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/// The Impact of Stalin's Death on the Functioning of Romanian- Soviet Joint Enterprises (1953–1956)

A medieval dictum says that often “after war the loser cries and the winner is ruined.” Romania’s situation at the end of the Second World War fully illustrates this. Though ending the war in the camp of the victors, Romania had no reason to congratulate itself. Despite the armistice concluded with the United Nations on September 12, 1944 and the huge efforts made to defeat Nazi Germany, Romania was considered a defeated country and was placed under one of the harshest military occupation regimes in its history. Not only human loss and material destruction, but also the interruption of the traditional circuits for supplies of raw materials and the sale of finished products placed severe strain on the national economy, causing the standard of living to deteriorate dramatically. Internal political changes and the reconfiguration of the spheres of influence at the international level made the post-war reconstruction of the country particularly difficult. The solution found by Romania’s leadership to get out of this impasse would prove to be one with long-term repercussions: the establishment of Romanian-Soviet joint enterprises, known as *sovromuri*.

Although the *sovroms* played an important role in controlling some branches of the Romanian economy by the Soviet Union, while at the same time acting as a political lever, the historiography has not yet fully recognized their importance. Although interest in the subject has been manifested since the 1950s,¹ works dedicated to the subject are few and either suffer from a lack of access to essential docu-

1 == Nicholas Spulber, *The Economics of Communist Eastern Europe* (Cambridge, MA: Technology Press of the Massachusetts Institute of Technology, 1957); idem, “The Soviet undertaking and Soviet mixed companies in Eastern Europe,” *Journal of Central European Affairs* 14, no. 2 (July 1954): 154–73.

ments (in the case of those published in the West)², or they bear a certain ideological imprint (in the case of those published in Romania, until 1990³). Among newer works, we note the studies made by Gheorghe Onisoru,⁴ Brândușa Costache,⁵ and Alina Ilinca.⁶

We ourselves gave a wide space to the analysis of *sovroms* in a volume published almost 20 years ago.⁷ However, in this present study, we propose to focus on the impact that the death of the Soviet leader Iosif Vissarionovich Stalin had on the functioning of joint Soviet-Romanian enterprises.

= = = A sui generis economic collaboration

In this particularly difficult political and economic context, the only solution was a reorientation towards the Soviet Union, the former enemy that had already imposed on March 6, 1945 the formation of a communist-controlled government led by Prime Minister Petru Groza. As a result, on April 25, 1945 a government delegation led by Mircea Durma, the Minister of Finance, went to Moscow to conclude commercial agreements that would allow Romanian industry to resume production.

After laborious negotiations, the governmental representatives of Romania and the U.S.S.R. concluded two agreements (one on trade and goods exchange and one on economic collaboration) on May 8, 1945.⁸ During the negotiations in Moscow, five documents were drawn up: an economic collaboration agreement between Romania and the Soviet Union; a confidential protocol to the collaboration agreement; an agreement on the mutual delivery of goods between Romania and the

2 = = John Michael Montias, *Economic Development in Communist Rumania* (Cambridge, MA: M.I.T. Press, 1967).

3 = = Institutul de Cercetări Economice, *Dezvoltarea economiei R.P.R.* (Bucharest: Editura Academiei Republicii Populare Române, 1958); Roman Moldovan, Ion Rachmuth, and Vasile Malinschi, eds. *Economia României între anii 1944–1959* (Bucharest: Editura Academiei Republicii Populare Române, 1959); a praiseworthy exception is the work of Ion Alexandrescu (*Economia României în primii ani postbelici* [Bucharest: Editura Științifică și Enciclopedică, 1986]).

4 = = Gheorghe Onisoru, *România în anii 1944–1948. Transformări economice și realități sociale* (Bucharest: Fundația Academia Civică, 1998).

5 = = Brândușa Costache, *Activitatea României în Consiliul de Ajutor Economic Reciproc, 1949–1974* (Bucharest: Institutul Național pentru Studiul Totalitarismului, 2012).

6 = = Alina Ilinca, "Societățile mixte româno-sovietice în economia României (1949–1960)," in *România. Supraviețuire și afirmare prin diplomație în anii Războiului Rece. Comunicări, articole, studii*, ed. Nicolae Ecobescu (Bucharest: Fundația Europeană Titulescu, 2013), vol. 1, 389–408.

7 = = Florian Banu, *Asalt asupra economiei României. De la Solagra la SOVROM (1936–1956)* (Bucharest: Editura Nemira, 2004).

8 = = A.N.I.C., fund C.C. of P.C.R., Economic Section, file no. 18/1945, The economic collaboration agreement between Romania and the Soviet Union, 1–27; A.N.I.C., Royal House fund, file no. 38/1945, *passim*.

Soviet Union including two export and import lists (also confidential); an annex protocol regarding price setting; and a protocol for the liquidation of old accounts (in a reduced amount), left unregulated since the former Romanian-Soviet agreement of 1941.⁹

Through the economic collaboration agreement, the Soviet government expressed its desire not only to participate in prospecting, exploration, oil and metal mining in territory of Romania, but also to get involved in the Romanian economy. This was done with a view to exploiting, industrializing and commercializing wood, as well as to become involved in Romanian banking activities and in air, fluvial, and maritime transport. This Soviet participation was to be done either by exploiting already existing enterprises or economic bodies, or by establishing mixed-capital companies that could be granted direct concessions or exploitations.

The Moscow agreements entered into force following the publication of a decree-law in the "Monitorul Oficial" of June 15, 1945.¹⁰ In May and June, a surge of feverish activity took place in Bucharest as projects were prepared that would establish joint enterprises in those fields that the Soviets had indicated they considered a priority.¹¹ At the beginning of June, a Soviet delegation arrived in Bucharest to determine the details for establishing joint ventures in the fields of oil, banking, and naval and air transport. As a result, by the end of August 1945 four joint companies had already been established: the Soviet-Romanian Petroleum Company "Sovrompetrol," the Soviet-Romanian Navigation Society "Sovromtransport," the Romanian-Soviet Air Transport Society ("TARS") and a Soviet-Romanian bank named "Sovrombanc."¹²

Subsequently in the period from 1946 to 1952, similar companies were also created in the machine building and chemical industries and in the fields of construction and uranium mining. However, the way of operation and especially of the distribution of the obtained profits gradually caused the grievances of the Romanian side.

= = = De jure full equality, de facto...

According to the constitutive documents of the companies, capital infusion was to be made in equal percentages: 50%-50%. In reality, the *sovroms* were established by taking ownership of the assets of natural and legal persons of German nationality and including them as assets of the new joint-stock companies as a contribution of

9 = = A.N.I.C., P.C.M. fund-transcripts, file no. 5/1945, Transcript of the ministerial meeting, June 5, 1945, 21.

10 = = *Monitorul Oficial*, no. 133, June 15, 1945, 5029-30.

11 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 40/1945 Projects for the establishment of some Romanian-Soviet joint companies, June 4, 1945, 1-5.

12 = = Banu, *Asalt*, 131-35.

the Soviet state.¹³ To these were added a series of installations, machines, and raw materials taken over by the Red Army during the first months of the occupation of Romania, under the title of “war trophies.” According to an address from the Romanian Commission for the Application of the Armistice to the Allied (Soviet) Control Commission dated January 20, 1945, only from the deposit the following goods were seized from the Romanian oil companies: 46,273 tons of tubular material, representing almost 80% of the companies’ total stocks; 98 pieces of machines, engines and pumps; and 1,111 tons of various materials.¹⁴ To these was added the lifting of a large rolling mill from the „Malaxa” factory, together with its related raw material (14,000 tons).¹⁵

Upon carefully going through the texts of the founding conventions, the articles of incorporation, and the statutes of the new Romanian-Soviet joint companies, an objective reader quickly realizes that from the very beginning, the *souvroms* held a privileged status and were poised to play an important role in the economy of Romania. All of these companies were established for an unlimited duration, and they were exempt from any stamp or registration fees to the state, county, commune, or Romanian Chamber of Commerce, both in terms of capital and in terms of issued shares. Although the statutes of the companies provided for parity within the boards of directors, in actuality the leadership of the *souvroms* was Soviet. The general directors were Soviet, and most of the key positions were held by Soviet citizens. Operations were reserved for Romanians, and salary policies continued to be discriminatory. For example, a Soviet specialist who came to work in Romania was paid three to four times that of his Romanian counterparts¹⁶.

The danger that the *souvroms* represented, not only for the Romanian economy but also for the standing of western capital in Romania, was noticed by interested parties immediately after their establishment. For example, General Schuyler, the American military representative in the Allied (Soviet) Control Commission, noted in his diary on August 15, 1945:

13 = = These properties were included in the provisions of art. 8 of the Armistice Convention, signed on September 12, 1944, and which had the following wording: „The Romanian Government and High Command undertake not to allow the export or expropriation of any form of property (including valuables and money) belonging to Germany and Hungary or their nationals, or persons residing in their territories, or in the territories occupied by them, without the authorization of the Allied (Soviet) High Command. The Government and the Romanian High Command will keep these assets under the conditions to be established by the Allied (Soviet) High Command”, *Monitorul Oficial*, no. 219, September 22, 1944.

14 = = Marin Radu Mocanu, ed., *România și Armistițiul cu Națiunile Unite: Documente* (Bucharest: 1995), vol 2, 171–72.

15 = = Mocanu, *Romania*, 121–24.

16 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 7/1963. Transcript of the plenary session of the Central Committee of the Romanian Workers’ Party, March 5–8, 1963, 17 and 399–400.

[...] the new societies are sufficiently well organized to hold a total or partial monopoly in the respective fields. This is especially true within the shipping and aviation companies, where there will be no particular competition worth considering. Both in the oil field and the banking field, certain companies with private capital will continue to operate, especially the oil companies, which, being foreign property, cannot be interfered with for the time being. However, the outlook is rather bleak, because special concessions of all kinds are made to the new joint ventures.¹⁷

A month later in September 1945, Mircea Durma, the former finance minister who had signed the Moscow agreements, drew the attention of Gheorghe Tătărescu, vice-president of the Council of Ministers, to the fact that “the Sovrom bank, although a new bank, will become a concern that will control almost all the big banks in Romania.” He also emphasized the danger represented by the Soviet-imposed condition that the National Bank of Romania remain at the disposal of the new bank for resettlement. Tătărescu argued that these concessions were necessary, as they hoped these would help to secure improved conditions within the armistice.¹⁸

For his part, the Romanian businessman Alexandru Ștefănescu believed that by establishing the *sovroms*, the U.S.S.R. was treating Romania as “a conquered vassal.”¹⁹ Not even left-wing politicians missed the true meaning of the Soviets’ involvement in Romania. In a report titled “Changes in the Romanian Economy,” Herbert (Bellu) Zilber – then the director of the Romanian Institute for the Study of the Economy and a member of the Communist Party – informed Ana Pauker, member of the Political Bureau of the Romanian Communist Party (P.C.R.) and close associate of Viaceslav Molotov, that “[t]he Armistice, the Collaboration Agreement and the enemy assets taken over as reparations give the Soviet Union a dominant position in the Romanian economy for a long period. Directly and indirectly, our economy will be felt to the last inch by the planned Soviet policy.”²⁰

The painful reality of a politically and economically subjugated Romania was accurately perceived by Mark Ethridge, the special envoy of the U.S. President Harry Truman, while in Romania. In the report drawn up for the President in December 1945, he warned that Romania is “in the situation of an animal three-quarters into a python’s mouth. All we can do now, in the absence of a general treaty, would be

17 == Cortlandt Van Rensselaer Schuyler, *Misiune dificilă. Jurnal (28 ianuarie 1945–20 septembrie 1946)* (Bucharest: Editura Enciclopedică, 1997), 178.

18 == Ulrich Burger, *Misiunea Ethridge în România* (Bucharest: Fundația Academia Civică, 2000), 204.

19 == Burger, *Misiunea*, 199.

20 == A.N.I.C., fund C.C. of P.C.R., Economic Section, file no. 67/1945. Report on the state of the national economy at the end of the war, undated, 4.

to hold his back legs tight.”²¹ Unfortunately, through the post-war arrangements between the Great Powers, Romania, along with other Central and Eastern European states, had been ceded to the Soviet sphere of influence. Consequently, the U.S.S.R. undertook fully disposing of the economic resources of its satellite states in order to facilitate the work of post-war reconstruction.²²

Newly installed in power, faced with strong and well-organized opposition political parties, and receiving rather uncertain popular support, the Romanian communist leaders were in no position to oppose their main ally, with whose assistance they had gained governmental power. As a result, neither Gheorghe Gheorghiu-Dej, the general secretary of the Romanian Communist Party, nor any other governmental political agent of the time allowed even the slightest objection to the Soviet proposals of creating *sovroms* in key areas of the Romanian economy, which was in the midst of recovery and adapting to peace conditions. Indeed, they missed no opportunity to praise this form of “internationalist aid.” Thus, in the “Political Report of the Central Committee of the P.C.R.” presented at the National Conference of the P.C.R. in October 1945, Gheorghe Gheorghiu-Dej maintained that the four *sovroms* created thus far represented “a valuable support in the economic development of Romania.”²³

In the following years, a series of new joint Soviet-Romanian enterprises was established in Romania in various fields of activity. On March 20, 1946, the “Sovromlemn” company was founded, following the signing of the Convention for the Exploitation, Industrialization and Valorization of Wood Materials.²⁴ On the same date, the company “Sovromgaz” was established for the exploitation of Romania’s natural gas deposits. On November 1, 1948, in a lavish ceremony at the Presidency of the Council of Ministers, the conventions for founding two new joint-stock companies were signed: “Sovromchim,” to be active in the chemical industry (the production of agricultural fertilizers, explosives, and tannins in the Ucea-Făgăraș factories); and “Sovromtractor,” intended to transform the production capacities of the city of Brașov’s aeronautical industry into a factory for producing the tractors that were so necessary to Romanian agriculture.

Of course, the co-interest of the Soviets in these various branches of the Romanian economy was still presented to the public as a genuine achievement of the regime. In this vein, on November 1, 1948, the Minister of Finance Vasile Luca stated:

21 == Burger, *Misiunea*, 118.

22 == Simultaneously with the creation of the first *sovroms* in Romania, the Potsdam Conference (July 17–August 2) was taking place, during which Great Britain and the U.S. recognized the rights of the U.S.S.R. on the German properties in the areas occupied by the Red Army.

23 == Gheorghe Gheorghiu-Dej, *Articole și cuvântări*, 3rd ed (Bucharest: Editura pentru Literatură Politică, 1953), 32.

24 == *Monitorul Oficial*, no. 101, May 1, 1946, 4402–7.

We, through this collaboration, are building a tractor factory and establishing other enterprises. This means that we are embarking on the path of a concrete solution to the technicization of our agriculture; this means preparing for the penetration of socialism in the villages; this means the development of a heavy industry in our country; this means strengthening the economic and political independence of our country.²⁵

On July 4, 1949, the conventions establishing three more *sovroms* were signed: “Sovromcărbune” (Valea Jiului), “Sovrommetal” (Reșita) and “Sovromconstrucții.”²⁶ On July 30, 1949, the nationalized insurance companies were combined in a joint venture called “Sovromasigurare,”²⁷ which aimed to organize insurance in Romania “on a socialist basis” and according to the Soviet model.²⁸ The last *sovroms* were established in 1952 and numbered three: “Sovromutilajpetrolifer,” “Sovromnaval,” and “Sovromcuartit.” The first two, established on August 15, 1952, in fact arose when some oil equipment production enterprises were removed from “Sovrompetrol” and were merged with other profile enterprises into a new joint venture, and secondly when shipyards were removed from the “Sovromtransport” company. Thus, the new “Sovromutilajpetrolifer” had as its objective “the manufacture of oil drilling and production equipment, as well as installations and aggregates for refineries,” while “Sovromnaval” was to produce fluvial and maritime transport vessels.²⁹ The only novelty was “Sovromcuartit,” the name of which attempted to camouflage the exploiting of Romania’s deposits of uranium, an extremely important natural resource for the U.S.S.R.’s nuclear program. Moreover, unlike the founding conventions of the other *sovroms*, the establishment of this last mixed company was not made public.

25 == A.N.I.C., P.C.M. fund-transcripts, file no. 11/1948. Transcript of the meeting of the Council of Ministers on November 1, 1948, 5.

26 == Moldovan, *Economy*, 534.

27 == The Soviets had taken over the German insurance companies as early as 1946 but, over time, some conflicts of interest had arisen with the Autonomous State Insurance Agency. The agency was accused of harming the U.S.S.R. by creating a monopoly for the insurance of the Romanian state’s assets which resulted in an unfair competition with the companies taken over by the Soviets, by charging lower premiums. In order to eliminate such problems, recourse was made to the „Sovromasigurare” solution. A.N.I.C., fund M.A.I.-D.A.S., file no. 22/1948. Informational note from Gh. Arteni, the general director of the Autonomous State Insurance Agency to the general secretary St. Tănăsescu, June 12, 1948, 49–50.

28 == “Semnarea convenției româno-sovietice pentru înființarea Societății ‘Sovromasigurare,’” [Signing of the Romanian-Soviet convention for the establishment of the “Sovromasigurare” Company] *Scânteia*, July 31, 1949, 1.

29 == “Înființarea societăților sovieto-române Sovrom-utilaj petrolifer și Sovromnaval,” [Establishment of the Soviet-Romanian companies Sovrom-utilaj petrolifer and Sovromnaval] *Scânteia*, July 16, 1952, 1.

The establishment of *sovroms* in 1952 represented the last stage of the penetration of this type of organization into the Romanian economy. By this time, the communist leadership in Bucharest had accumulated a series of grievances and had already taken into account that some of the *sovroms* would be dissolved, but they had to wait for a favorable moment before opening negotiations with the Soviets on the topic. Their activity had proved so harmful that the Romanian leaders now understood that such a form of “internationalist fraternal cooperation” had to end.

= = February 1947 – Team Dej-Maurer versus team Stalin-Molotov

We will not develop here an analysis of the multi-faceted problem of the Soviet Union’s exploitation of the Romanian economy through the *sovroms*, but we will succinctly reproduce an episode in the silent confrontation that began to take shape after 1947 over the issue of economic collaboration.

As I have shown, during the first post-war years the material destruction and human losses caused by the war, the lack of imported raw materials, the diverting of production to pay war reparations, the maintenance of the Soviet troops stationed in Romania, and the terrible drought that hit the country in 1945-1946 all created an incredibly difficult economic situation that affected a large part of the population with hunger. In this domestic and international context, any critical attitude on the part of the communist leaders in Romania towards the “big brother” from the East was disallowed from the start, as dependence on Soviet support for maintaining the government was still very significant. In addition, the existence of the so-called “Moscow group” in the leadership of the Communist Party made any gesture likely to receive the “anti-Soviet” label even more risky.

As a result of this complex of factors, it was only at the beginning of 1947, after they had consolidated their positions and obtained the coveted legitimacy by winning the elections of November 1946 that the governmental factors from Bucharest dared to formulate its first objections to the economic relations with the Soviet Union. The opportunity was provided by the fact that between January 15 and February 20, 1947, economic negotiations took place in Moscow between a Romanian delegation, led by Gheorghiu-Dej, and a Soviet one.³⁰

The diplomatic “battle” was opened, in the meeting of the economic collaboration commissions on January 28, 1947, by the presentation of the problems related to the activity of the *sovroms*. On this occasion, the Soviet side requested \$2,081,354 for the petroleum products taken over by the Romanian state from Sovrompetrol in 1946, another \$2,163,000 to cover the depreciation of the equipment, and the

³⁰ = = A.N.I.C., fund C.C. of P.C.R.-Economic Section, file no. 12/1947, Report on the bilateral discussions held in Moscow between January 15 and February 20, 1947, undated, 1-5.

sum of \$2,500,000 as a benefit that would be missing until January 1, 1947. (This last sum was an estimated global amount, because, as the Soviets also recognized, the exact amount was impossible to determine.) During the negotiations, the lawyer Ion Gheorghe Maurer, at that time undersecretary of state at the Ministry of Industry and Commerce – the holder of the portfolio being Gheorghe Gheorghiu-Dej himself – insisted on the formation of a commission to supervise the *sovroms* and wanted to specify that, legally, *sovroms* would be Romanian companies and that they would be subject to Romanian jurisdiction like any other companies.

The Soviet representative, visibly irritated by the claims of the Romanian side, demanded to know why this problem was being raised. Undersecretary of State Maurer used as an example how the „Sovromtransport” company was using the foreign currency they obtained without handing it over to the National Bank of Romania, as dictated by Romanian laws and by the Soviet proposal to share the foreign currency benefit of the *sovrom* between both parties. The second argument, cleverly included, highlighted the fact that there were other enterprises with foreign capital in Romania and, in accordance with the most favored nation clause provided for in the Paris Peace Treaty, they should be granted the same treatment, however politically unacceptable. The debates on this subject were quite heated, but they ended with a compromise that represented a small but significant gain for Romania.³¹

As if the tension created during the negotiations was not enough, on February 2, Gheorghiu-Dej and Ana Pauker were received by the all-powerful Iosif Vissarionovich Stalin. Also participating in the discussion were Vyacheslav Molotov, First Deputy Prime Minister, Sergey Kavtaradze, ambassador of the U.S.S.R. in Romania, and colonel general Ivan Susaykov, the deputy president of the Allied (Soviet) Control Commission in Romania. During the audience with Stalin, Gheorghiu-Dej dared to raise the issue of reducing expenses caused by payments for the functioning of the Soviet High Command in Romania (160 million dollars), as well as the issue of the delivery of goods on account of war reparations and the amounts paid into account Article 12 of the Armistice Convention (approximately 300 billion lei), thus showing the serious economic difficulties created for Romania.³²

According to a memorandum of the discussion made by Gheorghiu-Dej on November 29, 1961, the reasons for the approach and the unfolding of the exposition were as follows:

31 == Banu, *Asalt*, 148.

32 == Dan Cătănuș and Vasile Buga, eds., *Gheorghe Gheorghiu-Dej la Stalin. Stenogramă, note de convorbire, memorii, 1944–1952* (Bucharest: Institutul Național pentru Studiul Totalitarismului, 2012), 86. The official exchange rate of the National Bank of Romania for March 20, 1947 was 1 USD for 150,187,060 lei (*Argus*, nr. 10.104, March 21, 1947, 1); 300 billion Romanian lei were equivalent to 1,997,508.97 US dollars.

We set out to show what the economic situation is, very sharp inflation phenomena began to appear, people began to live harder and harder, to gasp. And since we were part of the government, we carried the lion's share and there was quite a lot of talk in public about these truce obligations. Then we thought that in order to return home with a political gain, that the representatives of the P.C.R. in the government are those who have obtained the relief of things. [...]

I raised this issue of the obligations from the Armistice Convention, what does this mean, how much do we have to give, what is the economic and financial situation, what is the material situation of the masses, what is the disposition of the masses and that the conclusion [sic!] we reached is that it must be seen whether some relief cannot be made. [...] I also said that not only were we giving goods, but we were also paying for their transportation to the territory of the Soviet Union, even if their destination was Vladivostok. It was much more than what was stipulated in the Armistice Convention. I'm not talking about installations in factories, everything they thought fit to be given to the account of war expenses. Then we gave meat, wool, everything they needed. Cattle were taken by choice, especially cows, sheep, horses, very, very much. You could feel that it was going like this... It was as if there was a whirlpool that was pulling all these things. And for everything they took there, we had to pay for the transport on the territory of the Soviet Union as well. I showed the situation, in what situation humanity lives, what state of mind is in the masses, how the reaction uses these things, that they blame the Soviet Union, that they starve us [sic!] [...].³³

The issues raised by Gheorghiu-Dej provoked a furious reaction from Molotov, who vehemently rejected the point of view of the Romanian delegation, while Stalin maintained an indecipherable attitude, much to Gheorghiu-Dej's dismay:

Maybe I wasn't delicate enough and I didn't find the most ideal formulations, but that doesn't matter. Molotov started to take me; it took me very hard. First, he asked me if I knew how many Soviet citizens were massacred, how many widows there are, how many towns were destroyed, how many villages were destroyed, and he started to tell me a picture that made your head wrinkle. He spoke more and more excitedly, he sparkled; that what you said here is the result of certain influences. He blamed the influences coming from the representatives of the bourgeoisie in the

33 = = Cătănuș and Buga, *Gheorghe Gheorghiu-Dej*, 94.

government and that these representatives of the bourgeoisie speak with Gheorghiu-Dej's mouth. Come on, say something!³⁴

Molotov's reaction, combined with Stalin's question about the existence of a "nationalist current" within the Romanian Communist Party, nationalism being regarded as a capital sin, deeply worried Gheorghiu-Dej. On his way to the Ministry of Foreign Affairs of the U.S.S.R., he confessed to the Soviet translator that "he made not only a mistake, but also a stupidity, because he put himself in an unpleasant situation and enraged such people as Stalin and Molotov."³⁵

There is no doubt that, at that moment, Gheorghiu-Dej even feared for his life, the nervous tension he was in being confirmed by the notes in Andrey Vishinsky's diary: Furthermore, Dej said that he is still under the deep impression of the discussion he had with Tov.[arish] Stalin: «After my first meeting with the Generalissimo, Dej continued, I literally could not eat or sleep. I suffered greatly and was ashamed and spiteful for the mistakes I made. Therefore, the second discussion instilled in me courage and confidence in the future». I told Dej that we are all glad to receive Comrade Stalin's instructions. These teachings remain imprinted in the memory throughout life and bring only benefits. Dej must appreciate them as a great help from Comrade Stalin.³⁶

As he later admitted in December 1961, Gheorghiu-Dej was not aware at the time of the meeting in February 1947 that Ana Pauker had previously informed Moscow of the existence of a "nationalist deviation within the Romanian Communist Party." Stalin's harsh warning to the Romanian leaders ("take into account that if their party is class, social, it will grow, but if it is racial, it will perish, because racism leads to fascism"³⁷) deeply marked Gheorghiu-Dej, as can be seen from his words fourteen years after the events:

Stalin, in this circumstance, had that expression, he had that formulation, which disturbed and embittered me a lot, and you realize what Stalin means – Stalin! – to pronounce like that. Yes, it was no joke! Of course, if I had known the things that were revealed by the 20th [of the C.P.S.U.] and 22nd Congresses, no matter how much courage a communist had, I believe that he would not have dared to take a stand as I took it then.³⁸

34 = = Cătănuș and Buga, *Gheorghe Gheorghiu-Dej*, 95.

35 = = Cătănuș and Buga, *Gheorghe Gheorghiu-Dej*, 82.

36 = = Cătănuș and Buga, *Gheorghe Gheorghiu-Dej*, 91.

37 = = Cătănuș and Buga, *Gheorghe Gheorghiu-Dej*, 88.

38 = = Cătănuș and Buga, *Gheorghe Gheorghiu-Dej*, 102–103.

= = = The „suspect” Gheorghe Gheorghiu-Dej does penance

There is no doubt that, following this visit, Gheorghiu-Dej fully understood that his political position was not fully consolidated, and that a whim of Stalin could not only remove him from the head of the Communist Party but could even mean death. Moreover, he became convinced that his rivals in the party leadership were supplying the Soviets with information that put him in a totally unfavorable light.

In fact, a few months after this memorable visit, the “Dej-Maurer team” again came to the attention of the Soviets following a report sent to General Susaykov, deputy president of the Allied (Soviet) Control Commission by Emil Bodnăraș. This former Soviet agent, who was undersecretary of state at the Presidency of the Council of Ministers in charge of controlling the secret services, harshly accused Gheorghiu-Dej and the people around him (Ion Gheorghe Maurer, Simion Zeiger, Gheorghe Gaston Marin) of being insufficiently invested in the interests of the Soviet Union and of harboring a sympathy towards the Anglo-Americans.³⁹

Following this report made on June 10, 1947 by General Susaykov, the Foreign Policy Section of the Central Committee (C.C.) of the Communist Party of the Soviet Union (C.P.S.U.) sent Vladimir Lesakov to Romania to verify the content of the report Bodnăraș had prepared. Lesakov had encounters with General Susaykov, who in turn met with Ana Pauker, with Vasile Luca (member of the Political Bureau, with Soviet citizenship), and with Gheorghiu-Dej. The first three revealed a tendency similar to that of Bodnăraș, so that, in the report drawn up by Lesakov on August 29, 1947, Gheorghiu-Dej was accused of having committed a series of mistakes in terms of economic and trade union policy, as well as a politically incorrect attitude towards bourgeois “companions.”⁴⁰ Based on the statements made by Susaykov and Vasile Luca, Lesakov believed that Ion Maurer’s influence was at the root of Gheorghiu-Dej’s mistakes. Maurer was even accused of directing Romania’s economy towards the West and “consciously tend[ed] to discredit trade with the Soviet Union.”⁴¹

In this context, a series of actions during the following period, in which Gheorghiu-Dej had to reaffirm his loyalty to Moscow, become fully comprehensible. In the months that followed, the leaders from Bucharest competed to prove their loyalty to the U.S.S.R., a strategy seen as their only chance to ensure their political and even physical survival. In this way, Romania became one of the most obedient satellites of Moscow. It is not by chance that in June 1948, the Soviet Union decided to transfer the headquarters of the Cominform and the editorial office of the weekly

39 = = Cătănuș and Buga, *Gheorghe Gheorghiu-Dej*, 212.

40 = = The report prepared by V. Lesakov was published by Dennis Deletant, *Teroarea comunistă în România. Gheorghiu-Dej și statul polițienesc, 1948–1965* (Iași: Polirom, 2001) 240–43.

41 = = Deletant, *Teroarea*, 241.

“For lasting peace, for popular democracy,” the organ of the Information Bureau of the Cominform, to Bucharest. Romanian leaders were also entrusted by the Soviet leadership in January 1949 with the task of creating a proposal for the Council for Mutual Economic Assistance (Comecon), as a counterpart to the Marshall Plan.⁴²

Also in this context must be observed Stalin’s decision to check Gheorghiu-Dej and simultaneously to compromise his credibility in front of international and Romanian public opinion. Stalin accomplished this in November 1949 by entrusting him with the thankless task of reading a report entitled “The Yugoslav Communist Party in the hands of a gang of assassins and spies”⁴³ during the Cominform meeting held in Budapest.

At the same time, Gheorghiu-Dej’s concern with protecting his main collaborator should be noted. Ion Maurer was removed from the position of undersecretary of state at the Ministry of Industry and Commerce on April 13, 1948. Subsequently kept in positions of low visibility, Maurer was constantly defended by Gheorghiu-Dej, and was only brought back to the forefront of the political scene on July 16, 1957, when he was entrusted with the Foreign Affairs portfolio.⁴⁴

Promoting and defending national interests in a bipolar world, in which Moscow’s right to impose its security interests throughout its sphere of influence was fully recognized by its Western counterparts, was an extremely difficult mission. The presence of Soviet troops in Romanian territory (until 1958), of secret agents in the service of the Kremlin infiltrating the highest echelons of state and Communist Party leadership, in addition to their mistrust of the West and dependence on the economic and military support of the Soviet Union, represented serious obstacles to developing an independent foreign policy capable of promoting Romania’s perennial interests.

Additionally, a series of international events fully convinced Gheorghiu-Dej that any request to review the situation of the *souroms* would have to be postponed until a more opportune time. There were many indications that the Cold War was on the rise: the promulgation of the Truman Doctrine on March 12, 1947; the defeat of the Italian Communist Party in the elections of April 1948 through the discreet involvement of the USA; the implementation of the Marshall Plan through the signing of the Economic Recovery Act on April 3, 1948; the start of the Berlin Crisis (June 24, 1948); and the outbreak of the Korean War (June 25, 1950). In this context, prudence in relations with the giant neighbor from the East became an axiom for the government in Bucharest.

42 = = Costache, *Activitatea României*, 19.

43 = = “Comunicat asupra consfătuirii Biroului Informativ al Partidelor Comuniste; Partidul Comunist din Iugoslavia în mâinile unor asasini și spioni,” [Communiqué on the consultation of the Information Bureau of the Communist Parties; The Communist Party of Yugoslavia in the hands of assassins and spies] *Scântea*, 1949, November 30, 1 and 3.

44 = = Lavinia Betea, *Alexandru Bărlădeanu despre Dej, Ceaușescu și Iliescu. Convorbiri* (Bucharest: Editura Evenimentul Românesc, 1998), 94.

= = The death of Stalin, the „death” of the *sovroms*

After a period of complete subservience to the Kremlin, a period in which the leadership dogma of the P.C.R. was that “the touchstone of proletarian internationalism is friendship with the Soviet Union,”⁴⁵ in 1953 Romania embarked on a slow, very cautious process of distancing itself from Moscow. After his political rivals Ana Pauker, Teohari Georgescu, and Vasile Luca, reunited in the so-called “anti-party group,” were eliminated on May 26–27, 1952, consolidation of his internal position within the party and especially the death of Stalin allowed the leader Gheorghiu-Dej to initiate the process of “detachment” from the Soviet Union. We will not analyze here the motivations for this gesture, the national interest, and/or the preservation of personal power, but we will attempt to present the basic elements that set into motion the first stage: the abolition of *sovroms*.

Dissatisfaction with the operation of the *sovroms* had grown within the leadership of the Romanian Workers’ Party (P.M.R.), and finding a risk-free way to approach the problems of the Romanian-Soviet joint associations had become a priority. Attempts to streamline some of them (for example, by creating “Sovromnaval” and “Sovromutilajpetrolifer”) had not yielded the expected results. Thus, both sides, Romanian and Soviet, were signaling their dissatisfaction with the poor economic results.

The year 1953 would prove to be one of great change. On January 28, 1953, Gheorghiu-Dej also took over the position of president of the Council of Ministers and decided to try to find a solution, seconded by his trusted people from the party. At the end of February 1953, a meeting of the Bureau of the Comecon was to take place in Moscow, and on this occasion, it was decided that the problem of the *sovroms* should be addressed. In the meeting of the Political Bureau of the Romanian Workers’ Party (P.M.R.) on February 24, 1953, the lines on which the issue of abolishing the *sovroms* needed to be addressed were drawn by the delegation headed for Moscow, under the leadership of Miron Constantinescu, president of the State Planning Committee.⁴⁶

In a Kremlin shaken by rumors about the state of health of the almighty Stalin, the Romanian delegation was received quite kindly. Against the backdrop of the impending changes, the negotiators on the Soviet side were probably all more concerned with the stability of their own positions than with the demands that the Romanians would present. The death of Iosif Vissarionovich Stalin, the all-powerful president of the Council of Ministers of the U.S.S.R. and Secretary of the Central Committee of the Communist Party of the Soviet Union, at 21:50 on March 5, 1953, produced a veritable cataclysm in the power structures of the U.S.S.R. The resulting shock waves would be felt throughout the entire communist camp.

45 == Victor Frunză, *Istoria stalinismului în România* (Bucharest: Editura Humanitas, 1990), 403.

46 == Banu, *Asalt*, 166.

Having returned to his country, during a meeting on March 7, 1953 of the Political Bureau of the Central Committee of the P.M.R., Miron Constantinescu presented the results of the discussions in Moscow. Gheorghiu-Dej, the general secretary of the P.M.R., Chivu Stoica, Alexandru Moghioroș, and Dumitru Coliu, members of the Political Bureau, were all present from the party leadership. As can be seen from the report, an agreement was reached according to which eight joint Soviet-Romanian enterprises were to pass in the next period into the Romanian state's patrimony; that is, the Soviet part of these enterprises was to be bought back by Romania. These *sovroms* included: "Sovrommetal" (Reșita), "Sovromchim" (Ucea), "Sovromtractor" (Brașov), "Sovromlemn," "Sovromcărbune," "Sovromgaz," "Sovrombanc," and "Sovromconstrucții."⁴⁷ Six *sovroms* remained in operation: "Sovrompetrol," "Sovromutilajpetrolifer," "Sovromnaval," "Sovromtransport," "TARS," and "Sovromcuartit."⁴⁸

Of course, the conventions had not yet been signed, as it was an agreement in principle. Nevertheless, the Romanian government immediately instructed the ministries that supervised these *sovroms* to prepare the organizational chart and propose the cadres that would take over positions of responsibility in these enterprises. "Sovromcărbune" was to be abolished first, it being where the greatest problems were being recorded. In fact, as early as the first half of March 1953, the Soviet engineers had already received orders to hand over the functions they performed to the Romanian delegates.⁴⁹

The Romanian communist leaders were afraid of possible sabotage that would have "proven" the inability of the Romanian side to administer these enterprises. To prevent any "accidents," the Ministry of Coal had sent a deputy minister to Valea Jiului and two directors from the ministry to the Anina and Șotânga mines. Gheorghiu-Dej was personally concerned with these matters:

In such moments of change, people are found to disturb the waters. You must take care of this and expose any attempt to disturb the peace [...]. The management of these enterprises must be in the desk drawer, in the iron house of the Regional Office; to know them by name, to know them, to talk to them, to call them to the Regional Party Office, to surround them

47 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 20/1953. Transcript of the meeting of the Political Bureau of the C.C. of P.M.R. from March 7, 1953, 1–3.

48 = = "Sovromasigurare" ceased its activity, based on another agreement, on July 1, 1953. A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 21/1954, Protocol regarding the liquidation of the Romanian-Soviet joint company "Sovromasigurare", 10.

49 = = Banu, *Asalt*, 166.

carefully, to support them, to be documented, to feel that the regional committee of the party is interested in the fate of the enterprise.⁵⁰

The reasons invoked by the Romanian side during the negotiations to support the abolition of the *sovroms* can be summarized as follows: a need to subordinate these enterprises to the Romanian state and make them comply with Romanian legislation, as well as a need for more efficient control by the Romanian state; the need for socio-cultural investments in the enterprises within the *sovroms*; the losses recorded by some *sovroms*; difficulties in securing the labour force for *sovroms*⁵¹; and the capacity of the Romanian state, thanks to the Soviet aid it had received, to develop certain fields of industry on its own.

On the topic of approaching future negotiations over the *sovroms*, Emil Bodnăraş, member of the Political Bureau and Minister of the Armed Forces, showed himself to be the most direct: “Everything must be shown [to the Soviets] without reservations and without embarrassment. Let’s talk with our comrades and show them the situation clearly. I think their management is not fully informed.”⁵²

= = A difficult takeover with many unknown aspects (1953–1956)

Serious problems in the process of the Romanian state’s takeover of the *sovroms* appeared when it was time to evaluate their patrimony. The Romanian side was forced to admit that it did not have certain data about the value and functioning of the *sovroms* before 1949. Gheorghiu-Dej, in discussing a provisional evaluation of the *sovroms*, emphasized that “as regards the activity up to 1949, it must be added that we do not have the data, that the data we give here have some deficiencies, are probably not complete. It must be shown as the reality is because it is possible that

50 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 20/1953. Transcript of the meeting of the Political Bureau of the Central Committee of the Romanian Workers’ Party, March 7, 1953, 4.

51 = = Fifty percent of the workers at “Sovromcoărbune” and “Sovromconstrucții” were provided by soldiers of the Romanian army. A large number of soldiers also worked in the forestry operations of “Sovromlemn.” As Miron Constantinescu expressed himself, “comrades with great responsibility, the Soviets, stated that this must stop because it is not politically convenient for Romanian soldiers to work in the *sovroms*.” A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 20/1953. Transcript of the meeting of the Political Bureau of the Central Committee of the Romanian Workers’ Party, March 7, 1953, 7.

52 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 20/1953. Transcript of the meeting of the Political Bureau of the Central Committee of the Romanian Workers’ Party, March 7, 1953, 12.

the [Soviet] comrades have better data than us. It should be mentioned that they are 'estimated evaluations'."⁵³

The problems related to the evaluation dragged on, so that in January 1954 the delivery of "Sovromtractor," "Sovrommetal," "Sovromchim," and "Sovromlemn" to Romania was still being discussed.⁵⁴ The beginning of 1954 meant a new round of Romanian-Soviet talks on the issue of abolishing the *sovroms*. A government delegation, consisting of Gheorghiu-Dej, Miron Constantinescu, Chivu Stoica, Dumitru Petrescu, and Alexandru Bârlădeanu, left for Moscow on January 23, 1954. The delegation also included Stancu Marin, from the Ministry of Agriculture and Forestry, and Manea Mănescu, from the Central Directorate of Statistics. The meetings with the C.P.S.U. leadership took place between January 26 and February 1, 1954, with the problems of the *sovroms* being addressed in the meetings of January 27 and February 1.

From the discussions, it emerged that the old loans additionally given by the Romanian side to some *sovromuri* needed to be returned in order to find a "fair and equitable solution" for the redemption of the eight *sovromuri*, as well as to improve the situation of the company "Sovromcuartit."⁵⁵ Because there were inequities it was proposed to re-examine the prices paid to "Sovromcuartit." The option chosen was to adopt the domestic prices from Romania, and to increase the benefits from 8% to 10%.⁵⁶ The *sovroms*' benefits were to be established in lei and transferred to the U.S.S.R. in goods, valued at domestic Romanian prices.

The sums resulting from the redemption of the *sovroms* by the Romanian state were to be used by the Soviet Union to cover the value of the uranium production of "Sovromcuartit," which it took over in full, and for other expenses of the Soviet state in Romania. Initially, it was considered that a difference in favor of the U.S.S.R. would remain, which would have to be covered by the delivery of Romanian goods. However, the Minister of Foreign Trade, Alexandru Bârlădeanu, announced at the

53 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 20/1953. Transcript of the meeting of the Political Bureau of the Central Committee of the Romanian Workers' Party, March 7, 1953, 13.

54 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 7/1954. Protocol no. 3 of the meeting of the Political Bureau of the Central Committee of the Romanian Workers' Party, January 19, 1954, 5.

55 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 153/1954. Notes of conversations of the delegation of the Romanian Workers' Party, led by Gheorghiu-Dej, with the leadership of the Communist Party of the Soviet Union in relation to the economic problems of the Romanian People's Republic, Kremlin, January 26 – February 1, 1954, 19–20.

56 = = The social capital of "Sovromcuartit" had been increased, in the fall of 1953, by 81.5 million rubles through the contribution of both states. A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 22/1953. Transcript of the discussions held with the representatives of the Soviet Union on the sovrom issue, February 1, 1954, 3.

end of February 1954 that, according to the latest calculations, all the funds in lei, which the Soviet state achieves in Romania from the redemption of the eight *sovroms* and from the income of those that remain, could not cover the production cost of the company “Sovromcuartit.” The Soviet side would therefore need to bring, for the year 1954, a compensation of 50 million rubles-goods.⁵⁷

The protocol for taking over the first eight *sovroms* was finally signed on March 31, 1954. However, some of the problems related to compensation dragged on. Only through a protocol signed on November 6, 1956 in Moscow would it be stipulated that the initial evaluations, made at the establishment of each *sovrom*, would be considered definitive for five of the eight *sovroms* that had been proposed for abolition in 1954. The other three *sovroms* had to be reevaluated by the experts of the Ministry of Foreign Trade of the U.S.S.R. and the Romanian Ministry of Finance.⁵⁸

At the beginning of August 1954, A.F. Inozemtsev, the commercial representative of the Soviet Embassy, communicated to Gheorghiu-Dej the U.S.S.R.’s proposal to transfer the ownership of four more *sovroms* to the Romanian state: “Sovromutilajpetrolifer,” “Sovromnaval,” “Sovromtransport” and TARS. Within “Sovromutilajpetrolifer,” “1 Mai” and “Poiana Cămpina,” the enterprises from Târgoviște and Bacău, were to form “a metallurgical trust” to serve “Sovrompetrol.” The conditions for Romania’s takeover were to be identical to those established for the other eight *sovroms*. The Soviet motivation for this transfer was a result of their confidence in Romanian leadership; as they put it, in the last period, “Romanian cadres capable of managing these enterprises have grown. The Soviet government believes that these enterprises can be handed over to the Romanian state, as there is a certainty that the Romanian state is in a position to manage and develop their activity.”⁵⁹ Another surprising proposal from Moscow was to hand over the currency taken as a trophy during the war to the Romanian government.

The debate over these proposals took place in the meeting of the Political Bureau of the P.M.R. that began on August 13, 1954. Gheorghiu-Dej proposed during this meeting that the *sovroms* be taken over after the conclusion of the balance sheet for 1954; that is, the effective takeover would take place in 1955. Support for this proposal came from the fact that the redemption payment began to be made one year

57 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 21/1954. Transcript of the meeting of the Political Bureau of the Central Committee of the Romanian Workers’ Party, February 27, 1954, 14.

58 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 7/1954. Notes of conversations of the delegation of the Romanian Workers’ Party, led by Gheorghiu-Dej, with the leadership of the Communist Party of the Soviet Union in relation to the economic problems of the Romanian People’s Republic, Kremlin, January 26 - February 1, 1954, 12.

59 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 94/1954. Protocol no. 37 of the meeting of the Political Bureau of the Central Committee of the Romanian Workers’ Party, August 13, 1954, 40.

after the handover. In Gheorghiu-Dej's proposal, the payment was to start from 1956 because he believed that "1955 is a very busy and difficult year and I don't know if we could do this."⁶⁰

The final decision to take over the four *sovroms* was made at the Politburo meeting on September 14, 1954. Miron Constantinescu was tasked with signing the takeover protocols in Moscow on behalf of the Romanian government.⁶¹ The signing of the protocols by the Minister of Foreign Trade of the U.S.S.R., Ivan G. Kabanov and Miron Constantinescu, vice-president of the Council of Ministers took place on September 18, 1954.

The Romanian press published the "Soviet-Romanian Communiqué regarding the handing over to the Romanian People's Republic of the Soviet participation quota in the Soviet-Romanian joint companies," in which it was specified that

the fruitful activity of the mentioned companies had a positive role in restoring and developing the national economy of the Romanian People's Republic and prepared the conditions for the transfer of leadership into the hands of state organizations in Romania. Thus, the Soviet-Romanian joint companies fulfilled their assigned tasks and, in connection with this, the U.S.S.R. government and the government of the R.P.R. examined the problem of these companies and agreed on the transfer to the Romanian People's Republic of the Soviet participation in twelve companies.⁶²

Consequently, on March 31 and September 18, 1954, the Agreements were signed in Moscow regarding the sale and handover to the Romanian People's Republic of the Soviet share in the Soviet-Romanian joint companies: "Sovrommetal," "Sovromcărbune," "Sovromtransport," "Sovrom-utilaj-petrolifer," "Sovromnaval," "Sovromtractor," "Sovromchim," "Sovromgaz," "Sovromlemn," "Sovromconstrucția," "Sovrombanc," and "TARS" (a civil aviation company).⁶³ With the signing of these

60 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 94/1954. Protocol no. 37 of the meeting of the Political Bureau of the Central Committee of the Romanian Workers' Party, August 13, 1954. 41.

61 = = A.N.I.C., fund C.C. of P.C.R., Chancery Section, file no. 103/1954. Protocol no. 40 of the meeting of the Political Bureau of the Central Committee of the Romanian Workers' Party September 14, 1954. 3.

62 = = "Comunicatul sovieto-român privind predarea către Republica Populară Română a cotei de participație sovietice în societățile mixte sovieto-române," [The Soviet-Romanian communique regarding the handover to the Romanian People's Republic of the Soviet participation in joint Soviet-Romanian companies], *România liberă*, September 25, 1954, 1.

63 = = "Comunicatul sovieto-român privind predarea către republica Populară Română a cotei de participație sovietice în societățile mixte sovieto-române," [The Soviet-Romanian communique regarding the handover to the Romanian People's Republic of the Soviet participation in joint Soviet-Romanian companies], *România liberă*, September 25, 1954, 1.

protocols, most of the *sovroms* were abolished, an event that the Bucharest government could consider a diplomatic victory.

**= = The Dissolution of Romanian-Soviet joint ventures:
goodwill or pragmatism?**

Explaining the “gesture of goodwill” of the Soviet Union is difficult. The official version that presented the liquidation agreements as exclusively the result of “friendly relations” between the two countries is not very credible and, as such, is not worth analyzing. The attitude of the Romanian side, which advocated the withdrawal of the U.S.S.R. from these companies, is perfectly justified given the negative economic results that resulted from these *sovroms*’ activity as well as their persistent insubordination to the authorities in Bucharest. But why did the Soviet Union comply with the proposals coming from Bucharest?

It is obvious that the international situation, as well as the internal situation of the U.S.S.R., was different from that of 1945–1946. Although Stalin’s death did not change overnight the subordinate relationship of the Romanian communists to Moscow, this event proved to be crucial for the evolution of bilateral relations in both the medium and long term. The new leadership from the Kremlin proved quite quickly that it was aware of the need for the external relations of the Soviet Union to change, both in relation to the satellite countries and in terms of their attitude towards the “imperialist camp.”

Regarding the specific problem of the *sovroms*, we believe that an explanation can be provided by analyzing the subsequent evolution of the U.S.S.R.’s attitude compared to the other “fraternal countries.” The Soviet leaders understood that the system of mixed companies, as a means of economic domination over the satellite countries, was no longer adequate considering the new political, economic, and social realities in these states. The abandonment of this system was done in parallel with the creation of more sophisticated mechanisms that would work through a closer collaboration within the Comecon, an organization under the firm direction of Moscow. Thus, in the first stage from 1953 to 1956, the new leadership team in Moscow moved to offer concessions to the governments of the satellite countries in order to mark a distance from the Stalin era and to improve their image in the international arena. This was then followed by a stage in which the Soviet Union sought to restore their economic domination using the leverage afforded by Comecon.

The Soviet leadership noticed the need to change their approach to economic relations due to the increasingly vehement reactions of the leaders in Bucharest. Gheorghe Apostol, one of Gheorghiu-Dej’s close collaborators, recounted in an interview how he “opened the conflict on the subject of the *sovroms*.”⁶⁴ After the

64 = = Lavinia Betea, *Maurer și lumea de ieri. mărturii despre stalinizarea României* (Arad: Editura Ioan Slavici, 1995), 261.

reception given by the Soviet embassy on November 7, 1952, at Gheorghiu-Dej's residence, following a meeting attended by the Soviet representative for the problems of the Soviet Union, Apostol reported that:

At one point, Gheorghiu-Dej asked me:

- What does capital export mean?
- Why do you want to know from me? [...]
- I want to know from you because you are not an economist like any other. Not everyone is sent by Comrade Stalin to coordinate and be responsible for the *sovroms* in Romania.
- Well, capital export is only done by American imperialism in the colonies. [...]
- But what do you do in Romania, what can it be called? [...] Don't you consider Romania as a colony, as the imperialists consider countries in Africa and Asia?⁶⁵

Gheorghiu-Dej's attitude toward the *sovrom* problem is confirmed by Nikita Khrushchev. In his memoirs, he remembered that "there, [in Romania], Sovrum [sic] was working – a Soviet-Romanian company that mainly dealt with obtaining uranium ore [...]. But it offended the Romanians and when we, after Stalin's death, liquidated this association, if it came to it, Dej, with some anger, kept repeating, like a curse, 'Sovrum, Sovrum [sic]!'. We abolished such joint societies in all the brotherly countries, because we understood that they were like stubs on the toes and hurt national feelings, producing misunderstandings in our camp."⁶⁶

Therefore, it is clear that the decision by the Soviet Union leadership to abolish the joint ventures that operated in several countries with communist governments was a pragmatic one. It aimed to improve the image of the U.S.S.R. in the world public opinion and to remove a series of tensions that arose between the Soviet government and the states where this type of enterprise operated.

In addition, the nature of the propaganda campaign also emerges from the fact that the *sovroms'* abolition occurred almost simultaneously. For example, on Octo-

65 = = Lavinia Betea, *Maurer*, 262.

66 = = "Cum vedea N.S. Hrușciiov România," [How he saw N.S. Khrushchev Romania] *Magazin istoric* no. 2/1997, 29; Khrushchev presents in his memoirs the considerations that made him grant concessions to the satellites as follows: "[...] after the war, Stalin treated these countries very harshly. He dictated his will to them. In his eyes they were not true friends. He treated them as subjects of the Soviet Union, not as allies. We, the post-Stalinist leadership, took over things as he had arranged them. Because of some hard feelings and even antagonism on the part of our allies, it was difficult for us to create a monolith in the socialist camp." Apud Ioan Scurtu, ed., *România. Retragerea trupelor sovietice, 1958* (Bucharest: Editura Didactică și Pedagogică R.A., 1996), 233.

ber 9, 1954, the agreement was signed for transferring the Soviet share in joint Soviet-Bulgarian enterprises: “Corbso,” for shipbuilding, “Sovbolstroi,” for construction and producing construction materials, and “Tabso,” for civil aviation. Only three days later on October 12, 1954, agreements were signed to dissolve the Soviet-Chinese joint enterprises: the Society for the extraction of non-ferrous and rare metals; the Society for the extraction and processing of oil; the Society for the construction and repair of vessels; and the Society for the organization and operation of civil airlines.⁶⁷ Special attention was paid to the German People’s Republic, which celebrated its fifth anniversary in 1954. As such, in September the Soviet government proceeded to liquidate all the G.D.R.’s debts from before and after the war, stopped the payment of war reparations, and all enterprises within G.D.R. territory that had previously been the property of the U.S.S.R. became the property of the G.D.R. government.⁶⁸ In November 1954, Soviet participation in joint Soviet-Hungarian enterprises such as “Maszovlet” (*Magyar–Szovjet Polgári Légiforgalmi Részvénytársaság*, for air transport) and “Maszovol”/“Maszolakj” (*Magyar-Szovjet Olajipari Részvénytársaság* – the Hungarian-Soviet Oil Company, for oil production) was bought back by the Budapest government.

The Romanians’ resentment from the *souvrom* ordeal was long-lasting. Alexandru Bârlădeanu recollected that, during more intense negotiations held in Moscow in 1963,

[...] we had the opportunity to tell them some truths. I put the problem of the Sovroms to them [...] that they plundered the national economy through the Sovroms. How much they have damaged us through this formula of cooperation. Kosîghin got so angry that he didn’t even want to shake my hand [...] when we returned from Moscow, Dej said to me on the phone:

Well done! I am very satisfied with the way you raised the issue of the Sovroms. I read the transcript.⁶⁹

Very likely, the disturbances that appeared in Poland and especially in Hungary made the Soviet side more malleable and more accepting of the Romanian point of view. The dissolution of the last two *souvroms* (“Sovrompetrol” and “Sovromcuar-

67 == “Comunicatul sovieto-chinez cu privire la predarea către republica Populară Chineză a cotei sovietice de participație în societățile mixte,” [The Soviet-Chinese communiqué regarding the handover to the People’s Republic of China of the Soviet share in joint ventures] *Scânteia*, October 13, 1954, 3.

68 == “Pentru întărirea cauzei păcii, pentru lărgirea relațiilor economice. Cuvântarea lui Otto Grotewohl la deschiderea Târgului de la Leipzig,” [To strengthen the cause of peace, to widen economic relations. Otto Grotewohl’s speech at the opening of the Leipzig Fair] *Scânteia*, September 7, 1954, 4.

69 == Betea, *Alexandru Bârlădeanu*, 134.

tit”) took place in 1956. Of course, things were not at all simple this time, either; discussions on the topic began in July, but the takeover convention by Romania was signed only on October 22, 1956. The “Sovromcuartit” joint-stock company’s operations were terminated by Decree no. 583 on November 1, 1956.⁷⁰

The new policy adopted by the Soviet Union was also reflected in the “Declaration of the Government of the U.S.S.R. based on the development and strengthening of friendship and collaboration between the U.S.S.R. and the other socialist countries” of October 30, 1956. In this document, it was appreciated that in the process of establishing the new order and the profound revolutionary transformations of social relations, there were numerous difficulties, unsolved tasks and obvious mistakes, including mistakes in the relations between socialist countries, violations and mistakes that made the value of the principle of equal rights in relations between socialist states.⁷¹ The Soviet government declared itself ready to discuss with the governments of other socialist countries measures to remove “any possibility of violating the principle of national sovereignty, mutual advantage and equal rights in economic relations.”⁷²

As a new sign of goodwill, the Soviet government decided to reduce by 4.3 billion lei the amount previously provided as a ransom for the enterprises passed into the ownership of the Romanian state, of which 1.5 billion lei was for the former German properties. The value of the Soviet share was to be redeemed in equal annual installments staggered over a period of 15 years, as the amount was considered an interest-free loan granted to Romania by the Soviet Union. This attitude led the Romanian press to note that, in the process of Romanian-Soviet collaboration, “all the problems that arose were always resolved in a spirit of camaraderie, as between friends with equal rights.”⁷³

In this way, the Romanian-Soviet “fraternal collaboration” within the *sovroms* came to an end. Thanks to a skillful policy, the leadership in Bucharest managed to obtain from the Kremlin a first withdrawal from Romania: specifically, a withdrawal from the main sectors of the Romanian economy. Occurring four years prior to the withdrawal of Soviet troops from Romanian territory, this Soviet economic withdrawal was a genuine surprise both for Western analysts and for the majority of Romanian citizens.

The death of the feared Stalin allowed Gheorghe Gheorghiu-Dej, a cautious and cunning communist leader, to take the first steps on the path of political independence from the U.S.S.R. By skillfully speculating on the new international

70 == Banu, *Asalt*, 173.

71 == Apud Alexandrescu, *Economia*, 217.

72 == Alexandrescu, *Economia*, 217.

73 == “Marea prietenie frățească,” [The great brotherly friendship] *Scântea*, December 5, 1956, 1 and 3.

political conjunctures and carefully studying the psychology of the Soviet leadership and the vulnerable points of the new leader, Khrushchev, Gheorghiu-Dej put into practice a long-term strategy of breaking away from the political, economic, and military grip of the Soviet Union.

The abolition of the *sovroms* in the years 1954–1956 was followed by obtaining first the withdrawal of the Red Army units stationed on Romanian territory (1958), then the withdrawal of Soviet advisors from the Romanian ministries, including advisors from the secret services (1963), and finally by embarking on a gradual process of de-Sovietization of culture and the education system in Romania. These changes accelerated further with a resumption of economic, cultural and political ties with the West, in a subtle policy of restoring some bridges and channels for communication and cooperation.

How much of all this would have been possible had the Kremlin’s “Man of Steel” lived longer remains a question for counterfactual history.

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A tractor in front of the hall of the "Sovromtractor" factory in Brasov (Romania).

A.N.I.C.

Keywords

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Mixed enterprises, Sovrom, Stalin, Communist Romania, Communism



Rudolf Andorka in his traditional, historicising Hungarian gala dress, which he wore as a diplomat in Spain (1930's).

Júlia Andorka's private collection