

## SOME ASPECTS OF THE ECONOMIC-INDUSTRIAL COOPERATION IN THE ROMANIAN-WEST GERMAN RELATIONSHIPS FROM THE SECOND HALF OF THE 20th CENTURY

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**Rezumat:** Când și-a început controversatul proces din a doua jumătate a deceniului 6 al îndepărtării față de directivele Uniunii Sovietice, România a urmărit, printre altele, construirea unei economii naționale independente și dezvoltarea relațiilor politico-diplomatice și economice cu statele occidentale dezvoltate. La începutul deceniului 6, Germania de Vest a dorit, pe lângă alte proiecte legate de spațiul vest-european, o apropiere de capitalele răsăritene și cooperarea cu acestea. În cadrul relațiilor bilaterale, România și-a fixat o serie clară de obiective sau inițiative economice (cooperarea industrială și cooperarea tehnico-științifică) iar Germania Federală a urmărit dezvoltarea domeniului comercial și concretizarea relațiilor culturale. Primele instrumente oficiale care statutau cooperarea economică între cele două state: Acordul asupra cooperării tehnico-economice din august 1967 și Acordul pe termen lung privind colaborarea economică, industrială și tehnică din iunie 1973. Cooperarea în producția industrială dintre R.S. România și R.F. Germania a cunoscut mai multe forme – specializare bilaterală sectorială a producției, coproducția-concept, coproducția în întreprinderile mixte, producția la comandă, lucrarea cu echipamente și utilaje pe credit rambursabil în produse.

**Résumé:** Lorsque la Roumanie a commencé le controversé procès d'éloignement des directives de l'Union Soviétique de la seconde moitié de la 6-ème décennie, elle a suivi, entre autres, la construction d'une économie nationale indépendante et le développement des relations politiques - diplomatiques et économiques avec les Etats occidentaux développés. Au début de la 6-ème décennie, l'Allemagne d'Ouest a voulu, auprès des autres projets liés de l'espace ouest-européen, un rapprochement des capitales estiques et la coopération avec celles-ci. Dans le cadre des relations bilatérales, la Roumanie s'est fixé une série claire d'objectifs ou d'initiatives économiques (la coopération industrielle et la coopération technique – scientifique), pendant que l'Allemagne Fédérale a suivi le développement du domaine commercial et la concrétisation des relations culturelles. Les premiers instruments officiels qui ont statué la coopération économique entre les deux Etats: l'Accord sur la coopération technique-économique d'août 1967 et l'Accord à long terme concernant la collaboration économique, industrielle et technique de juin 1973. La coopération dans la production industrielle entre La R. S. Roumanie et la République Fédérale Allemagne a connu plusieurs formes – spécialisation bilatérale sectorielle de la production, la coproduction – concept, la coproduction dans les entreprises mixtes, la production à commande, l'ouvrage avec des équipements et outillages sur crédit remboursable en produits.

**Abstract:** When it started the controversial process of alienating our country from the Soviet Union's directives in the second half of the 6th decade, Romania tried, among others,

to build an independent national economy and to develop political-diplomatic and economic relationships with the developed western countries. At the beginning of the 6<sup>th</sup> decade, the Western-Germany looked, among other projects relating to the west European region, for the approach of the Eastern capitals and the cooperation with these ones. Within the bilateral relationships, Romania set out a clear series of objectives or economic initiatives (the industrial cooperation and the technical-scientific cooperation) and the Federal Germany intended to develop the commercial field and to put across cultural relationships. The first official instruments stating the economic cooperation between the two countries were represented by the Agreement for the technical-economic cooperation in August 1967 and by the Long term Agreement for the economic, industrial and technical collaboration in June 1973. The industrial production cooperation between S.R. of Romania and F.R. of Germany knew several forms – international sector bilateral specialization of production, co-production concept, co-production in the mixed companies, the loan, the work with equipments and machineries on credit payable in products.

**Keywords:** Relationships, production, governments, economic cooperation, companies, industry.

Within the more complex context of political and economic opening of Romania towards the western world, the beginning of dialogue and the dynamics of the economic bonds with the Federal Republic of Germany represented an extremely important page of history for the Romanian external economic relationships. No details are known for the steps the Romanian government's officials took for the relationships with the Western-Germans, less known and less studied relationships. We tried to supply in a certain measure the ignorance of the dynamics of the economic relations between Bucharest and Bonn, presenting the dialogues and the contacts between the two European states the way we were allied to. This is one of the most important topics transcending from the Romanian relations with the Federal Germany which deserves to be studied and brought to light in the contemporary history and that we have tried to treat respecting the scientific strictness perspective which is specific to history. In the 50s, Romania and the western German land found new economic and diplomatic vocations, according to the political evolution specific for each country, thus getting new statutes within a complex European geopolitical context.

In the second half of the 6th decade it started a controversial process of alienating our country from the Soviet Union's political-economical directives, process which has its origin in the efforts of the leaders Gheorghe Gheorghiu-Dej and Ion Gheorghe Maurer to layout its own diplomatic and economic direction to Romania<sup>1</sup> (as a response to the try of the Soviet Union to change some European communist leaders from the old guard<sup>2</sup> and to consolidate the economic integration of the European socialist countries under its influence<sup>3</sup>) and which took place within a larger external context of relaxation of the European diplomatic life and of the

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<sup>1</sup> Dennis Deletant, *România sub regimul comunist*, București, 1997, p. 119.

<sup>2</sup> Idem, *Teroarea comunistă în România. Gheorghiu-Dej și statul polițienesc. 1948-1965*, Iași, 2001, p. 214.

<sup>3</sup> Kurt Treptow (ed.), *A History of Romania*, Iași, 1995, p. 540.

isolated crises within the socialist block<sup>4</sup>. Romania tried then to build an independent national economy, to develop political-diplomatic and economic relationships with the developed western countries, to come off the diplomatic, economic and cultural structures strictly related to the Warszawa Treaty bodies and to the Council for Mutual Economic Assistance and also to be strongly present in the international diplomatic arena<sup>5</sup>.

After Bonn had won *de facto*, in 1952, the state political and economic sovereignty, the west-German political and economic leaders looked for, on one hand, the consolidation of their country's position in the western political-economic world and the community institutional construction in the Western Europe and on the other hand the approach of the Eastern capitals and the cooperation with these ones<sup>6</sup>. The Eastern component of the external politics (named „Östpolitik”) in which the Federal Republic of Germany opened the dialogue with the communist countries<sup>7</sup> was determined by a series of premises (the political meltdown between East and West, the internal economical growth which also generated the interest for the Eastern markets) and by specific causes (the desire to detach from the American political-diplomatic directives, advanced cooperation of other western countries with the socialist economies, the desire to approach the important German community from the communist central-European space) and it was followed by relatively long periods under the „Hallstein doctrine” influence since 1955 when Bonn didn't have a dialogue with the countries which recognized the existence of the Democratic Republic of Germany<sup>8</sup>.

The Romanian and also the Federal Germany evolutions from the second half of the 50s aimed two main directions: the industrialization of the country with western contribution and the refuge from the eventual political-military mixtures of the soviets, respectively the development of the relationships with the West and the settlement of the relationships with the European socialist countries. All these objectives of the Romanian and West-German diplomacy determined complex actions within a series of specific evolutions: ideological evolutions, diplomatic evolutions and economic evolutions. Romania and the Federal Germany carried on, within their relationships, a series of specific actions which, by their consequences, satisfied the proposed governmental politics within the context of formulating and orienting their own directions for external and internal politics at the beginning of the 7th decade.

Romania set out a clear series of objectives or economic initiatives even from the beginning in its relationships with the Federal Republic of Germany. The most important initiatives in this respect were the industrial cooperation and the technical-scientific cooperation; based on the detachment from the soviet politics and within the industrialization process it has starter, Bucharest looked for a new European partner

<sup>4</sup> Serge Bernstein, Pierre Milza, *Istoria Europei*, vol. 5, Ia i, 1998, pp. 243-247.

<sup>5</sup> Lavinia Betea, *Convorbiri neterminate. Corneliu Mănescu in dialog cu Lavinia Betea*, Cluj-Napoca, 2001, p. 74.

<sup>6</sup> Josef Foschepoth (coord.), *Adenauer und die Deutsche Frage*, Göttingen, 1990, p. 62.

<sup>7</sup> *Ibidem*, p. 73.

<sup>8</sup> Josef Foschepoth (coord.), *op.cit.*, pp. 61-63.

capable to support its economic programs<sup>9</sup>. The Federal Germany intended within its relationships with Bucharest to develop the commercial field, to become one of the most important western partners for the Romanian economy and commerce, to put across complex bilateral cultural relationships<sup>10</sup>. Not last, Bonn paid an extremely important attention to the statute of the Romanian citizens of German origin involving itself even from the beginning in the first negotiations at the level of the Ministry of Exterior Affairs in helping their emigration. The Federal Republic of Germany always looked attentively at the life of the German communities outside its borders, analyzing the evolution of the German origin population and the reality of their lives within the European socialist countries, knowing also the Romanian situation.

The official contacts at the institutional level between the communist Romania and the Federal Germany were not accidental and they were not established before some careful steps of the governmental cabinets from the two European countries, all being part of the external politics plans – both countries were based on – for the settlement of contacts with the most important members of the opposite political-military and economic blocks. The settlement of the economic and respectively diplomatic relationships with the Federal Republic of Germany at the end of the 50s and the beginning of the 60s was part of a larger system of political-diplomatic and economic actions of the socialist Romania: the establishment of some own directions for the political action and for the economic growth, the affirmation of the decisional independence of the direction of the Romanian Labour Party for its own internal or external politics and the economic organization within the European socialist structures, the refuse to be part of the supra-state economic plans of the Soviet Union, the establishment of relationships with Western countries such as France, Great Britain or the United States of America<sup>11</sup>.

After The Second World War, the economies of the states from Eastern and Western Europe started to differentiate very much and this was also the situation for Romania and the Western Germany too: our country had to imitate the soviet economic model while the new state from Eastern Europe continued the liberal capitalist economic system which existed at the beginning of the 20<sup>th</sup> century.

The post-war economic and commercial relationships between Romania and the Western Germany were born at the end of the 6th decade, by performing the first imports and exports between the two countries<sup>12</sup> and the first informal political-diplomatic contacts were made in the first years of the 7th decade<sup>13</sup>; at the institutional level, the economic collaboration started in 1963 when the permanent

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<sup>9</sup> Arhivele Na ionale Istorice Centrale (A.N.I.C.), Fond C.C. al P.C.R., sec ia Cancelarie, dosar nr. 24/1964, f. 177.

<sup>10</sup> Eduard Mühle (ed.), *Germany and the European East in the Twentieth Century*, Oxford, 2003, p. 164.

<sup>11</sup> Lavinia Betea, *op. cit.*, pp. 74-75.

<sup>12</sup> Arhiva Consiliului Na ional pentru studierea Arhivelor Securit ii (A.C.N.S.A.S.), fond Documentar, dosar D11.745, ff. 1-8.

<sup>13</sup> A.N.I.C., Fond C.C. al P.C.R., sec ia Cancelarie, dosar nr. 69/1966, f. 44.

trade representative offices of the two countries were opened. The diplomatic collaboration at the embassy level started in January 1967.

Once the commercial and economic relationships established, Romania knew the increase of exports (especially for agricultural products), the contact with a very competitive market (which allowed to accumulate a commercial experience in treating the relationships with other western partners), an industrial technology infusion at the highest level (especially for the metallurgical industry, for the machine industry and for the chemical industry), west-German equity investments as loans or investments (which helped it in the special economic relationships with its Eastern neighbours), it reshaped the export values, it found a relatively important market for the sale of its industrial products. The economic cooperation was advantageous for our country, all the economic branches and the Romanian scientific-technical field gaining further this type of collaboration contacts and programs: it had access to advantageous external loans, it got favourable customs preferences for its export products in its relationship with the European Economic Community, it played a privileged role in its economic relationships with different west-European community bodies.

Even though it was not situated at the level expected by the Romanians, the Romanian–west-German economic relationships brought an advantage to our country, being responsible in a certain measure by the economic development from the second half of the 20th century. Concerning the political-diplomatic relationships after January 1967, Romania found in the Western Europe a very strong and stable political ally in its external evolution, the Western Germany being one of the vanguards of the entrance of the Romanian diplomacy in the western world. The same thing can be said for the Federal Germany for the Warszawa Treaty area. For the Federal Republic, the political-diplomatic relations with Romania created the opportunity for a series of premieres in its external political history: the formalization of the first diplomatic relationships at an embassy level with a socialist country, the first country visits of an External affairs minister, of a socialist first minister and president, the first visits of an external affairs minister, of a chancellor and of a German president into a socialist country (for the socialist countries, except for the Soviet Union). Within this kind of relationships, Bonn could control in a certain manner the situation of the German ethnics' migration from our country in the Federal Republic. If our country had the advantage in the case of the bilateral economic relationships, the Western German involvement was greater in the case of the political-diplomatic relationships. The “family reunion” issue represented one of the fundamental themes for the bilateral relationships, theme that was discussed again and negotiated many times by the German part which wanted to bring in the F.R. of Germany a part of the Romanian citizens of German origin who were having their family there. The west-German diplomacy's insistence was fruitful, a few thousand of ethnics leaving Romania for the Western Germany.

The precise definition and the exact delimitation of the cooperation concept from the one referring to the economic collaboration, of the commercial exchanges, presents an utility both in theory (for a strictly scientific economic analysis) and in practice (in order to elaborate a proper state economic politics which offers the

guidance and the most favourable framework for the extension of the international economic relations). The international economic cooperation represents the contract relationships established between two or more legal or physical entities from different countries, scheduled for many years, aiming the achievement of some operations between them by co-participation, in the production, trade or credit field, in order to obtain mutual benefits such as profit or any other agreed form.<sup>14</sup>

The international economic cooperation (accelerated under the conditions of the scientific and technical revolution from the 60s and 70s of the 20th century – on one hand and of the internal process, organized by becoming aware of the political and economic decision factors – on the other hand) represented an important factor for the socialist Romanian economic growth. The main directions the economic cooperation contributed to – and still are, but obviously in other historic conditions – to the economic level growth are: a. The cooperation for the production (which permits the realization of some great objectives ensuring a stability and continuity character to the partners' relationships, permitting the introduction of some long term estimation and planning elements, representing an important means to perfect the international economic structures, becoming an information means of the of the economic specialty staff, continually ameliorating the company's organization); b. In science and techniques (permitting the avoidance of the institutional parallelism and of the funds, the acceleration of production, of transactions and equity exchange, contributing to the attenuation of the technical-scientific gaps between countries); c. In the international commerce (which is a propeller factor for the external trade and it ameliorates the exchange and product structure currents; d. In the payment and credit system (it creates a favourable framework for solving the payment issues, it confers dynamics and suppleness to the international credit system). Taking all these positive effects of the international economic cooperation upon the development and modernization of the Romanian economy into account, the fact that this cooperation represents one of the dynamic processes of the world economy from the second half of the 20th century, it was normal that the Labour Party (after 1965 named the Communist Party) to have the initiative to align Romania to this flux of world economic circuit.

The essential features of the bi and multilateral economic cooperation are: the cooperation is strictly legally regulated, based on contract; within it, the economic partners reunite their efforts (human, material and financial resources); the cooperation is realized in all the activity fields; the performed operations for cooperation are long term inter-related; the cooperation has a precisely determined target-function: obtaining material or financial advantages by all its partners.

**LEGAL FRAMEWORK.** The first official instrument which stated the economic cooperation between the two states was represented by the Technical-

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<sup>14</sup> Alexandru Albu, *Cooperarea economică și tehnico-științifică internațională*, Bucure ti, 1973, p. 16.

economic cooperation Agreement between the S.R. of Romania and the F.R. of Germany signed on 3rd of August 1967 in Bucharest.

By the provisions of this Agreement<sup>15</sup>, the contract parties engaged themselves to promote the technical-economic cooperation between the two countries, especially supporting the production and sale cooperation; the agreement emphasized the cooperation importance in the machine production, equipments deliveries on third markets, the cooperation regarding the development of new technical processes, getting licenses, documentations, samples etc. The economic units of the two countries were the ones establishing the conditions for the realization of cooperation. There was agreed that for the delivery of goods produced under the cooperation agreement, of raw materials, materials and machines necessary for the production of these goods the governments of the two countries, notwithstanding the proper contingencies, to be created the import possibilities based on their internal legislation. According to the provisions of article IV, a mixed commission composed of the two countries' representatives will have examined the issues concerning the cooperation, submitting to the governments of the two countries solution proposals and recommendations. The agreement was approved by the decision of the Ministers' Council in October 1967 and it was decided that the date when these one became effective to be settled between the two countries by a note exchange. That Agreement replaced the letter exchange referring to the technical-economic cooperation done once with the signature on 6th of October 1966 of the 2nd Appendix-Protocol to the Agreement regarding the Good Exchange between the S.R. of Romania and F.R. of Germany on 24th of December 1963 and which is part of this one.

In 1973, year that marked the visit of president Ceausescu in the Federal Germany and the signature of several bilateral agreements, a new agreement was signed in Bonn in this field; the Long term agreement (1973-1983) for the economic, industrial and technical cooperation on 29th of June 1973 valid for the period 1973-1983. Based on it, the Romanian part and the Western-German decided to extend their economic collaboration and to sustain the economic, industrial and technical cooperation growth in the two states' companies, organizations and institutions. The signatories agreed to create facilities (having in view their rights and obligations as G.A.T.T. members, including the mutually agreed the most favoured nation clause) for the agreement and elaboration of cooperation projects and to facilitate the marker access for the partner economic agents. In conformity with art.3, the bilateral cooperation must follow a series of more important objectives: the construction of new industrial equipments and also the extension or modernization of the existing ones; the common production and trade of goods and specialization in production and sale; the incorporation of mixed production and trade companies; the exchange of technical information, patents and licenses; the application and improvement of the existing technical processes or the development of new processes and also the preparation and exchange of specialists and practitioners; experience exchange, agreements in the norm, metrology and material trial fields. For the bilateral

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<sup>15</sup> Gheorghe Gheorghe, *Tratatele internaționale ale României*, vol. IV, Bucure ti, 1986, p. 73.

cooperation the following fields were considered: ferrous metallurgy, machine and equipment construction, car, air plane and naval construction, electro-engineering, chemistry and petro-chemistry, light industry, alimentary industry, agriculture. The two parties agreed to pay all the efforts for the eventual financing and credits given under the most favourable conditions possible within the existing regulations in the two countries and the mutual payments must be done in DM or in other freely convertible currencies. Article X showed that the partner countries agreed to constitute a mixed commission having as objective the annual examination of the economic cooperation, carrying on a regular opinion exchange regarding the continuous development of cooperation<sup>16</sup>.

**FORMS OF ECONOMIC COOPERATION.** In the 60s-80s, the main activity field in which international cooperation agreements took place were: the cooperation in the industrial and agricultural production, the cooperation in science and engineering, the cooperation in marketing and trade, the bank cooperation and credit actions, the cooperation in the productive services.

In the Federal Republic, the industrial and technical-scientific cooperation were imposed also by the need to consolidate the economic position on the world market, by the increase of the adaptation capacity to the international economic competition. The interest showed by the federal governments for the settlement and development of these forms of cooperation reflected in the measures taken since 1963, when the Federal Ministry of Economy elaborated a document which included proposals aiming almost 30 concrete forms of cooperation.<sup>17</sup> It is obvious that among all the countries it had cooperation relationships; the E.E.C. member states had the greatest percentage (France, Great Britain, Holland, Italy). Concerning the cooperation with the European socialist countries, Bonn had difficulties in finding and developing the most appropriate forms of cooperation, having to constantly consider the different political-economic systems, the different structure of the economies of each country, the reserves manifested by the West-German private companies towards the East-European national companies. The desire for economic growth of the two parts finally created an appropriate legal framework which regulated and granted the cooperation actions based on industrial and technical-scientific cooperation agreements. In the 6th decade, the most important aspects of this type of cooperation led to the creation on the West-German territory of mixed banks (with Yugoslavia, Hungary and Bulgaria), license exchange (with U.S.S.R and Czechoslovakia), the common constitution of some industrial objectives and of some production and trade companies (with Romania, Poland, Czechoslovakia, Hungary, Yugoslavia and Bulgaria), the cooperation in production (with Yugoslavia and Czechoslovakia), the trade in Germany of the products made based on the cooperation agreement with Yugoslavia, Hungary and Poland).

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<sup>16</sup> Gheorghe Gheorghe, *op. cit.*, p. 29.

<sup>17</sup> Marina Rud rean, Ioan Denu a, *Republica Federală a Germaniei – monografie economică*, Bucure ti, 1971, p. 159.



**THE INDUSTRIAL PRODUCTION COOPERATION.** This is the largest field for the international cooperation, all the cooperation actions are converging for, and it knows several forms; international sector bilateral specialization of production, co-production concept, co-production in the mixed companies, the loan, the work with equipments and machineries on credit payable in products.

**a. the international sector bilateral specialization of production.** Within the socialist type cooperation processes (especially in the C.M.E.A. member states) the concept of international sector bilateral specialization of production appeared at the beginning of the 8th decade. This concept is present under the form of agreements between the two countries (through which the states were obliged to develop some production branches or subbranches in order to ensure both the goods needs come from the respective branch and also the partner's needs, by mutual works) and it evolved based on the development of the capitalist production relationships.<sup>18</sup> The political-economic expansion of the West-European and North-American countries, the creation of the global economic system (meaning the economic globalization) determined the C.M.E.A. member states – so the Socialist Romania too – to get in touch and to acquire a series of capitalist economic laws and practices.

Analysing the development features and directions specific to the economic specialization of the S.R. of Romania and the F.R. of Germany, the following aspects can be revealed: the specialization of the productive activity in the Federal Republic was realized through some economic mechanisms continuing the ones from the German state before the Second World War, being after 1948 under the „surveillance” of the Western allies, under the conditions of the private interests for the world market, while in the communist Romania the specialization was achieved through some precisely ordered directives of the Romanian government and party, at the Soviets' „indications”, in the case of the Federal Germany the specialization was dictated by the capitalist market, by the desire of the private companies self-financing their production and projects, and in the Romanian case the state's intervention is present, the economic means being strengthened by instruments of political power guidance; the polarized character of the labour division (which supposes the economic specialization on branches or production characterized by important differences of rhythm and level of the assimilation of the technical progress)<sup>19</sup> was also different in the case of the two countries: on one hand, the Federal Republic's specialization in the heavy industry (energetic, metallurgical, machine constructions, chemical) and services (trade, finances) and on the other hand, the Romanian specialization in agriculture (plant culture and animal husbandry) and in the „classical” industries (extractible, wood transformation, textile and confections).

Thus, the F.R.G. profited on fields with superior productivity, consequently obtaining superior advantages in the world market trade; that is why the net transfer

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<sup>18</sup> Alexandru Albu., *op. cit.*, p. 44.

<sup>19</sup> Idem, *Cooperarea economică internațională a Republicii Socialiste România*, Craiova, 1979, p. 33.

of financial values was done from countries with a low level of the production forces towards the West Germany. Romania, profiled on inferior production fields (even through it tried to create a profitable heavy industry with superior productivity) built a structure complementary to the one of its more developed economic partners (in our case, the Federal Germany); that is why its economic dynamics and possibilities of introducing the advanced technologies were conditioned or even determined from outside, the internal production process being dependent on the rhythm and quality of the technological transfer from the more economically developed countries. All these phenomena finally affected, especially in the 9th decade, the profound economic independence of Romania, creating technological and financial gaps compared to the central-European socialist countries and to the West-European countries, our country didn't succeed in completely detaching from the statute of cheap source of production factors and of cheap market for selling products. That is why the wanted economic independence the entire different progress of Romania in the socialist block in the second half of the 20th century started from, finally proved not to be ended. No matter how strong the socialist economic ideology proved to be (exponent of the „superior social system”, promoter of a „new type of economic relationships by planned development”), the Evolution of the world economy showed the limits of the socialist economic system; at the beginning of the 10th decade, the C.M.E.A. member states, „shacked” by the „superior system”, confronted with severe problems in all the production sectors, with an important economic gap compared to the capitalist countries apparently impossible to be recovered.

**b. co-production concept.** This is another concept present within the industrial cooperation and it represents a form of cooperation between states or companies from different countries, in which the partners agree to produce a certain product, based on an equal or unequal, but compensatory contribution, in order to obtain a material or financial advantage.<sup>20</sup>

Starting 1976, the West-German governmental and economic authorities showed their growing interest for the economic relationships and for concluding some projects in the co production field. In the first years of the 70s, we talked a lot about the Romanian industrial cooperation with „Fokker” and „Volkswagen” companies, project which unfortunately suffered from repeated postponements; in 1976, as the ambassador Morega from Koln transmitted to the Romanian Minister of Exterior Affairs,<sup>21</sup> it was determined the desire of the German companies to retake the bilateral discussions and to come as much as possible in greeting the Romanian demands for the actions to be concluded. Despite both parties' will and endless negotiations, the German company and the Romanian government didn't reach any agreement.

**c. co-production in the mixed companies.** These mixed companies could carry on activities of production, services, with scientific research, trade of products etc. These offered some solutions for certain demands such as: the level of the capital investment, the need to attenuate the technological gap between countries, the

<sup>20</sup> Alexandru Albu, *Cooperarea economică i tehnico- tiin ific interna ional* , p. 79.

<sup>21</sup> A.C.N.S.A.S., fond Documentar, dosar D13.041, volumul 23, f. 412.

overcome of some price obstacles. In those years, the incorporated mixed companies could be share companies or limited liability companies. For the incorporation of a mixed company, the economic units with legal personality (industrial plants, integrated works, trusts, groups of factories) having attributions for the external trade and international economic cooperation could participate, and for the foreign part physical and legal entities from Industry, agriculture, services could participate. The legal framework for the incorporation of mixed companies in the S.R. of Romania was done by the Law no.1/1971 and by the Decree no.424/1972, and the participation of the Romanian economic units in the mixed companies abroad was adopted by the Decree of the State Council on 30th of May 1975.<sup>22</sup>

In April 1972 the first mixed production company was incorporated in the socialist Romania; in April 1973 a Romanian-American mixed production company was incorporated in Bucharest („Romcontrol Data”, which produced the peripheral equipments for the information technology); in 1975 the first Romanian-French company was incorporated („Elarom”, which produced and traded household medical devices). The „Resita-Renk” company played an important role within the Romanian-West-German industrial co production in the mixed companies.

In August 1972, by a telegram sent by the Romanian Embassy to Köln<sup>23</sup> it was showed the interest of Dietrich von Menges, president of the „G.H.H. – Gute Hoffnungs Hutte” an important corporation in Oberhausen, to visit the Bucharest International Fair in November 1972 in order to have contacts with I.Gh. Maurer to materialize the cooperation issues between the Romanian state and „Renk” (company belonging to „G.H.H.”) regarding the incorporation in Romania of mixed production companies for the naval reducers.

On 9th of June 1973, Dietrich von Menges, president of the G.H.H. Corporation was received in audience by Nicolae Ceausescu and by a commission formed by Ion P an –ministry al Exterior Commerce and Gheorghe Oprea – Ceausescu’s adviser. The discussion<sup>24</sup> had referred to the industrial cooperation in the production field between the Romanian state and the west-German company. In this discussions, the west-German manager didn’t doubted the conclusion of the projects exposed by Ceausescu (in fact there were some projects, direct negotiations upon some issues that hadn’t been settled with other companies or countries that date) and he agreed to cooperate with the Romanian state.

On 28th of June 1973 it took place the visit of President Ceausescu at the „G.H.H.” headquarters in Oberhausen. There it was signed the articles of incorporation for the „Re i a-Renk” mixed company. The members of the corporation’s management and authorities from the Oberhausen city and the Romanian delegation assisted to the formal speech<sup>25</sup> of P. Von Menges, president of the Administration Board of „G.H.H.”: „*The „G.H.H.” group (...) is specially related*

<sup>22</sup> Alexandru Albu, *op. cit.*, p. 88.

<sup>23</sup> A.N.I.C., Fond C.C. al P.C.R., sec ia Rela ii externe, dosar nr. 170/1972, f. 1

<sup>24</sup> A.N.I.C., Fond C.C. al P.C.R., sec ia Rela ii externe, dosar nr. 93/1973, ff. 2-8

<sup>25</sup> „Scînteia”, nr. 9.554/29 iunie 1973, p. 2.

*to the Romanian economy. Our technicians are proud to have been able to contribute to the Hunedoara and Galati ironworks, which proves that the quality level of our engineering is appreciated in our country too. We have always offered (...) technical assistance (...) for the development of your industry and for placing the Romanian industrial products, considering that the economic life does not know one way directions: the seller must help his partner for this one to sell too. Thus, by a common work (...) performed by the Romanian economic organizations, by the Romanian embassy in the F.R.G. and by our companies, the Romanian employers who temporarily work at „M.A.N.” and „Kirchfeld” – companies of our corporation are appreciated technical collaborators, also representing guarantees for the cooperation, as the products made by Romanian companies and the G.H.H. corporation ones working together. Today when talking a lot about cooperation, we could refer to the results obtained (...) on the existing contracts and licenses. I mention in this respect only the collaboration between the Brasov truck factories and M.A.N. and also between Schloemann and the axles and bogies factory from Bals. I believe that (...) we should build together a greater edifice on this fundament practically confirmed both by the mixed company with the Renk company, which could represent a reference model for other similar projects, as by the cooperation in the field of cast iron and steel, of steel transformation and of non-ferrous metal industry, between the Ministry of Ironworks Industry and the companies of the G.H.H. corporation.”*

The discussions of the Romanian state with “G.H.H.” continued in the following years. On 7th of May 1976, M. Lennings, president of the German corporation, came to our country for negotiations and then it took place a meeting with the Romanian state’s president. From the discussion’s stenograph,<sup>26</sup> we find out about the slow evolution of those years of the economic relationships of the Romanian state with the German company, the conclusion of the action for the machine construction (through „M.A.N.” – an important truck company from Nuremberg) and about the collaboration in the engineering field. The 8th of May an Agreement regarding the cooperation within the Electric ovens mill was signed between the two parties.

**d. The loan.** It was a form of cooperation by which a company from one country ordered to a producer company from another country the execution of a product in conformity with the technical documentation it puts at hand. This production has two forms: the finished good was made with the raw materials and the materials of the company executing the order – on the first case or the finished good was made using the raw materials and materials and equipments of the ordering company– in a second case.

We included the actions for buying the LD Steel works for the „Gheorghe Gheorghiu-Dej” Steel Mill from Galati in this type of collaboration, that the Romanian state ordered from the „G.H.H. – Guttehoffnungshütte” West-German company. Romania, at the beginning of its post-war industrialization, started the plans

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<sup>26</sup> A.N.I.C., *loc. cit.*, dosar nr. 42/1976, f. 3.

for the growth of steel works industry; wanting to have access to the newest world technologies for the steel work products, the Romanian state focused on the West-German companies, the most suitable for satisfying the requirements of the Romanian orders: „G.H.H.”, „Sidexport-Krupp”, „Sofresid F.L.C.” and „Vöest”<sup>27</sup>. The decision for the steel mill installations to be supplied by the G.H.H. company was taken during the session of the Political Office of the C.C. of C.P.R. in May 1965 (when the acquisition from the West of steel work engineering was discussed among other things); the greatest experience and the lowest price offered by the above-mentioned West-German company counted for the Romanian politicians of that time<sup>28</sup>. At the end of the negotiations, as the experts from the Ministry of Exterior Commerce proposed and as it was obvious from the discussions of the political leaders of the labour Party, the order for the installations was made only to the G.H.H. West-Germans; the contract had a value of 113,5 million lei currency, 60% of the objective value being done in our country<sup>29</sup>.

Another example when a West-German company imposed itself in front of the western competition for winning an order from the Romanian state was that related to the order for a one-line ammonia installations having a capacity of 900 tones/day, including the annex-sections. In the period 1964-1965 Bucharest received offers from companies from United States and West Europe (such as „Topsoe – U.H.D.E.” from Denmark and F.R.G., „Vöest” from Austria, „Rheinstahl” from F.R.G.). Finally the „Topsoe-U.H.D.E.” consortium won and two ammonia installations having the capacity of 300 tones/day were installed in Turnu-M gurele<sup>30</sup>.

In June 1965, „I.S.C.E. Ma iniexport” concluded a contract with the West-German company „Urban” (specialized in the construction machine, mining machines and equipment production and in mining transport) and based on it, during the period 1966 and 1970 in Romania there were produced and delivered in the Western Germany 100.000 concrete mixers of 100 liters; these ones were made in conformity with the German company’s license and technical documentation and based on the supply of some equipments for production.<sup>31</sup>

**e. The work with equipments on credit payable in products** represents the fact that one of the parties delivered machines, installations and equipments needed for the construction of an industrial or agricultural objective on credit and that credit was to be paid back in shares from the production of the respective objective or in other products and services of national origin. This type of collaboration remained at the discussion level.

The more important official instruments stating the economic cooperation between Romania and the Federal Republic were represented by the *Agreement for*

<sup>27</sup> A.N.I.C., Fond C.C. al P.C.R., sec ia Cancelarie, dosar nr. 71/1965, f. 49.

<sup>28</sup> *Ibidem*, ff. 22-28.

<sup>29</sup> *Ibidem*, sec ia Economic , dosar nr. 11/1965, ff. 20.

<sup>30</sup> *Ibidem*, sec ia Cancelarie, dosar nr. 71/1965, ff. 40.

<sup>31</sup> *Ibidem*, sec ia Economic , dosar nr. 11/1965, ff. 14-15.

*the technical-economic cooperation* in August 1967 and by the *Long term Agreement for the economic, industrial and technical collaboration* in June 1973.

The achievements in this field were globally satisfying for both parties. We limit ourselves in exposing the most important positive aspect of the bilateral cooperation – the collaboration of the Romanian state with the G.H.H. corporation (which also held the M.A.N., Renk, Kirchfeld companies – through which the metallurgic and the machine construction industry from our country knew a special growth), and also a series of actions which would have deserved more attention from both states: no contracts were concluded with the important German corporations „Fokker” (for air-plane construction) and „Volkswagen” (for the car production), the projects for the common oil exploitation into the Black Sea were not concluded and neither the incorporation of mixed companies in the Western and central zone of Romania inhabited by German ethnics. The cooperation field within the mixed companies was less used by both countries. There was much talk and less action related to the bilateral „*extension of cooperation*”; at each meeting between the economic or diplomatic representatives, there was much talk about this issue, there were negotiated the fields and operation ways, but finally, because of the different visions (both of the Romanian state, master of the economic production forces, and of the West-German private economic agents who were the ones who decided how and with whom to collaborate), of the legislative differences, of the different economic practice, they reached a dead end; the discussions were extended over the years and the results were mostly null.

President Ceausescu complained several times about the fact that the West-German state didn't involve enough in the economic decision, intending that the federal executive to order to the legislative and the economic agents. There is no doubt that the West-German central administration institutions wanted the development of the economic and commercial collaboration with Bucharest, but the ones who decided where, how and how much to invest were the private agents (who, no matter how much they were stimulated by the state, wanted guarantees related to their expectations from the Romanian and West-German states and also short and medium term profits). In addition, Bonn was engaged in the decisions and practices of the Common Market, of the European Community which issued laws regarding the economic life, laws that the German politicians couldn't ignore. But the West German could do more, certainly – and here came a series of critics of Ceausescu! We must say that the Romanian political was rigid concerning some aspects of the external collaboration, some internal legislative decisions, the issuance of unrealistic plans for the Romanian economy and for the economic conjuncture of the 70s and 80s (years of the profound energetic and financial crises). Some external commerce practices were without success; in addition, we must not forget the desire to liberalize certain segments of the internal economic life, as was the case of Czechoslovakia or Hungary.