were discussed. The countries agreed upon the mutual establishment of libraries, the opening of negotiations for the conclusion of a consular convention, and the development and diversification of economic ties. Ceauşescu visited the United States in October 1970 to attend the twenty-fifth anniversary session of the UN General Assembly.

Nixon moved to strengthen economic relations with Romania, and in 1972 the United States Congress debated granting most-favored-nation status. In 1975 a three-year agreement made Romania the first East European country to receive the special trade status, and in 1981 bilateral trade reached US$1 billion. But because of persistent reports of human rights violations in Romania, and the regime's decision to impose an education tax on applicants for

exit visas, the United States Congress hesitated to renew most-favored-nation status.

In November 1985, Secretary of State George Schultz visited Bucharest and warned that Romania could lose most-favored-nation status unless it changed its human rights policies. Both sides agreed to establish a system of consultation on human rights issues. Romania did not abide by the agreement, however, and at the beginning of 1987 it was removed from the list of countries allowed to export certain goods—mainly raw materials—duty-free to the United States. The United States Congress voted to suspend most-favored-nation status for six months because of Romanian limitations of religious freedom, restrictions on emigration, and persecution of its Hungarian minority. The Reagan administration, however, succeeded in getting congressional approval for its recommendation to renew the status, hoping the action would encourage Romania to improve its human rights record.

In February 1988, Deputy Secretary of State John Whitehead visited Bucharest and restated United States disapproval of Romania's human rights policies. Ceauşescu, in turn, accused the United States of meddling in Romanian internal affairs. Later the same month, the United States State Department announced that Romania had relinquished its most-favored-nation trade status.

The deterioration in relations continued, and in March 1989 the United States Department of State called off plans for a meeting with high-ranking Romanian officials, warning that a further crackdown against critics of the regime would have negative consequences for bilateral relations.

Other Western Countries

After the mid-1960s, political, economic, and cultural ties also expanded with other Western countries, particularly Austria, Britain, France, and Italy. Economic relations with these countries were especially important to Romania, and several trade and joint-venture agreements were negotiated.

After the late 1970s, relations with these countries, as with the West in general, took a sharp downturn. In particular relations with France deteriorated severely. For centuries French culture had exercised profound influence on Romania, which viewed itself as France's special friend in Eastern Europe. President de Gaulle's visit in 1968 reaffirmed this feeling of amity. But during the 1980s, human rights abuses, the poor performance of French-Romanian joint ventures, and unfair Romanian trade practices (including the dumping of steel) poisoned the relationship.

Perhaps the most damaging episode in French-Romanian relations was a spy scandal in the early 1980s known as the "Tanase affair." Virgil Tanase, a dissident Romanian writer, accused the Romanian government of mounting a plot to assassinate himself and another émigré, Paul Goma. Shortly thereafter, President François Mitterand cancelled an official visit to Romania and relations worsened rapidly. Romania expelled several French journalists, and in March 1989, France recalled its ambassador in reaction to the persecution of signers of a letter condemning Ceauşescu's rule.

Relations with Britain took a similar course. Optimistic joint-venture and trade agreements in the 1970s, including licenses from British Aerospace and Rolls-Royce to build sophisticated aircraft, were followed in the 1980s by official revulsion for Ceauşescu's human rights abuses. The British considered withdrawing their ambassador from Romania and stripping Ceauşescu of an honorary British distinction.

Middle East

The Middle East situation posed a dilemma for the Ceauşescu government, which sought to maintain relations with both sides of the conflict. In 1969 Romania announced an agreement to elevate its relations with Israel to the ambassadorial level, while continuing to voice support for "the struggle of the Arab people to defend their national independence and sovereignty" and calling for a negotiated settlement of the conflict.

The Ceauşescu regime maintained good relations with both Egypt and Israel and played an intermediary role in arranging Egyptian President Anwar as Sadat's visit to Israel in 1977. In the following years Romania maintained contacts with all parties in the conflict and cautiously endorsed the Camp David Accords, in contrast with the Soviet Union and other East European countries. In later years, Romania called for a global approach to the Middle East crisis that would involve all interested parties, including the PLO. Ceauşescu offered to act as an intermediary and met several Arab leaders including PLO chairman Yasir Arafat. Some observers believed Ceauşescu's intermediary efforts were designed to gain access to new sources of Middle East oil to compensate for the suspension of Iranian oil deliveries.

After the late 1970s, Romania advocated a peace plan featuring four points: Israeli withdrawal from all Arab territories occupied from June 1967, including East Jerusalem and southern Lebanon; establishment of an independent state governed by the PLO; guarantees for the security of all states in the region; and convocation of an international peace conference, with representatives from

the PLO, the Soviet Union, and the United States. Although Israel rejected all four points of the plan, it continued to maintain good relations with Romania.

After 1985 relations with Israel gradually deteriorated. Although the countries continued to exchange high-level visits, they failed to make major breakthroughs. Romania continued to insist on Israeli concessions, including direct negotiations with the PLO. In August 1987, Prime Minister Yitzhak Shamir of Israel, after nine hours of talks with Ceauşescu in Bucharest, reported no progress on the issue of Middle East negotiations. A few months later, Ceauşescu invited representatives of the PLO and the Israeli-Palestinian Dialogue Committee to a meeting in Romania, but that discussion too bore no fruit.

Relations with the PLO were generally good, and Arafat and other high-ranking PLO officials frequently travelled to Bucharest. The Romanian media described Arafat as a personal friend and comrade of Ceauşescu. Between November 1987 and December 1988, Arafat met with Ceauşescu five times. The PLO opened one of its first diplomatic offices in Bucharest, and several bilateral agreements were concluded, some of which reportedly offered the PLO educational and even military training facilities in Romania.

Africa

After 1970 Ceauşescu systematically cultivated relations with the less-developed countries, African nations in particular. Numerous African leaders called on Ceauşescu in Bucharest, and he embarked on long African tours almost every year. Ceauşescu travelled to nearly every African country except South Africa on several occasions. These annual tours gave him the opportunity to appear as an international statesman, and they resulted in general trade agreements. The less-developed countries were viewed as a source of raw materials and a market for Romanian manufactured goods that did not fare well in the West.

Conference on Security and Cooperation in Europe

The Ceauşescu regime's conduct at the Conference on Security and Cooperation in Europe (CSCE) in Vienna, which concluded in January 1989, reinforced Romania's poor reputation on the issue of human rights. After a twenty-six-month review, an East-West consensus emerged, but Romania announced it was not bound by the agreement. From the start of the negotiations, Romania had attempted to dilute the draft text prepared by the nonaligned states. During the final negotiations, it submitted seventeen amendments to remove human rights provisions from the final document, in

part because the Ceauşescu regime realized that the agreement would facilitate emigration and create a serious brain drain. Other delegations, including some from Warsaw Pact states, rejected these efforts. Romania's refusal to abide by the agreement drew universal condemnation from the other delegations and represented another step toward the international isolation of Ceauşescu's Romania. It appeared unlikely, however, that the defiant regime in Bucharest would be greatly swayed by international objections to its human rights policies.

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Among the most important studies of the Romanian political system are Mary Ellen Fischer's examinations of the Ceauşescu regime: "Participatory Reforms and Political Development in Romania," in *Political Development in Eastern Europe,* edited by Jan F. Triska and Paul M. Cocks; "Political Leadership and Personnel Policy in Romania: Continuity and Change, 1965–1976," in *World Communism at the Crossroads,* edited by Steven Rosefielde; and "The Romanian Communist Party and Its Central Committee: Patterns of Growth and Change," in *Southeastern Europe.* Other excellent sources of information and analysis include Michael Shafir's *Romania: Politics, Economics, and Society;* Daniel N. Nelson's *Romania in the 1980s;* and William E. Crowther's *The Political Economy of Romanian Socialism.* Foreign policy issues are reviewed and analyzed in Aurel Braun's *Romanian Foreign Policy Since 1965: The Political and Military Limits of Autonomy;* Ronald H. Linden's "Romanian Foreign Policy in the 1980s: Domestic-Foreign Policy Linkages," in *Foreign and Domestic Policy in Eastern Europe in the 1980s: Trends and Prospects,* edited by Michael J. Sodaro and Sharon L. Wolchik; George Schöpflin's "Romanian Nationalism," published in *Survey;* and Robert Weiner's *Romania's Foreign Policy and the United Nations.* (For additional information and complete citations, see Bibliography.)