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# Oil: The Doom of Communist Romania?\*

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The purpose of this paper is twofold: first, to establish the existence of a certain pattern of analysis, which I will call an academic canon, of analyzing the problems caused by the oil crises of the 1970's on the economy of Communist Romania. The canon seems to hold that a series of economic decisions taken in the 1960's and 70's by the communist leadership concerning the vast expansion of the petroleum industry led to huge problems after the enormous increases in the price of oil at the end of the 1970's, which led to the virtual destruction of the economy and the huge deprivations of the 1980's, thus helping to explain the popular rejection of the socialist regime. The second goal is to analyze what the Romanian communist leadership thought of the oil industry and what was their general strategy related to it. If the first part of the article deals generally with secondary sources, in the last part I use a significant amount of primary sources, mainly speeches given by the party leaders in order to pursue my research. All the speeches I use were public, most of them broadcasted on radio and television, printed in mass circulation newspapers and afterwards bound together in volumes of documents. The paper is structured in four sections. The first offers a brief historical introduction to the issue, focusing on oil as one of the three main commodities that ever put Romania or the Romanian principalities on the economic map of the world. The second section deals extensively with the development of the academic canon and with the main authors concerned with it. The third part is dedicated to the analysis of primary sources, while in the conclusions I link the main parts of the paper and suggest directions for possible further research.

## *A Short Explanatory Introduction*

The economies of small states are often, at least from a historical foreign trade perspective encompassing the modern world economic system, dependent of a particular product or commodity. Seldom can one find a case such as Switzerland, which for centuries exported men, clocks, chocolate, and banking services. Usually we encounter cases when a small country produces for the foreign markets just bananas, rubber, T-shirts, or I-pods. Romania and before it came into existence the Romanian principalities were, if we would take a longer perspective, perhaps of Braudelian inspiration, a little bit more interesting<sup>1</sup>. From a historical point of view at least three commodities – cattle, grain and oil – dominated the foreign

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<sup>1</sup> Fernand BRAUDEL, "Histoire et science sociale: La longue durée", *Annales. Économies, Sociétés, Civilisations*, vol. 13, no. 4, 1958, pp. 725-753.

trade and internal economic structure of Romania, and, before it came into being, that of the Romanian principalities.

Probably the first thing that placed the Romanian *voievodates* on the economic map of Europe, from the 15<sup>th</sup> to the 18<sup>th</sup> centuries, was cattle. Vast exports of cattle, in herds numbering perhaps thousands of heads moved from Moldavia and Wallachia through southern Poland to Danzig and from the Baltic Sea port to the markets of the German principalities, the Low Countries and England; other routes took them to Hermannstadt and from there to the southern Habsburg lands<sup>1</sup>.

Grain was the second commodity vastly exported by the Romanian principalities, mainly into the Ottoman Empire for many centuries because of the commercial monopoly the latter enjoyed in relation to them since the subjection of those principalities in the 15<sup>th</sup> century. After 1829 this monopoly ceased because the Russo-Turkish peace treaty and vast demand of grain from Western markets, especially British led not only to larger exports, but indeed to a total shift of the internal agrarian economy towards an intensive production of grain, deeply altering labor and property relations. According to certain authors this led to the effective colonization of the principalities (and Romania itself after the union of 1859), their transformation in a periphery of the British industrial economy<sup>2</sup>; other scholars, of local extraction, saw this as the moment when the local bourgeoisie started its quest for power and for a transformative role in the Romanian state<sup>3</sup>.

Then the economies of the Western world accelerated their path towards industrialization; technological changes and energy needs led to new uses for a very old substance, of which Romania happened to possess an abundance: oil. Local industrialists started the exploitation of the resource as soon as Pennsylvania's oil drillers, namely in the late 1850s, using roughly the same methods, but also benefiting from the faster development of drilling techniques in neighboring Polish Galicia<sup>4</sup>. Yet mass exploitation of the two main oilfields in the Prahova region and at Bărcănești in Moldavia started just at the dawn of the 20<sup>th</sup> century, after massive investments by American and British capital. The industry was so important that, when it became obvious that the Romanian army could not defend the oilfields while facing a joint Austrian-German-Bulgarian invasion in the autumn of 1916, the British intelligence dispatched Colonel John Norton-Griffiths to organize the Romanian-government led effective destruction of the extraction and refinery capacities of the Prahova facilities<sup>5</sup>. In the interwar period, the oil industry grew

<sup>1</sup> Marian MALOWIST, "The Trade of Eastern Europe in the Later Middle Ages", in M.M. POSTAN, Edward MILLER (eds.), *The Cambridge Economic History of Europe*, vol. II, *Trade and Industry in the Middle Ages*, Cambridge University Press, Cambridge, 1987, p. 556. The author also points to the integration of the Moldovan cattle-based economy into a regional one, comprising also Podolia (contemporary western Ukraine).

<sup>2</sup> Daniel CHIROT, *Social Change in a Peripheral Society. The Creation of a Balkan Colony*, Academic Press, New York, 1976.

<sup>3</sup> See for that Ștefan ZELETIN, *Burghezia română: originea și rolul ei istoric*, Ed. Humanitas, București, 1991 and IDEM, *Neoliberalismul: studii asupra istoriei și politicii burgheziei române*, Ed. Scripta, București, 1992 and Mihail MANOILESCU, *Rostul și destinul burgheziei românești*, Ed. Albatros, București, 2002.

<sup>4</sup> See for the beginning of oil drillings and struggles in Pennsylvania the classic work of Daniel YERGIN, *The Prize. The Epic Quest for Oil, Money and Power*, Simon and Schuster, New York, 1991, ch. 1.

<sup>5</sup> *Ibidem*, pp. 180-182. However, Romanian oil was also extremely important for the Central Powers, who poured enough capital and work, that they restored 80% of the 1914 production by 1918.

even more, insignificantly deterred by the effects of the Great Depression; in World War II the significance of the Romanian oilfields for the German war machine was so great, that it completely molded the political relations between the two allies, and provoked the most spectacular American bombing operation to date, Operation Tidal Wave on August 1<sup>st</sup>, 1943<sup>1</sup>.

By the time the Soviet Army conquered Romania in the late summer and fall of 1944, the oil industry had dominated foreign trade for decades. After a communist government came to power and the creation of a new economy based on the Soviet model began, vastly oriented towards building a modern and industrial society, it became obvious that the oil industry would become one of the most significant assets in the hand of the new power elite. The topic of this paper is deeply related to what the Romanian communist leaders thought of the petroleum industry, its uses and problematic. The most important factor that peaked my interest while researching this paper was the commonly held belief that permeated academic circles, especially Western, that specific decisions concerning the oil industry led to the grave problems that the Romanian economy faced after 1979, which led to a vast and cruel austerity program that incurred the wrath of the population, thus leading to a possible explanation for the population's participation in or at least the acceptance of the popular riot of December 1989, a significant part of the events that led to the fall of the Romanian communist regime. An academic canon was formed on the matter, and it sounds pretty much like this: *in the 1960's and early 1970's* the Romanian communist government gambled with the economic future of the country by deciding to vastly expand the oil-refining capacities and the chemical industry in order to sell petroleum-derivatives on the world market for much-coveted Western currency that could be used for acquiring newer technologies. The bet went sour in the context of declining internal oil production and especially because of the oil crises of 1973-79, which led to a growth of oil imports, huge trade deficits and in the end a need to reschedule foreign debt, which in turn led to the awful decision to pay the foreign debt by imposing a harsh austerity program. My purpose is not so much to challenge or argue in favor of this argument, but rather to see if this position can be sustained by analyzing a different type of evidence, namely the Romanian Communist Party's political and economic documents related to the broader perspective of the Romanian economic development. I will analyze a specific selection of first-hand documents to see if the Romanian Communist Party's oil policy was indeed a gamble; if oil industry expansion was a goal onto itself in the political-economic thinking of the Party leaders; and if the Romanian leaders were so unaware that their decisions may generate so much trouble and indeed lead to their demise. Looking through their lenses is, from my point of view, a more interesting approach than just analyzing different tables and particular policies. These speeches, being very large and generally addressing subjects related to the society and the economy as a whole have a better chance to put the entire oil discussion in a wider, more relevant framework. My main hypothesis is that, at least according to their planning, petroleum-derivatives industry was just one of many areas of the socialist economy, rather than something on which the Romanian communist leadership would bet the economic future of the country,

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<sup>1</sup> A good depiction of the connection between oil politics and military cooperation between the two allies is provided by Larry WATTS, *Incompatible Allies: Neorealism and Small State Alliance Behavior in Wartime*, Umea University, Umea, 1998.

much less their political survival. First, however, I turn to the accepted academic canon and its interesting, if questionable, arguments.

### *The Academic Canon*

A concerted view of what was going on with the Romanian economy because of the investment blunders and the oil shocks is formulated quite early after the first problems appeared. According to my research, in the middle-to-latter part of the 1980s the story took full shape and the two decades that followed the fall of communism merely perpetuated the scholarly narrative. One of the first things that needs to be mentioned here is that the main creators of the canon were not professional historians, but economists, such as Marvin Jackson or William Crowther, economic geographers like David Turnock, sociologists such as Michael Shafir or international security scholars like Daniel Nelson. Only after the 1989 Revolution the historians take center stage in reiterating the canon as the dominant discourse related to the economic problems of the late period of Romanian communism. Among the first to notice the problems connected to the oil crises was Marvin Jackson, and he soon became the most important source of all the other academics who worked on this particular issue. Already in 1981 he noticed that the main problem of the Romanian economy was that investments in petroleum, which took very large shares of total industrial investments, resulted in little growth of capital stock. Hit by a crisis in the price of oil and petroleum-based products, Romania was bound to suffer<sup>1</sup>. Just a few years later, Walter Bacon, a historian of international relations also noticed that the petroleum crisis was a factor affecting not just the economy, but also the foreign relations. He saw that the overtures made by Nicolae Ceaușescu towards low-development countries (LDC), especially in the Middle East, were deeply connected to the problems with the oil supply<sup>2</sup>. But probably the best portrayal of the canon belongs to Michael Shafir, written in 1985. Shafir noticed that from 1973 to 1978 the oil refining capacity increased from 18.5 to 25.4 million tons; up to 1975 the country was a net oil exporter, but after 1976 it becomes a hungry petroleum importer<sup>3</sup>.

A few figures are important in this framework and he duly provides them: the production of Romanian crude oil follows the following trend – 1975 14.6 million tons, 1976 14.7, 1977 14.7, 1978 13.7, 1979 12.3, 1980 11.5, 1981 11.6, 1982 11.7, 1983 11.6 – as we see, very respectable figures if one doesn't take into account the parallel increase in refining capacity. The trend of imports has a far steeper slope: 1975 5 million tons of crude oil, 1976 8.4, 1977 8.8, 1978 12.9, 1979 14.2, 1980 15.9, 1981 12.9. It is at this point where Shafir also introduces the issue of relations with the LDCs: due to poor relations with the Soviet Union at the beginning of the 1970s, Romania was forced to rely more and more on the petroleum imports from

<sup>1</sup> Marvin R. JACKSON, "Perspective on Romania's Economic Development in the 1980's", in Daniel N. NELSON (ed.), *Romania in the 1980's*, Westview Press, Boulder, Colorado, 1981, p. 267.

<sup>2</sup> Walter M. BACON, "Romania", in Teresa RAKOWSKA-HARMSTONE (ed.), *Communism in Eastern Europe*, Indiana University Press, Bloomington, 1984, pp. 175-176.

<sup>3</sup> Michael SHAFIR, *Romania. Politics, Economics and Society. Political Stagnation and Simulated Change*, Lynne Rienne Publishers, Boulder, Colorado, 1985, p. 110.

those countries<sup>1</sup>. He notices that by 1980 77% of trade with Romania's petroleum suppliers (including Soviet Union and China) was represented by imports and, in 1981 – 80% of petroleum imports came from developing "friendly Arab countries"<sup>2</sup>. Shafir is among the first to insist on the idea that, although the crisis might have had some positive aspects for the country, because it would lead to a better balance of trade with the European Economic Community, the most negative aspects stem from the government's reaction to the crisis: impose deprivations on the population in order to pay the debts and to harness more resources in the economic growth program<sup>3</sup>.

In 1986, Olga Narkiewicz introduces another important element of the academic canon when analyzing the economic crisis of Romanian communism. While she notices some important political problems which aggravated the country's circumstances, like the concentration of power in the hands of just one family – a process that led to the diminishing importance of the party structures and subsequently to the concentration of decisions concerning the oil policy in a very small circle – she also points out that the economy skips the effects of the 1973 petroleum crisis, but is hardly hit instead by the 1979 increase in oil prices. In an economy based on "import-led" growth since 1967, the increase in the price of oil couldn't have anything else but bad effects<sup>4</sup>. The idea that the 1979 crisis was indeed the most important moment that led to a general crisis of the Romanian economy is reinforced by John Pearce Hardt and Carl H. McMillan who argue that the second oil shock precipitated a balance of payments crisis which forced Romania to reschedule its external debt, which in turn led to the austerity program of the 1980's<sup>5</sup>. One should probably note a very important thing here. Most of those authors, especially those writing in the early and mid-1980's were somehow constrained in their analysis by living in the midst of the events. It is therefore easier to see why their perspective is limited: events were just unfolding plus the information coming from Romania itself was either scarce, either untrustworthy. In 1988, Daniel Nelson made important contributions to the propagation of the narrative. According to him, the causes of the severe austerity conditions that characterize the Romanian economic life in the 1980s are to be found in the extensive growth strategy. The loans from the West to build excessive capacity (related to Romania's own capacity to use them) in such heavy industries such as petrochemical and steel plants in Pitești, Hunedoara, and Galați meant that the strategy backfired when Romania was forced to reschedule its payments after the second oil shock<sup>6</sup>. Nelson, who is fundamentally interested in the hard security aspects of politics, such as the composition and training of the military, also notes that the second oil shock was also making its impact in the continuous decline of military budgets and preparedness (especially mobility) after 1979<sup>7</sup>.

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<sup>1</sup> *Ibidem*, p. 111.

<sup>2</sup> *Ibidem*, p. 115.

<sup>3</sup> *Ibidem*, pp. 113-114.

<sup>4</sup> Olga A. NARKIEWICZ, *Eastern Europe 1968-1984*, Routledge, London, 1986, p. 74.

<sup>5</sup> John Pearce HARDT, Carl H. McMILLAN (eds.), *Planned Economies: Confronting the Challenges of the 1980s*, Cambridge University Press, Cambridge, 1988, p. 3.

<sup>6</sup> Daniel N. NELSON, *Romanian Politics in the Ceausescu Era*, Gordon and Breach Science Publishers, New York, 1988, pp. xiii-xiv.

<sup>7</sup> *Ibidem*, p. 185.



This canon is an integral part of the solid book by William Crowther published in 1988<sup>1</sup>. The author writes in a consciously-assumed anti-Wallersteinian perspective (thus directed against the framework Daniel Chirot worked in the same time), stressing the fact that Romania's role in the world economy is largely a product of internal economic circumstances, not of its presumed role in a periphery of the world-system. According to Crowther, the necessity of obtaining oil was the most pressing problem in the Ceaușescu era. Oil production grew just 1.6% annually from 1966 to 1973, while the ambitious expansion of Romania's petroleum industry due to the need to acquire more currency through the export of refined products increased demand at a much greater rate, in a context in which it was difficult to get oil at promotional prices from the Soviet Union due to the problems with the Council of Mutual Economic Aid (CMEA)<sup>2</sup>. The beginning of the international oil crisis in 1974 not only increased the cost of imports, but also shrunked the market for the export of Romanian refined-petroleum products, turning what had been a substantial trade surplus into a huge deficit practically overnight. As petroleum imports rose from 10 000 barrels/day in 1976 to 16 000 barrels/day in 1980 and in the context of sluggish prices for refined products, by 1980 Romania was losing as much as \$900 000 per day on its exports of refined petroleum products, thus leading the total debt to 10.35 billion dollars in 1981. This happened while at the same time Romania was desperately trying to boost links with the LDCs in order to buy oil from them, the commerce with these countries jumping from 7% of total trade to 25% in 1980. According to Crowther, those links were maintained either through political-symbolic steps, such as the recognition of the Palestine Liberation Organization, which was also given a quasi-official embassy in Bucharest, or through arms trade. The author estimates that weapons worth 2 billion dollars were exported by Romania to the LDC's from 1978 to 1982 and that during the Iran-Iraq war (1980-1988) Romania sold weapons worth 825 million dollars to Iraq in exchange for crude oil<sup>3</sup>. All of these occurrences and crises led to the austerity policies that marked the 1980's in Romania and were bound to lead to greater problems.

Even Mary Ellen Fischer, who provided a substantive, if somehow under researched<sup>4</sup> biography of Nicolae Ceaușescu and was therefore bent on explaining crises and policies largely by psychological means, was admitting in 1989 that the economic and social failures of the 1980's are primarily the responsibility of Ceaușescu's own strengths and weaknesses and also changes in the balance of trade in petroleum and petroleum products after the oil crises<sup>5</sup>. Fischer offers a full, late-1980s version of the canon, worth retelling for the purposes of this paper, in the sense that it is the most complete version of it before the fall of communism in Romania. According to her, the causes for the economic difficulties after 1979 are deeper, the initial sign of crisis being the shortage of hard currency resulting apparently from structural imbalances in the international petroleum market. Romania,

<sup>1</sup> William E. CROWTHER, *The Political Economy of Romanian Socialism*, Praeger, New York, 1988.

<sup>2</sup> *Ibidem*, pp. 131-134.

<sup>3</sup> *Ibidem*, pp. 138-142.

<sup>4</sup> Fischer hardly pays any attention to the period spent by Ceaușescu as a major-general commanding the Superior Political Directorate of the Army in the early 1950's and to his alleged studies in the Soviet Union, at the prestigious "Frunze" Military Academy.

<sup>5</sup> Mary Ellen FISCHER, *Nicolae Ceausescu. A Study in Political Leadership*, Lynne Rienner Publishers, Boulder & London, 1989, p. 3.

who had a long-term specialization in petroleum-related products, continued to develop major refining capacity throughout the communist era, but especially in the 1960's and 70's. In contrast to Shafir, Fischer points out to a surge in petroleum imports (when compared with production) since the late 1960's and notices that the country didn't experience initial problems with the 1973-74 crisis because the price of Romanian exports – refined petroleum products also grew. However, after the second oil shock the prices for refined products didn't grow as fast as the price of oil itself and thus the problems of the economy became truly grave<sup>1</sup>. The problems became even more difficult after the Shah's fall from power and the beginning of the Iran-Iraq war, because these developments hindered access to the most important sources of cheaper oil; the Romanian leadership was thus forced to import petroleum from the Soviet Union in the early 1980's, which it could only do at the market prices, due to the political problems caused by earlier "dissidence" – namely Romania's presumed distancing from the economic policies of the CMAE and the foreign policies stances of the Warsaw Treaty Organization since the mid 1960's. According to Fischer two crucial economic decisions of the 60's and 70's – namely to invest heavily in petroleum and petro-chemical products and to minimize the cooperation in Comecon increased the dependency on hard currency imports of technology and raw materials, thus forcing the economy either in a spiral of acquiring more and more hard-currency or on a path towards autarky. After the 1981 Polish crisis that creates a significant crisis of confidence for Western bankers, making lending far more difficult and forcing Soviet block countries to reschedule the payments for the external debt, the Romanian leadership decided to try harder on the autarky strategy of development<sup>2</sup>.

It is interesting to see how the canon is maintained, if not developed after the fall of communism. One might think that more access to sources, people in important decision-making positions, comparative approaches might change some of the canon. Indeed, this was not the case. The canon stands pretty much the same as it was formulated in the mid-to-late 1980's. In 1993 Gale Stokes provided a discussion of the Romanian petroleum industry as a source of the country's economic troubles in the 1980's; Romanian had the largest oil fields in Eastern Europe except those of the Soviet Union and thus had the basis for a strong oil industry throughout the century. He makes the connection between the huge external debt – 10.3 billion dollars<sup>3</sup> by 1981 and oil imports from the lesser developed countries, almost all of them ruled by dictators well connected with Ceaușescu (Iraq, Iran, Libya, Algeria), and points to the link between the disastrous decision to pay the debt and the internal deprivations which led to the convulsions of 1989<sup>4</sup>. In his 1995 book Dennis Deletant clings to the same story of the link between oil imports, increase in oil prices, huge external debt that Ceaușescu decided to pay while leading the country on an autarky path and its nefarious consequences in the daily lives of Romanians<sup>5</sup>.

<sup>1</sup> *Ibidem*, p. 249.

<sup>2</sup> *Ibidem*, p. 250.

<sup>3</sup> Why is this particular figure huge from a political point of view? Romania had a population of 21-22 million in the early 1980's and the GDP per capita was around 2000\$. Thus, the external debt, all in hard currency, was about 25% of the GDP.

<sup>4</sup> Gale STOKES, *The Walls Came Tumbling Down: The Collapse of Communism in Eastern Europe*, Oxford University Press, Oxford, 1993, p. 58.

<sup>5</sup> Dennis DELETANT, *Ceaușescu and the Securitate: Coercion and Dissent in Romania, 1965-1989*, M.E. Sharpe, New York, 1995, p. 322.



It is even more interesting to see that the canon is the same in monographs dedicated to Eastern Europe in general and to the books that address Romania in particular. R.J. Crampton retells in a book dedicated to the history of the region in the 20<sup>th</sup> century the story of how the economic strategy of the 1970's went wrong (to borrow from the West to build refinery capacity for Arab crude oil, but to face declining internal oil production and be forced to rely on expensive petroleum imports while the prices for refined petroleum products don't rise fast enough). According to him, when a country like Romania is trapped between the anvil of the world market and the hammer of Ceaușescu's ego, the troubles were to be expected, were even unavoidable<sup>1</sup>. In the same time, in a book dedicated to the last few decades of Romanian history, Steven Roper links economic losses due to increase of petroleum prices in the 1970's to debt, debt repayment policies and austerity, and thus perpetuates the same discourse<sup>2</sup>. In one of the more recent treatments of the problem a well known specialist of Romanian economic geography, David Turnock falls prey to the same canon, relinquishing his usual balanced views for a critique of the gigantism of excessive capacities for oil refining and treating the oil problems of the time under the title "Policy Aberrations of the 1980's: The Climax of Sultanism"<sup>3</sup>.

There are, however, works that either provide a far larger economic and social framework for understanding the problems of Romanian communism, or focus entirely on political and even personal intricacies, occluding the fact that Romania was a country of over 20 million inhabitants, not just the "Primăverii" neighborhood in northern Bucharest<sup>4</sup>. Among the first group of studies, one can cite especially left-wing sociologists and political scientists such as Silviu Brucan or Vladimir Pasti<sup>5</sup>. They acknowledge the impact of the oil crises on the Romanian economy, but they focus more either on the general crisis of the communist bloc or on the relations of power between the layers of leadership in the Romanian society. Among the second group one finds important scholars like Vladimir Tismăneanu or Stelian Tănase, who tend to describe the realities of the Romanian communist period in the framework of personalities' struggles for acquiring and maintaining power positions, and thus paying far less attention to economic or societal aspects<sup>6</sup>.

I provided a lengthier account of the academic canon that relates investments in the petroleum industry and the oil crises of the 1970's with the economic and social troubles in the 1980's Romania in order to see how old, persuasive, and pervasive this way of reasoning truly is. I turn next to examining how the Romanian

<sup>1</sup> R.J. CRAMPTON, *Eastern Europe in the Twentieth Century – and After*, Routledge, London, 1997, p. 385.

<sup>2</sup> Steven D. ROPER, *Romania: The Unfinished Revolution*, Routledge, London, 2000, pp. 55-56.

<sup>3</sup> David TURNOCK, *Aspects of Independent Romania's Economic History with Particular Reference to Transition for EU Accession*, Ashgate, London, 2007, p. 33.

<sup>4</sup> The "Primăverii" neighborhood was the preferred place of living for the Romanian nomenklatura.

<sup>5</sup> Silviu BRUCAN, *Pluralism and Social Conflict: A Social Analysis of the Communist World*, Praeger, New York, 1990 and Vladimir PASTI, *The Challenges of Transition. Romania in Transition*, East European Monographs, Boulder, Colorado, 1997.

<sup>6</sup> Vladimir TISMĂNEANU, *Stalinism for All Seasons. A Political History of Romanian Communism*, University of California Press, Berkeley, 2003 and Stelian TĂNASE, *Elite și societate: guvernarea Gheorghiu-Dej*, Humanitas, București, 1998.

political leadership viewed the role of the oil industry in the larger framework of the Romanian economy. My main purpose is not so much to challenge the academic canon, but to provide nuance to it. The main authors who elaborated the canon were political scientists and economists usually working with statistics; they usually avoided discussing the problems in terms of the official party view regarding Romania's development strategy. One of the most important problems of this type of research is how to avoid scrap paper, wooden-tongue and worthless literature<sup>1</sup>; therefore, my personal option was to research first and foremost the most important speeches that the leaders of the party were giving in paramount occasions such as Party Congresses or Party National Conferences. Why these speeches and not laws, budgets or other type of documents, doubtlessly useful for a complete research of the matter? Because these are the kind of speeches that give the broader perspectives, which can give us a true measure of what the Romanian communist leadership assigned to a particular sector of economy and society, and of the relations between these sectors. The speeches to these occasions are long, obviously written by teams of specialists, indeed full with a lot of propaganda – which can easily be detected through exercise and by pursuing a systematic lecture of these documents. The entire public policy process and the entire party rhetoric were based on these speeches, by quoting them relentlessly and incessantly in books, magazines, newspapers, radio and TV-programs in the years between Congresses and National Conferences. These are my main reasons why I based the research for this paper mainly on them.

### *The Romanian Communist Leaders Face and Mold Petroleum*

The Romanian communists took power over the economic sectors of government in 1945 and their grip on this power was evident after the nationalization of "the main means of production" on June 11<sup>th</sup>, 1948. However, this cannot be the starting point of my analysis due to a very important reason for which we cannot analyze independently any sector of the Romanian economy for almost a decade after the end of World War II, namely the Soviet-imposed forms of economic cooperation known as the "Sovroms". These were economical conglomerates dedicated either to the production of a particular commodity, such as steel or quartz, or for a specific activity of the economy, such as transportation, in which the Soviet part would usually participate with the financial and fixed capital of the former German societies in Romania (given to the Soviet Union after the signing of the

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<sup>1</sup> The main objection with using these sources is their trustworthiness and especially the wooden-tongue used in it. Wooden-tongue is not a communist occurrence; any document emanating from the European Commission, the United Nations and for that matter the State Department is full with wooden-tongue, be it, bureaucratic, universalistic or capitalist. My main point is that exercise in reading them provides the patient researcher with the ability to separate the precious information from sheer propaganda. Relating to trustworthiness, I tend to think that the data provided in the documents researched are reliable in the sense in which we can think that we can trust the Communist leaders; if we were simply to conclude that they were lying all along, no serious primary-source analysis of Communist regimes is possible, as no independent reports existed in closed societies.

Armistice Convention of September 1944) and Romania would participate with labor, capital, and its own economic societies. They were usually controlled by a board of directors whose leaders were overwhelmingly Soviet citizens and whose main function was to exploit and export Romanian goods to the Soviet Union. Not surprisingly, due to its huge importance in the general framework of the Romanian economy, petroleum was the first product that fell under the sway of the Soviets, Sovrompetrol being the first such company, as early as July 17<sup>th</sup>, 1945<sup>1</sup>. After the nationalization of 1948, all the government-owned petroleum companies joined Sovrompetrol, who by 1950 was controlling the entire crude oil production of the country<sup>2</sup>. According to David Turnock, the virtual nationalization of the Romanian oil industry during World War Two (specifically in 1942) made it quite easy for the USSR to create Sovrompetrol and, in his estimates, as much as two thirds of the Romanian oil production was exported to the Soviet Union forthwith<sup>3</sup>. Thus, it is irrelevant for the purposes of this paper to analyze in depth the speeches and policies of the Romanian communist leaders related to the oil industry of the times: the relevant decisions were taken in Moscow<sup>4</sup>. Only in the mid-1950's, when the decision to dissolve the Sovroms was taken – usually the Romanian government having to buy-back the Soviet share – can my research truly begin<sup>5</sup>.

And so it does, with the speech of Gheorghe Gheorghiu-Dej at the second congress of the Romanian's Workers Party (RWP) in late 1955<sup>6</sup>. Thus, in December 1955, after more than 7 years since the previous congress, and with the dissolution of the Sovroms looming, Dej was free to set his own vision of industrial development, and he truly did so. Oil industry was seen as the engine of the economy, and a significant number of pages was dedicated to its particular place. Oil industry was the first to fulfill the first Five Year Plan (1950-1955), the production of crude oil being 10575 thousand tons in 1955 (compared to 6594 thousand tons in 1938, usually considered the best year of the pre-communist Romanian economy)<sup>7</sup>. Of the total investments in industry, 28.3% went to oil and gas industry, which meant by far the largest investment when compared to the other sectors (electric power received 13.1%, the iron extraction and steel industry 10%), thus making oil the first branch of industry in the mid 1950's<sup>8</sup>, despite huge investments in other sectors, for instance the metallurgical plants of Hunedoara or Reșița. It was too soon

<sup>1</sup> Florian BANU, *Asalt asupra economiei României. De la Solagra la Sovrom (1936-1956)*, București, Nemira, 2004, p. 130.

<sup>2</sup> *Ibidem*, p. 151.

<sup>3</sup> David TURNOCK, *The Romanian Economy in the Twentieth Century*, St. Martin's Press, New York, 1986, p. 157.

<sup>4</sup> For relevant scholarship considering the commanding position the Soviets had in the Romanian Politburo see the classic, or soon to become classic books of Ghiță IONESCU, *Communism in Rumania, 1944-1962*, Oxford University Press, London, 1964; Robert LEVY, *Ana Pauker. The Rise and Fall of a Jewish Communist*, University of California Press, Berkeley, 2001; Vladimir TISMĂNEANU, *Stalinism for All Seasons...cit.*

<sup>5</sup> Sovrompetrol, together with Sovromquart, was the last disbanded, on October 22<sup>nd</sup>, 1956, Florian BANU, *Asalt asupra economiei României...cit.*, p. 173.

<sup>6</sup> This moment also denotes an important shift in the leadership of the party, with Dej returning as first secretary after ceding this position to Gheorghe Apostol for more than a year.

<sup>7</sup> Gheorghe GHEORGHIU-DEJ, *Report on the Work of the Central Committee of the RWP to the Second Party Congress*, Foreign Languages Publishing House, București, 1956. The date of the speech is December 23<sup>rd</sup>, 1955, pp. 47-48.

<sup>8</sup> *Ibidem*, p. 51.

not to mention the importance of the Soviet Union in matters of development in the petroleum industry in the decade after the Second World War and the establishment of the communist regime. Therefore, Dej makes the expected amends, stressing the fact that after the 1945-47 period, when the capitalist oil trusts launched the theory of the fatal decline of the Romanian oil production by the exhaustion of oil reserves, the help of the USSR through Sovrompetrol meant the discovery of new oilfields and thus the reassurance that the geological reserves were much bigger than in 1950. Therefore, in order to again exceeding the plan, the communist leadership stressed raising scientific knowledge through Soviet training, in order to keep the status of oil as the main industry in Romania<sup>1</sup>. In the next section of the speech, dedicated to the directives concerning the realization of the Second Five-Year Plan, Dej mentioned that the investment share in the oil industry will still be the highest, although it will decline to 20.5% of total, but will still be huge when compared to the investments in chemical industry – 13% or iron and steel at 12%<sup>2</sup>. The first sign that conservation and economy were important in the general framework of development appears as early as this speech of 1955 by the provision that the petroleum industry should continue to develop on the basis of an important extension of exploration for newer resources<sup>3</sup>. This provision is of paramount importance for understanding a very important factor, which the academic canon usually ignores. Conservation, the fear for the exhaustion of reserves, of oil wells, was a permanent fear for the Romanian communist leaders, from the very moment they got their autonomous grip on the levers of the national economy<sup>4</sup>. Far from being careless, they always mentioned the need for conservation and for the discovery of new fields. At a certain period, this fear turned into desperation and they will try to develop other sources of energy – some with a mixed success, like coal or hydro-power plants, other ending in failure, such as nuclear/heavy water plants. Dej's speech is thus important not only because some important leitmotifs appear in it, but also for what was left out or ignored in the next speeches of the party leadership: the central role of the oil industry for economic growth. Starting with the next party congress, oil ceases to be the main branch of industry and it becomes just a major helper for the development of steel or chemical industry.

The stress on the economy and the need for new sources of energy for the intensive development of other sectors of the economy became evident from the next speeches, even those of Gheorghiu-Dej. Four and a half years later, at the Third Party Congress, Dej was already pointing out to the fact that the continuous progress of the economy is conditioned by the corresponding growth of the energy basis of the country. Thus, he indicated as main tasks for the future the development of the lignite extraction, the improvement in the use and in the conservation of petroleum resources. This corresponded with another significant task,

<sup>1</sup> *Ibidem*, pp. 53-54.

<sup>2</sup> *Ibidem*, p. 94.

<sup>3</sup> *Ibidem*, p. 102. It became apparent to the Communist leaders as soon as they took back the control of the oil reserves that the blood of the economy needs to be controlled tightly if the general program of industrial growth and development is to be fulfilled. The correlation between the output of energy and the economy's consumption of energy is obvious to the political leadership and will become an leitmotif from now on.

<sup>4</sup> One can probably connect that with the quite excessive commitment to oil drilling and electrification of the early 1950's, which took a heavy toll on resources and money, see David TURNOCK, *The Romanian Economy in the Twentieth Century*, cit., p. 162.

recurrent in all party documents, that of the growth of petroleum reserves<sup>1</sup>. However, the party still had significant plans for the development of the refining utilities and also for building new capacities for extracting and refining petroleum in locations such as Brazi, Borzești and Teleajen<sup>2</sup>.

Somehow surprisingly if we were to take into account just the academic canon, the arrival in power of Nicolae Ceaușescu didn't increase the stress on petroleum industry in his political speeches, but instead relegated the industry, at least rhetorically, to the margins of political discourse. In his first report to a party congress in his new capacity of secretary-general of the party, on July 19<sup>th</sup> 1965 Ceaușescu mentioned just the successes of the chemical industry in the Third Five-Year Plan (who got as a whole one fifth of the total allocations for industrial development), which led to the effective creation of the petro-chemical branch of the economy<sup>3</sup>. The communist leader already stresses the need to discover new oil-fields and the development of the coal-extraction industry, in order to increase the production of electricity faster than the growth of the entire economy<sup>4</sup>. However, this is not entirely surprising when putting these sections into the general framework of the congress and the speech. The congress itself was an opportunity for Ceaușescu to develop his own ideological stance, and his speech is thus merely rhetoric and marks his continuation of the nationalist line begun by Dej. Furthermore, he couldn't and he wouldn't report great successes, not because they simply didn't exist, but actually because they would have been attributed to his predecessor, whom the new leader already targeted for symbolic denunciation. All the results in the field of oil industry so far were obtained under Dej and furthermore the short span between the death of the former party leader and the congress made the clarification of political and ideological stances far more imperative than an economic design that couldn't be presented as wholly original.

The next party congress, held in 1969, brought more of the same: a report from the secretary general that was still hugely concerned with political and ideological issues rather than the economy. In a very scant note, the conservation of oil reserves and discovery of new petroleum reserves were thought of as extremely important tasks<sup>5</sup>, but the report stops here. However, more significant for my

<sup>1</sup> Gheorghe GHEORGHIU-DEJ, "Raportul Comitetului Central (CC) al Partidului Muncitoresc Român (PMR) cu privire la activitatea partidului în perioada dintre Congresul al II-lea și Congresul al III-lea al partidului, cu privire la planul de dezvoltare a economiei naționale pe anii 1960-1965 și la schița planului economic de perspectivă pe 15 ani", in *Articole și cuvântări. August 1959-mai 1961*, Ed. Politică, București, 1961, pp. 116-117.

<sup>2</sup> *Ibidem*, p. 118. See for the development of these particular refineries and oil facilities in the general framework of analyzing the pattern of economic development of Romania in the 1960's David TURNOCK, "The Pattern of Industrialization in Romania", *Annals of the Association of American Geographers*, vol. 60, no. 3, September 1970, pp. 540-559.

<sup>3</sup> Nicolae CEAUȘESCU, "Raportul CC al PCR cu privire la activitatea partidului în perioada dintre Congresul al VIII-lea și Congresul al IX-lea al PCR", in *Opere alese*, vol. I, Ed. Politică, București, 1982, p. 8. A few things need to be mentioned here for clarity: at the 1965 congress the party switched its name from the Romanian Workers Party – which it had from its union with the Social Democratic Party in 1948 – back to the Romanian Communist Party and thus it renumbered the party Congresses. Thus, the Fourth Congress of the RWP became the Ninth Congress of the RCP. Also, the name of the country changed from the People's Republic of Romania to Socialist Republic of Romania and the top leadership position was now designated as secretary-general rather than first-secretary of the party.

<sup>4</sup> *Ibidem*, p. 16.

<sup>5</sup> *Congresul al X-lea al PCR*, 6-12 August 1969, Ed. Politică, București, 1969, p. 29.



purpose are the party directives concerning the 1971-75 Five-Year Plan. There, the party leadership called for maintaining oil extraction at the 1970 level throughout the period, at the level of 13.1-13.5 million tons, thus admitting that the reserves are limited and no new oilfields were expected to be opened<sup>1</sup>. This is the moment when the party clearly decided to boost the chemical industry and to rely on petroleum refined products, by boosting the production by 85-92% in the next five years<sup>2</sup>. In the same time, for the communist leaders it is obvious that the oil consumption, which was essentially for the purpose of producing electricity, was unable to keep up with the demand for energy (thus admitting the failure to raise the production of electricity faster than the pace of growth of the economy). For the first time the need for building nuclear power-plants was mentioned, a recurrent theme in subsequent economic planning<sup>3</sup>. A few years after the Tenth Congress, Ceaușescu reiterated the subordinate role of the petroleum industry as a pillar of economic growth in socialist Romania: the priorities were the modernization of the industrial structure with an accent on production of superior steel and the pursuit of nuclear energy. The stress on the intensification of geological research in order to increase the volume of available reserves and for the discovery of new fields is always present<sup>4</sup>. This theme, as I said before, turned entirely into an obsession of the political leadership, as soon as the oil crisis began. At the Eleventh Party Congress, on 25<sup>th</sup> November 1974, the party secretary-general Nicolae Ceaușescu was making only one mention of oil industry in his entire report to the congress. This mention is the first provision in his entire speech devoted to economics, stressing the need to intensify geologic activity in order to identify new energy resources and also new raw materials deposits (sign that the coal and iron industry was also going through tough times)<sup>5</sup>.

From this point on the diversification of the resources for energy production becomes far more important than any other consideration when related to the matters concerning oil. Already before the main effects of the oil crisis hit the Romanian economy, its communist leaders already knew they were in trouble if they couldn't find the necessary energy resources to sustain the rhythm of industrial growth. In 1977 (thus two years before the second oil shock to which most of the academic canon alludes to as the turning point) Ceaușescu stressed the need for a rational use of raw materials and energy<sup>6</sup>. For the oil production in particular, as the existing fields proved that the reserves were more and more limited, the leadership envisioned deep and offshore drilling, still hoping to find on an internal basis the necessary resources to fuel up the industrial growth<sup>7</sup>.

More references to the oil industry problems are to be found in the documents of the Twelfth Party Congress, held from 19 to 23 November 1979. This is probably the most famous congress of the entire Ceaușescu era because the only open and

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<sup>1</sup> "Directivile Congresului cu privire la planul cincinal 1971-1975", in *ibidem*, pp. 675-676.

<sup>2</sup> *Ibidem*, p. 681.

<sup>3</sup> *Ibidem*, p. 714. One should note the failure of the communist regime in completing its nuclear-energy project. The first nuclear reactor was producing electricity for the first time in 1994, five years after the fall of communism.

<sup>4</sup> *Conferința națională a PCR*, 19-21 July 1972, Ed. Politică, București, 1972, p. 467.

<sup>5</sup> "Raportul CC cu privire la activitatea PCR în perioada dintre Congresul al X-lea și Congresul al XI-lea și sarcinile de viitor ale partidului", in Nicolae CEAUȘESCU, *Opere alese*, vol. II, ed. cit., p. 582.

<sup>6</sup> *Conferința națională a PCR*, 7-9 December 1977, Ed. Politică, București, 1978, p. 223.

<sup>7</sup> *Ibidem*, p. 388.



internally-visible dissidence of an elderly communist leader took place during it, namely the speech of former party leader Constantin Pârvulescu against the reelection of Nicolae Ceaușescu as secretary-general of the party (his intervention was removed from the official collection of documents concerning the Congress)<sup>1</sup>. In his report, the leader of the party accentuates the need for saving energy and, extremely important especially in the decade to come, on the use of coal in the production of electricity and heating and on the development of hydroelectric energy – and of maintaining the level of oil extraction at least at the 1980 level<sup>2</sup>. The crisis conditions were known and recognized by the party leadership, who devised a “Directive-program for research and development during the 1981-1990 decade” which stressed the need, almost the obsession with autarky evident from now on, to make Romania independent from the point of view of the production of energy<sup>3</sup>. This program was so ambitious (and also unrealistic) that it called for the decrease of the percentage of petroleum-produced electric energy from 39.7% in 1980 to 5 or 4% in 1990<sup>4</sup>. Most relevant for my discussion here is the evidence this speech brings about the extent to which, in the middle of the second oil shock, the political leadership was completely aware of the consequences of its decisions and tried everything in its power to avoid the deepening of the problems they faced.

This was extremely obvious as soon as a decade that was marked by the re-scheduling of payments and the decision to pay as soon as possible the external debt started in 1980. On November 25th 1981, Ceaușescu openly admitted in front of the political and economic leadership that there were difficulties in insuring the energy bases of the economy, due largely to the failure to fulfill the coal extraction and oil-drilling plans, and also due to excessive consumption of energy<sup>5</sup>. The president of the republic gives a thorough assessment of the crisis, discussing the specifics of the [international oil?] crisis and its stronger effects on the developing countries. In an ideological twist worth mentioning here, he calls the problems of the financial situation – namely the increase of interests on foreign loans – a new form of “imperialist and colonialist oppression and exploitation created by the financial capital”<sup>6</sup>. It was openly admitted that the orientation for the purchase of raw materials and especially energetic resources was focused outside the CMEA, towards friendly developing countries but also capitalist states. More than 80% of the petroleum imported came from the LDC’s and especially friendly Arab countries<sup>7</sup>. The global implications of the energy crisis were further discussed at the March 31<sup>st</sup> 1982 party plenary session, which stressed the need to increase coal extraction, to build electric plants based on coal, hydroelectric plants and, again, nuclear power-plants (who were supposed to provide 14% of the total energy output

<sup>1</sup> Constantin Pârvulescu (1895-1992) was briefly member of a triumvirate which led the Party in 1944. His speech can be listened at <http://www.youtube.com/watch?v=QvvUQz34C3o> (last visited at October 13, 2009).

<sup>2</sup> *Congresul al XII-lea al PCR*, Ed. Politică, București, 1981, pp. 32-34.

<sup>3</sup> *Ibidem*, p. 767.

<sup>4</sup> *Ibidem*, p. 774.

<sup>5</sup> “Expunere la plenara comună a CC al PCR și a Consiliului Suprem al Dezvoltării Economice și Sociale”, in Nicolae CEAUȘESCU, *Opere alese*, vol. IV, ed. cit., 1986, p. 217.

<sup>6</sup> *Ibidem*, p. 219. This particular theme will be a recurrent one in the rhetoric of the regime and of its press, see for instance the article of Dr Ilie ȘERBĂNESCU, “Dobânzile excesive – mijloc de spoliere neocolonialistă”, *Scânteia*, 18<sup>th</sup> March 1986.

<sup>7</sup> *Ibidem*, pp. 232-233.

by 1990)<sup>1</sup>. As the year went by, the problems became more and more acute and the communist leaders felt the need to address them in more and more determined ways. On December 16<sup>th</sup> 1982 Nicolae Ceaușescu was telling his fellow leaders that the economic crisis is worse than the 1929 Great Depression. Desperate measures were in order, namely the faster development of the energy basis even by utilizing minerals with a lesser content of useful substances. The Party also announced at that moment that it was fully decided to cut electricity consumption<sup>2</sup>.

One could easily follow the preoccupation for the reducing of energy consumption and the stress on saving and better utilization of oil by looking for instance at certain articles in the main Romanian newspaper, *Scântea* (the official organ of the CC of the RCP). *Scântea* was the largest circulated Romanian newspaper, all institutions were obliged to subscribe to it and it was where the most official party line was to be found throughout the communist decades. If there were any changes or important messages to be sent to the population, they would be found in this newspaper, that largely had the same role as *Pravda* in the Soviet Union. I think that a look at five consecutive months in 1984, directly preceding the Thirteenth Party Congress is particularly relevant. In January, a front-page article by Dan Constantin with the title "Mai mult țitei, mai multe gaze naturale" attempted to mobilize workers to fulfill the plan, also emphasizing the need to find better ways of extracting oil, especially using mixed methods and deep-drilling<sup>3</sup>. The next month, under the banner of the recurring rubric "Energia electrică și combustibilul – riguros gospodărite – sever economisite" a large article appeared appealing on the citizens conscience to become a counter for rational consumption of energy<sup>4</sup>. The leading article of the March 21<sup>st</sup> issue had the title "În spiritul indicațiilor tovarășului Nicolae Ceaușescu – consumurile energetice – reduce substanțial, la fiecare produs, în fiecare întreprindere"<sup>5</sup>. The rubric "Energia electrică și combustibilul – riguros gospodărite – sever economisite" reappeared in April with a huge analysis of deficiencies in production, wondering how come that the Câmpulung factory was consuming more energy than the Târgu-Jiu factory to produce the same amount of cement<sup>6</sup>. Even more interesting and telling is the May 24<sup>th</sup> number, which asked on the second page for full awareness while saving energy in all branches of industry, while the first page hosted a huge material dedicated to the visit of general Gnassingbe Eyadema, the Togolese dictator (this largely shows who were the friends of Nicolae Ceaușescu by that moment – dictators from the Third World Countries, devoid of international stature but possibly rich in material resources)<sup>7</sup>.

The same recurring themes of conservation, the need to increase the output of the other energy-producing sectors of the economy came at the time of the

<sup>1</sup> "Hotărârea plenarei CC al PCR cu privire la realizarea planului de producere a energiei în cincinalul 1981-1985 și dezvoltarea bazei energetice a țării până în 1990", in *Epoca Nicolae Ceaușescu. PCR centrul vital al întregii națiuni. Documente ale plenarelor CC și ale Comitetului Politic Executiv al CC al PCR 1965-1985*, vol. IV, Ed. Politică, București, 1986, pp. 61-62.

<sup>2</sup> "Raport cu privire la stadiul actual al edificării socialismului, la realizarea planului unic de dezvoltare economico-socială, la programele speciale și la măsurile pentru îndeplinirea cu succes a cincinalului, a hotărârilor Congresului al XII-lea al partidului", in Nicolae CEAUȘESCU, *Opere alese*, vol. IV, ed. cit., 1986, pp. 395-404.

<sup>3</sup> *Scântea*, 11 January 1984, no. 12871.

<sup>4</sup> *Scântea*, 2 February 1984, no. 12890.

<sup>5</sup> *Scântea*, 21 March 1984, no. 12931.

<sup>6</sup> *Scântea*, 8 April 1984, no. 12947.

<sup>7</sup> *Scântea*, 24 May 1984, no. 12985.

Thirteenth Party Congress. On November 19<sup>th</sup> 1984 the Romanian leader spoke about the dire consequences of the world economic crisis especially on the production of oil and petroleum-refined products. Although the chemical industry's output was by now 39% of the entire economic production, the energy resources needed to be boosted by the same much discussed means: increase of the coal output and the development of hydro energetic projects and nuclear energy<sup>1</sup>. A year after the Congress, on November 13<sup>th</sup> 1985 Nicolae Ceaușescu stressed at the party plenary session that deficiencies in the output of coal led to an increase in the import of oil<sup>2</sup>. The communist leader stressed again and again the need to save energy; to show the dire state of the economy, he mentions the need to develop the railways transportation system and to curtail road-transportation, which was 10 times more expensive<sup>3</sup>. In 1987 the energy crisis is still out in the open; in March Nicolae Ceaușescu was openly admitting that the plan quotas for the extraction of oil were unfulfilled and that the most important economic problems are caused by the excessive consumption of energy and the failure to meet the Five-Year Plan commitments<sup>4</sup>.

The nervousness of the party leadership concerning the problems of the economy is more and more obvious in the press. Let us take for instance just the interval 20-25 September 1987. The front editorial of *Scântea* on Sunday, September 20<sup>th</sup> 1987 was signed by Ion Lazăr and was entitled "În întâmpinarea conferinței naționale a partidului. Noile capacități energetice – neîntârziat în funcțiune" which stressed the need to implement by the end of the year power plants that could provide a total output of 1700 MW<sup>5</sup>. On Wednesday, the newspaper hosted a big article on page two dedicated to the preparation of the homes for the cold season, asking citizens to isolate the windows and door of their homes to save more energy<sup>6</sup>. Friday, the paper printed a first page editorial by Dr Engineer Ilie Paraschiv on the role of scientific research in the process of the development of the raw materials reserves and a third page article about the preparation of power-plants for winter<sup>7</sup>. Thus, one sees very easily that matters concerning the saving of energy were out in the open, not at all a secret of the communist leadership.

The documents of the last years of the communist regime play the same tune over and over again. At the 28-29 March 1988 plenary Ceaușescu states that the major problems of the economy are related to the excessive interest rates demanded by capitalist financial institutions, which led to a heavy burden for the developing countries<sup>8</sup>. At the last party congress, held in November 1989, the party secretary-general was again denouncing the financial-banking capital and supranational monopolies as the main form of the exploitation of different peoples and

<sup>1</sup> Nicolae CEAUȘESCU, *Report of the CC on the Activity of the RCP between the Twelfth Congress and the Thirteenth Congress and on the Future Activity of the Party with a View of Attaining Romania's Economic and Social Development Targets under the 1986-1990 Five-Year Plan and, in the Long Run, until the Year 2000*, Ed. Politică, București, 1984, pp. 10-19.

<sup>2</sup> "Cuvântare la plenara CC al PCR", in Nicolae CEAUȘESCU, *Opere alese*, vol. IV, ed. cit., 1986, p. 846.

<sup>3</sup> *Ibidem*, p. 849.

<sup>4</sup> Speech at the 24-25 March 1987 plenary of the CC of the RCP in *Munca de partid*, vol. 31, no. 4, April 1987, p. 3. *Munca de partid* was the monthly publication of the CC of the RCP.

<sup>5</sup> *Scântea*, 20 September 1987, no. 14022.

<sup>6</sup> *Scântea*, 24 September 1987, no. 14024.

<sup>7</sup> *Scântea*, 25 September 1987, no. 14026.

<sup>8</sup> "Cuvântare la plenara CC al PCR", *Munca de partid*, vol. 32, no. 4, April 1988, p. 4.

especially of the subordination of developing countries<sup>1</sup>. The same old themes reappeared, with an emphasis of the multiplication of the oil reserves, the improvement of output in the extraction of coal and the vast development of nuclear power-plants (the leadership envisioned that 50% of the electric energy would come from nuclear sources by 1995, in the context in which Romania didn't have a single operational nuclear reactor in 1989)<sup>2</sup>. On December 4<sup>th</sup>, 1989, a desperate Romanian delegation that included Ceaușescu and the prime-minister Constantin Dăscălescu met with Mikhail Gorbachev and the Soviet premier Nikolai Ryzhkov in Moscow, a day after the famous Malta summit between Gorbachev and George H.W. Bush. The Romanian leader made a self criticism for not listening to Brezhnev in the 1970's and going into debt and let the prime-minister to beg for bilateral economic talks regarding the import of energy and raw goods from the Soviet Union<sup>3</sup>. On December 16<sup>th</sup>, 1989, five days before the fall of the regime, and on the day when the repression against the protesters in Timișoara began, Nicolae Militaru published a front-page editorial in *Scântea* calling for the broadening of the energy and raw-materials basis of the country as priority objectives of the entire economic activity<sup>4</sup>. The regime was indeed dying with the energy issues hanging from its neck.

### *Interpretation and Conclusion*

What are the general conclusions of my research? How can we look at the academic canon in the light of the primary-sources research presented above? As I mentioned earlier, the purpose of this particular paper was not to refute or to drastically amend the academic canon. Indeed, a research project bent on refuting the canon would be more focused on the actual processes inside the economy, to look for trends in the national budget, prices, trends in public debt, investment in the industry, and the economic interconnections between the petroleum industry and the economy as a whole, as well as external forces. Such work would imply a research into historical public policies and economics. The purpose of my paper instead were first to establish and discuss the existence of the academic canon and secondly to see whether the research of the public speeches of the Romanian communist leadership can shed any supplementary light regarding the established theory. From my point of view, the research that I pursued in this paper offers some important developments and amendments to the canon.

First, it points out to the fact that – at least for the stated policy – the oil industry was not the main concern of the communist regime starting at least in the early

<sup>1</sup> Nicolae CEAUȘESCU, "Raport cu privire la stadiul actual al societății socialiste românești, la activitatea CC între Congreșele al XIII-lea și al XIV-lea, la realizarea Programului-Directivă de dezvoltare economico-socială în cincinalul al IX-lea și în perspectivă până în anii 2000-2010, în vederea îndeplinirii neabătute a Programului de făurire a societății socialiste multilateral dezvoltate și înaintare a României spre comunism", *Munca de partid*, vol. 33, no. 12, December 1989, p. 44.

<sup>2</sup> *Ibidem*, p. 21.

<sup>3</sup> "Minutes of the Meeting between Nicolae Ceausescu, and Mikhail S. Gorbachev, Moscow", December 4<sup>th</sup>, 1989 available at <http://www.wilsoncenter.org/cwihp/documentreaders/eotcw/891204b.pdf> (last visited at December 1<sup>st</sup>, 2008).

<sup>4</sup> *Scântea*, 17 December 1989, no. 14722.

1960's. Except for a short period immediately following the recuperation of sovereignty related to oil policy in the mid 1950's, the petroleum industry was never an end in itself for the Romanian communists. A closer look to their grasp of the industrial development of Romania shows, in my opinion, that oil was just one very important means to fire up the general industrial development of the country, whose accent actually lies more on more on metallurgy, the construction of heavy and advanced machinery, and chemical products. Energy was just blood in the veins of the economy, not a purpose in itself. I think that the idea that Ceaușescu wanted only to build a strong petrochemical industry is an overstatement; the development of the economy was far more complex in the mind of the communist leaders.

Secondly, the problems with the supply of energy didn't start with the oil crises of the 1970s, but were merely aggravated by them. Romania was growing faster from an industrial point of view than its ability to provide enough energy to all its industry plus its booming urban population. Oil was just one of the ways to provide energy to the economy, as always since the 1960's the stress was on developing other sources such as coal, hydro-energy and nuclear energy. The failure of the projects related to these three, plus the decline of the production of petroleum AND the oil crisis led to the general industrial crisis of the 1980's, in conjunction with Romania's shaky base of raw materials.

Third, the research pointed out that the communist leadership and after a certain moment the general public was deeply aware of the problems of the structuring of the economy, because all those problems were exposed in public broadcasts, speeches and articles published in the mainstream press. The Romanian leaders did not keep the crisis in the dark, but rather they discussed it out in the open, even though they were blaming the foreign banks and industrial monopolies for it, leaving only small references to the inability of the workforce and the machinery to fulfill the yearly or five-year plans. The decision for autarky was not a permanent characteristic of the communist regime. Indeed, this preliminary research leads to an idea that needs further work, namely that the regime wanted at least initially to connect Romania with international trade and develop it as a net exporter of advanced industrial products, using the heavy currency obtained from trading refined petroleum products for buying newer technologies.

The general conclusion of the paper is that a deeper research on the party documents and economic policies lead to a wider understanding not only of the worldview of the Romanian communist leaders, but also to nuances when describing the economic causes of political and social change. If somehow dull and unrewarding at first, after a certain mastery of eliminating the wooden-tongue passages, these documents can become deeply relevant for understanding a certain communist regime. This research project reinforced my view that good research must not be confined to a particular event or even time period; a medium, if not a *longue durée* is a far better methodological approach.