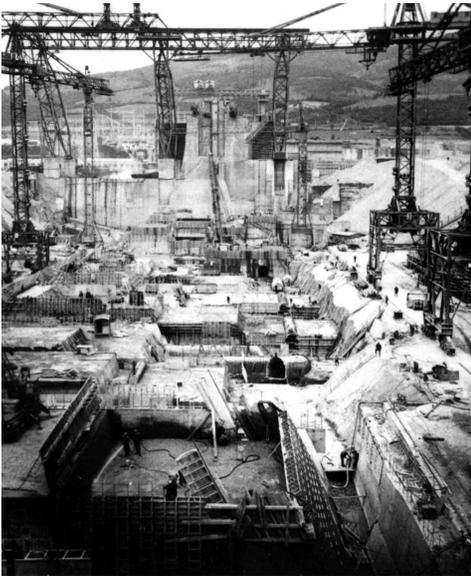


Economic Relations between Yugoslavia and Romania during the 1960s

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Iron Gates (1970)

SOURCE: The Romanian Communism
Online Photo Collection.

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THIS PAPER gives an overview of the economic relations between the Socialist Republic of Romania and the Socialist Federal Republic of Yugoslavia between 1960 and 1970, highlighting the characteristics and peculiarities of foreign trade, and the problems which occurred in other aspects of economic cooperation. An important part of the paper is the analysis of the most important meetings between Yugoslav and Romanian officials and experts in economy. Other forms of economic cooperation are also presented.

Yugoslav-Romanian relations were characterized by mutual trust and a high degree of cooperation. However, a high level of political understanding was not accompanied by adequate results in developing the specific bilateral cooperation (economic, cultural, scientific-technical, etc.).

The economic cooperation between Yugoslavia and Romania was relatively modest. Of the socialist countries, only Albania had a smaller volume of trade with Yugoslavia. If we look at the ten-year period between 1960 and 1970, there is a significant change in the vol-

ume of trade between Yugoslavia and Romania. At the beginning of this period, trade amounted to just 19 million dollars, while in the end, in 1970, it reached 76 million. However, after a deeper analysis of statistical data, it can be noticed that it was not until 1964 that the economic cooperation between the two countries began to intensify, especially after the high-level meeting of state delegations and the formation of the Joint Committee for Economic Cooperation.¹

Economic cooperation between Yugoslavia and Romania was based on the trade and payment agreement concluded at Brioni in 1956. Although since then relations had been in constant progress, they remained below the real possibilities and needs of both markets. The breakthrough year in economic cooperation was 1964, when exchanges increased by as much as 50% compared to 1963. One of the major reasons for the increase was the delivery of materials and equipment under the Agreement on the joint construction and operation of the Djerdap hydroelectric and navigation system (Iron Gates I Hydroelectric Power Station).²

Foreign trade was the most important form of economic cooperation. Trade between Yugoslavia and Romania developed slowly but steadily in the 1960s. In 1966, trade reached a value of 39 million dollars, a 3.6 times increase compared to 1962, but it was well below the volume that would satisfy both sides. If we consider the overall Yugoslav foreign trade, 1.2% of Yugoslav imports and 1.8% of exports had to do with Romania (data compiled for 1968). Compared to other socialist countries (excluding Albania), Yugoslavia had the smallest volume of trade with Romania.³

Trade and other forms of economic cooperation between Yugoslavia and Romania began to develop faster after the establishment of the Joint Committee for Economic Cooperation. The trade between the two countries, although unsatisfactory, saw a steady increase after the inauguration of Nicolae Ceaușescu. Thus, the value of trade in both directions amounted to 20 million dollars in 1964,⁴ and it reached 44.4 million dollars in 1968.⁵

Economic cooperation was also discussed during the January 1968 visit of the Romanian delegation to Yugoslavia.⁶ It was concluded that there were opportunities for long-term cooperation in various fields such as metallurgy, energy, mechanical engineering, or chemical industry. Shortly after this meeting in Belje, a joint interstate commission was formed, tasked to study and improve the economic cooperation between the two countries.⁷

The commission convened between 5 and 9 February at the Federal Institute for Economic Planning in Belgrade. Following the conclusion of the Romanian-Yugoslav talks, the heads of delegation, the chairman of the State Planning Committee of the Socialist Republic of Romania, Maxim Berghianu, and the managing director of the Federal Economic Planning Bureau, Richard Steiner,

stated that all areas in which successful cooperation based on mutual interest could be developed had been studied. It was agreed that economic cooperation should not be based only on the conventional trade in goods, but that new forms such as industrial cooperation and scientific and technical cooperation should be envisaged.⁸ Among other things, the task of the commission was to draw up an economic plan aimed at expanding economic cooperation and foreign trade for the period between 1971 and 1975.⁹ In the plan, the emphasis was placed on increasing economic cooperation in the fields of chemical industry, metallurgy, the exchange of various machines and tools, ores and fossil fuels, as well as on greater scientific and technological exchanges.¹⁰ It should be noted that the total annual volume of trade in 1968 doubled as compared to 1964, when it amounted to close to 20 million dollars in both directions. The 1968 Protocol provided for an increase in the total volume of trade to 57 million dollars, but the first half of 1968 showed a tendency towards stagnation in economic relations, and the set level of trade was difficult to reach.¹¹ Over time, continuous and intense meetings, especially of working groups, began to yield results. The identification of economic opportunities and the introduction of new systems, as well as the people of the two countries, significantly contributed to the increase in the volume of trade and to the expansion of the forms of direct cooperation between entities in the two countries. Such meetings, in fact, made it possible to find solutions to the problems that had inhibited the development of economic relations between Romania and Yugoslavia.

Certain results of the talks conducted with the aim of improving economic relations had already emerged in 1968. Based on the positive developments in the sphere of economic relations, a joint commission that met in late October stipulated that trade would increase by 10% in the following year compared to 1968. Thus, the volume of trade would amount to 62.1 million dollars, of which 28.3 million would be spent on exports to SFRY, and 33.8 million on imports.¹² It turned out that such an ambitious plan was unattainable due to the numerous problems and difficulties that had arisen in the meantime.¹³

The problem in foreign trade for Yugoslavia was that exports increased at a higher average rate than imports, which resulted in a higher demand balance in favor of the SFRY. The reasons for the non-realization of the anticipated imports from Romania were mostly the fault of the Romanians who, in particular, did not execute agreed shipments of 5 million dollars' worth of goods (cement, petroleum products, ferrous metallurgy goods, chemicals, and other products) in 1968. The other reason was that the Yugoslav market was not able to absorb all the Romanian products included in the commodity list.¹⁴

The balance in the relations with Romania was not a problem until 1967. However, in that same year there was a decrease in imports from countries from

the region of Eastern Europe, and therefore from Romania, and an increase in exports. So the trade balance was jeopardized. The situation was worsened by the liberal regime of imports, which allowed the products otherwise imported from Romania to be purchased under better conditions on the convertible markets.¹⁵

A major problem in economic relations was the different approach to pricing. Romania had two systems in terms of prices, one for the market of the Council for Mutual Economic Assistance (CMEA), the other for the convertible market. In the relations with Yugoslavia, Romania wanted to keep the price of goods at the level used for clearing areas (prices for clearing areas were up to 30% higher than world prices) and to import goods from Yugoslavia at world prices. This Romanian approach made it very difficult to trade and prevented an increase in volume.¹⁶

Romania's credit agreements with Western countries had a negative impact on economic relations, as the Romanian leadership was under the obligation to increase exports to these markets, which also affected the trade with Yugoslavia, because Romania was unable to deliver quality goods to its neighbor.¹⁷

The main problem was the limited structure of the trade and the fact that Romania did not sufficiently stimulate its exports to Yugoslavia. The obstacles included the offer of non-convertible goods at world prices, as well as the refusal of Bucharest to accept the gradual transition to new forms of trade and payments, including leaving the clearing system and switching to a convertible payment system. On the other hand, the specialization and cooperation were accepted, but the cooperation under these forms was slow, mostly due to the systemic differences between the two economies and the limited rights of Romanian companies. In 1968, trade between Yugoslavia and Romania increased by more than 10%. This increase improved the conditions for expanding cooperation and bringing it to the level of the very good political relations between the two countries. In addition, the aforementioned year was also significant due to the establishment of economic cooperation in the field of industrial production. Due to this, there were numerous contacts and bilateral visits by Romanian and Yugoslav experts whose task was to examine the possibilities, ways, and forms of cooperation. During the same year, the first long-term contracts on cooperation in the production of components for presses, band saws, and trucks were concluded.¹⁸ Along with the intensification of trade, the Romanian leadership also worked to promote the development of cooperation in production with other countries. During this period, it managed to conclude agreements on economic and scientific-technical cooperation with over 60 countries, including Yugoslavia.¹⁹ Some examples of such cooperation were the joint production of diesel trucks (Torpedo-Rijeka-Braşov), machine tools (Pobeda-Noví Sad), as well as the contracts on specialization in the production of electric locomotives (Rade Končar).²⁰

The five-year trade agreement provided for the export of rails and accessories from Yugoslavia to Romania in the amount of 4.5 million dollars a year. Under the trade protocol for 1969, the export value of rails was increased by one million dollars. According to the agreement, Yugoslavia was supposed to import cement, gas oil and fuel oil. However, only half was realized because the Romanians requested a reduction in the price of Yugoslav products, while at the same time the price of Romanian products remained unchanged.²¹

The joint exploitation of oil and gas in the border regions was also envisaged. In Bucharest, there was a great deal of interest in concluding a long-term import contract for about one million tons of ore and about 700,000 tons of bauxite annually. The problem that appeared with the conclusion of such a contract was the question of how to secure export payments, because Romania was not ready to provide adequate replacement goods (natural gas, oil, etc.). The scientific-technical cooperation stagnated and even declined over the next few years, mainly due to the limited interest of Yugoslav labor organizations.²²

The interest in expanding economic cooperation between Yugoslavia and Romania was constantly highlighted at the high-level meetings. This interest was also the reason for the creation of the Joint Committee for Economic Cooperation, which, in addition to unblocking trade, was to analyze all aspects and possibilities for developing business and technical cooperation. At the 4th session of the Joint Committee (March 1968) a compromise was reached, on the basis of which the Agreement on the Development of Industrial and Technical Cooperation was signed on 20 October 1968, especially in the fields of transport, tourism, and local border traffic. This agreement provided the basis for developing cooperation in the field of machine building, petrochemical products, and the oil industry (Naftagas of Novi Sad was already working on a joint exploration of hydrocarbon deposits in the border area and was designing the exploitation of these sites). In addition to this Joint Committee, within the Federal Chamber of Economy, a Section for Romania was established within the Foreign Economic Relations Council in 1967; on the other hand, a similar body was established in Romania within the Chamber of Commerce. The aim of these two bodies was also to work on the improvement of economic relations.²³

In mid-May 1969, in Bucharest, the Yugoslav-Romanian Committee for Economic Cooperation held an exchange of views on the problems in the economic sphere. The center of attention were the planned increase in the volume of trade and the development of cooperation based on the division of labor and mutual economic interests.²⁴ The Yugoslav delegation was headed by Mustafa Sabić, a member of the Federal Executive Council of the SFRY, and the Romanian one by Gheorghe Rădulescu, the vice-president of the Ministerial Council of the Republic of Romania. At the meeting it was agreed that both sides should

be more engaged in developing particularly long-term business relationships, and the cooperation and specialization in industrial production. The biggest obstacle for Yugoslavia was the payment system. As a transitional solution to this problem, Yugoslavia proposed the possibility of a balance in a clearing account to be settled in convertible currencies at the end of the year, with a payment of interest on the balance of the working capital loan. However, the Romanians did not accept such changes and rejected all Yugoslav proposals concerning the transition to convertible payment. The other part of the conversation was about the issue of cooperation.²⁵ The Joint Committee saw an opportunity for further development in economic cooperation in the exploitation of the hydroelectric potential of the Danube, in metallurgy, in the processing of aluminum blocks, in the exploitation and processing of oil and gas fields in the border area, and also considered increasing cooperation in the chemical and electronic industry and expanding the production of bauxite in the SFRY for Romanian needs.²⁶

For the year 1969, the volume of trade in both directions was planned to reach about 62 million dollars. Bearing in mind that in the previous year trade had stood at 44 million dollars, the impression is that the leadership was convinced that it was possible to raise the trade to an appreciable level in the short term.

In 1969 Yugoslavia achieved exports of 23 million dollars to Romania, which was an increase of 6.6% compared to 1968, while imports reached 24.9 million dollars.²⁷ The main problems that prevented an increase in trade by 10% in 1969 were the Romanian failure to deliver the goods stipulated in the contract in the amount of 5 million dollars (similar to the previous year) and the inability of the Yugoslav market to absorb some Romanian products.²⁸

Bucharest was not satisfied with the Yugoslav-Romanian economic cooperation, thinking that the volume was too small, that it was developing slowly, and that the forms of cooperation (mostly limited to the trade in goods) were not promising a faster development of cooperation. The Romanians considered that the only solution entailed cooperation and specialization, i.e., the cooperation in production and between enterprises, on the grounds that this could link the two economies in the long run. In addition, they were interested in developing cooperation and joint participation in the other markets. They complained about the almost exclusive focus of economic relations on short-term commercial affairs. For Yugoslavia, the biggest problem was, in addition to the small volumes, an unbalanced trade. It had a very high active balance of 19 million dollars, which directly reflected the flows and the imbalance of trade.²⁹

The economic cooperation between the two countries intensified after January 1970, both in the field of foreign trade, and in terms of establishing modern

forms of cooperation in production, based on long-term relationships. The frequent meetings, especially the meetings between Josip Broz Tito and Nicolae Ceaușescu, also involving the President of the Joint Committee for Economic Cooperation, significantly stimulated the development of economic cooperation. They encouraged the economic organizations in both countries to independently get in touch and find possibilities for cooperation.³⁰

In the field of foreign trade, statistics show that in 1970 there was a 50% increase compared to 1969. This increase helped exceed the volume of trade planned in the five-year plan for 1966–1970. The last year of the five-year plan seemed encouraging to experts in economy, so they planned a volume of 590 million dollars for the next five-year period, 2.5 times more than in the previous five-year plan. Such projections relied mostly on contracts based on cooperation, specialization, and mutual deliveries, i.e. long-term contracts for production and cooperation in the fields of mechanical engineering, the chemical and petrochemical industries, as well as in black metallurgy and the trade in raw materials.

The biggest problem that inhibited the rapid development of economic cooperation between Romania and Yugoslavia was the clearing method of trade and payments. During the numerous negotiations on economic cooperation, an important issue for the Yugoslav side was the transition to a convertible way of payment. Until 1968 the Romanian side considered this issue premature, and after the intervention in Czechoslovakia and the straining of relations with the Soviet Union Romania feared that the transition to a convertible way of payment would pointlessly provoke Moscow and increase the risk of a Soviet intervention. Until the autumn of 1970 Romania did not show the slightest interest even in a partial transition to a convertible trading and payment system.³¹

During 1969, there were significant changes in Romania's economic cooperation with Yugoslavia. Vasile Șandru, the new Romanian ambassador in Belgrade, laid a lot of stress on economic cooperation when he met with Yugoslav Economy Secretary, Borivoje Jelić, on 25 September. He was especially interested in expanding the cooperation in the field of electronics, in particular in the production of computers. The ambassador anticipated that full production would begin as early as 1970. He expressed to the Yugoslav Economy Secretary the interest of the Romanian government in concluding a long-term contract with Yugoslavia for the purchase of bauxite, in order to increase the production of aluminum from 75 thousand tons annually to 200 thousand tons. Such a plan required a large amount of bauxite. Yugoslavia exported about 150 thousand tons of bauxite annually, and the Romanian needs were expected to rise to 600 thousand tons annually due to the planned increase. Also, the purchase of

copper and the cooperation in the field of copper production were mentioned, highlighting the Romanian experience regarding the exploitation of the ores of poor mineral composition.³²

At the invitation of Emil Drăgănescu, the vice president of the Romanian Council of Ministers, Toma Granfil, the member of the Federal Executive Council stayed in Romania from 25 to 30 May 1970. During the visit, Granfil held talks with Drăgănescu and Ion Pășan, and then with the Minister for Foreign Trade, Cornel Burtică, and the Minister of Finance, Florea Dumitrescu. At the end of the visit, he was received by Ion Gheorghe Maurer, president of the Council of Ministers. During the visit they had an exchange of views on bilateral economic cooperation, on the cooperation with highly developed countries in the West and international economic organizations, as well as on the organization and functioning of the Yugoslav financial and banking system.³³ In all talks, a central place was held by the issue of the floods, which had become quite serious in May.³⁴ In the field of industry, several important contracts were concluded on this occasion, especially in connection with the delivery of electric locomotives. Granfil pointed out the Yugoslav attitude towards industrial cooperation. The Yugoslav leadership was particularly interested in a cooperation based on the division of production and markets.³⁵

There was a significant degree of complementarity between the Romanian and Yugoslav economies, which opened up opportunities for the development of long-term economic cooperation (this can be concluded based on the fact that 60% of Yugoslav exports were goods from the field of metallurgy, and the same applied to the chemical industry when it came to the Romanian exports to Yugoslavia). However, the differences in the respective systems created major problems for economic cooperation, which delayed development and increased the imbalance in trade, due to the failure of Romanian exports to adapt to the needs of the Yugoslav market, and to other factors.³⁶ In the structure of the trade in raw materials, semi-finished materials had the largest share (85%), and the machine building products barely reached 8%.

SINCE THE mid-1960s, special importance had been given to cooperation and specialization in the economic relations between Yugoslavia and Romania. It allowed both small and large Yugoslav enterprises to create joint products by pooling their knowledge and resources with similar enterprises in Romania. However, due to various difficulties, these forms of cooperation developed slowly. The exception was in ferrous and non-ferrous metallurgy, where a lasting and successful cooperation involved the processing of Romanian semi-finished materials in Yugoslav rolling mills.

The first steps forward came in 1968, in the form of a cooperation agreement in the fields of mechanical engineering and electrical industry. These were contracts for cooperation and the production of machine tools (eccentric presses and automated saws) and 5-ton trucks (the Torpedo factory in Rijeka supplied Romania with diesel engines, and it received truck chassis).³⁷

The value of the cooperation contract concerning the production of trucks was about 20 million dollars. This agreement was of particular importance to Romania because it led to the production of its first truck with a diesel engine.³⁸ Essentially, the cooperation involved the exchange of the products of two factories, as the Yugoslavs received one chassis for a 5-ton truck in exchange for two diesel engines.

During 1969, there were talks on cooperation in shipbuilding. Romania had great demands for electromotor equipment, and in exchange it offered river and sea vessels of various capacities (the delivery of a *Liberty* ship of about 15,000 dwt).³⁹

Important talks were held about cooperation in the production of electric locomotives. The value of the contract for the period from 1970 to 1973 amounted to over 60 million dollars.⁴⁰ Under the contract, the Yugoslav company Rade Končar was obliged to deliver 75 Bo-Bo locomotives to the Romanian railway company until 1973, while the Belgrade Railway Transport Company imported 45 locomotives of the Co-Co type in the same period.⁴¹ However, in December 1969, after eight days of talks, negotiations on the conclusion of an agreement on the mutual supply of electric locomotives were suspended. The problem had to do with price. Romanian negotiators demanded 400,000 dollars for their locomotive, while the Yugoslav delegation offered 380,000 dollars, and the Romanians were willing to pay only 308,000 of the requested 315,700 dollars for the locomotives made by Rade Končar.⁴²

However, during the 1970s the two sides managed to agree and sign an agreement on cooperation in the production and mutual supply of electric locomotives and subassemblies. The contract was signed in January 1970 and was the most important contract after the one related to the joint construction of the hydroelectric power plant. The contract obligated Yugoslavia to purchase 45 electric locomotives with six axles from Romania that would operate on the Belgrade-Bar line, and Romania committed to order from Yugoslavia 75 electric locomotives with four axles.⁴³ In addition to this agreement, contracts on the transit of oil through Romania to Yugoslavia via the Constanța–Cernavodă pipeline and the delivery of bauxite from Yugoslavia to Romania were signed.⁴⁴

The major project that actually defined the economic cooperation between the two countries in this period was the construction of the Djerdap hydroelectric

power plant on the Danube River, which began in 1964, while the first generators became operational on 5 August 1970.⁴⁵ The agreement on the joint construction of the hydroelectric power plant, located 10 km from Kladovo, was signed by Josip Broz Tito and Gheorghe Gheorghiu-Dej, which speaks about the significance of this project for the development of both countries. About 5,000 people worked on the construction of the hydroelectric power plant. According to the construction budget, it took about 500 million dollars, and the value of the works is now estimated at 5 billion euros. Djerdap HPP was the largest European hydroelectric power plant, and it is the fourth in the world, with a capacity of 2,100 megawatts. On 16 May 1972, the presidents of Yugoslavia and Romania, Josip Broz Tito and Nicolae Ceaușescu, announced that the project had tamed the raging stream of the Danube. The hydroelectric power plant significantly raised the level of the Danube, especially in the most challenging and sometimes most dangerous parts, and thus made possible a safer navigation through the Djerdap Gorge.⁴⁶

The local border cooperation was also underdeveloped. A certain step forward was taken in 1968, with the conclusion of the Convention on the Cross-border Flow of Goods and the Agreement on Scientific and Technical Cooperation between Yugoslavia and Romania. Although in 1970 there was additional work in the field of local border traffic, neither Romania, nor Yugoslavia was satisfied with the current trade of 750,000 dollars. The desire of the two countries was that small-size trade, according to the estimated potential and the degree of overall relations, should amount to about 10 million dollars.⁴⁷

The planned trade in the amount of 209 million dollars for the period from 1966 to 1970 seemed unachievable in 1968. The value of bilateral trade, which reached 44.4 million dollars in that year, indicated a slowdown in the development of economic relations between the two neighboring countries. However, at the end of the five-year period, the planned volume of trade was even exceeded, thanks to a sudden increase of 76 million dollars in 1970, 40% more than in the previous year. Between 1966 to 1970, total trade amounted to 227.4 million dollars, 8.8% more than the volume planned in the long-term agreement (209 million dollars).⁴⁸

However, this increase was uneven from one year to the next, as the development from 1966 to 1969 was considerably slower than the one achieved in 1970. A significant increase in the volume of trade in 1970 did not, however, lead to a decrease in the Yugoslav demand balance, which at the end of that year amounted to 15 million dollars, and reached 15.7 million in 1969.⁴⁹ The demand balance did not decrease mostly because Romanian exports to the SFRY were not realized as planned, while Yugoslav exports were realized completely.⁵⁰

The largest share in the structure of the trade was held by the petrochemical and the food industries, followed by agriculture, metallurgy, and natural raw

materials. Yugoslavia imported from Romania mostly chemical and black metallurgy products, then large amounts of aluminum, cement, truck chassis, and synthetic rubber. From Yugoslavia, Romania imported mostly iron ore, bauxite, cables, diesel engines, various tools and accessories, rails, beech cellulose, and fire bricks.⁵¹

The economic and technical cooperation within long-term programs in various fields had a great importance in the development of economic relations between Yugoslavia and Romania. The most significant were the contracts for the mutual supply of machines and equipment, whose value amounted to 24 million dollars between 1966 and 1970. However, the full cooperation came in the next decade (the value of the agreements concluded until 1971 concerning the mutual supply of machines and equipment for the period 1971–1975 was about 90 million dollars).⁵²

Yugoslavia and Romania constantly strove to improve bilateral relations, especially in the economic sphere. However, bilateral trade, despite some progress, significantly lagged behind the objective possibilities made possible at that moment by the level reached in political relations.

THE IMPORTANCE of Yugoslav-Romanian relations relied not on economic cooperation, but on similar foreign policy attitudes. The desire of the Romanian leadership to break away from the firm embrace of the Soviet Union and to pursue an independent policy led Romania towards its western neighbor. It was important that Yugoslavia provided support and assistance, and a lot could be learned from the example of the former Yugoslav relations with the USSR. The two countries did not have products to offer that would be necessary to the other country, because they were both oriented towards industrial production. They did not need finished industrial products, but raw materials. Both of them lacked the raw materials needed in the heavy industry. Romania, which was behind the Iron Curtain and belonged to the Eastern bloc, had an interest in establishing a close military cooperation with Yugoslavia, a significant political proof of its independent attitude towards the USSR. However, such a move was not convenient for Yugoslavia, as it would have jeopardized its balanced policy between East and West. Although the cooperation was intense and more than friendly, it did not significantly affect the development of economic relations between Romania and Yugoslavia. The trade between them, which significantly increased after 1969, did not, however, achieve the characteristic features of the relationship between two neighbors with strong political interests and ties.



Notes

1. Archive of Yugoslavia (Serbian: AJ), Cabinet of the President of the Republic (Serbian: KPR) I–2/51, Information on the development of trade relations between Yugoslavia and Romania, 8 October 1971.
2. AJ, The Federal Executive Council (Serbian: SIV)-130, fol. 628, Information on economic relations with Romania, September 9, 1969.
3. Ibid.
4. In 1965, foreign trade rose to 29 million dollars.
5. AJ, SIV, Development of economic relations between SFR Yugoslavia and SR Romania, 16 November 1971.
6. An unofficial visit by the Romanian delegation led by Ceaușescu (Belje, 3 to 5 January 1968) provided a series of further contacts between the leaders of the two countries. The disagreements and differences in attitudes towards the Middle East crisis were clarified. The discussions contributed to a better understanding of the situation in the international communist and labor movement. Although it was in the interest of Romania for Yugoslavia to participate in a preparatory meeting in Budapest and later on in the advising of the communist parties, discussions on that subject helped Romania understand the clear reasons why Yugoslavia did not want to participate. Some steps were taken to expand economic relations. Romania clearly expressed the desire for a better connection with the West, which required discussions about relations with West Germany, a meeting with the President of the European Parliament and initiatives concerning the economic relations with the ECM. The discussions with Josip Broz Tito influenced Ceaușescu to more decisively state the country's position and more firmly pursue an independent policy. This visit provided Yugoslavia with better information on some international problems, as well as on the situation within the Warsaw Pact and CMEA. In particular, it contributed to the promotion of talks aimed at improving economic cooperation between the two countries.
7. Diplomatic Archive (DA), Political Archive (PA), 1968, fol. 157, doc. 410167, 18 March 1968, Telegram Bucharest, no. 91, State Secretariat for Foreign Affairs (Serbian: DSIP).
8. "Romania interested in long-term cooperation," *Politika* (Belgrade), 10 February 1968, p. 4.
9. According to the plan, trade between Yugoslavia and Romania in the five-year period from 1971 to 1975 was supposed to reach the amount of 590 million dollars, an increase of 141% as compared to the previous five-year period (AJ, KPR I–2/51, Information on the development of trade relations of the SFRY with SR Romania, 8 October 1971).
10. DA, PA, 1968, fol. 157, doc. 498382, 17 May 1968, Encrypted telegram no. 159.
11. Ibid.
12. DA, PA, 1968, fol. 157, doc. 2246, 31 October 1968, Report on completed trade negotiations between the SFRY and SR Romania for 1969.
13. AJ, SIV, Federal Secretariat for Foreign Trade, Information on the development of trade relations of the SFRY with SR Romania, 10 October 1971.

14. DA, PA, 1971, Romania, fol. 115, doc. 416509, Information on the development of trade relations of the SFRY with SR Romania, 23 April 1971.
15. AJ, SIV-130, fol. 628, Information on economic relations with Romania, 9 September 1969.
16. Ibid.
17. AJ, SIV-130, f. 628, Information on relations with Romania and proposals of the Socialist Republic of Serbia's Executive Council regarding the visit of the President of the Romanian Council of Ministers, Ion Gheorghe Maurer, December 1969.
18. Mustafa Sabić, "Industrial cooperation between Yugoslavia and Romania," *Review of International Affairs* (Belgrade), 20, 460 (1969): 10-11.
19. AJ, A-CKSKJ (Central Committee of the League of Communists of Yugoslavia), IX, 107/II-155, 1971, Notes on some current moments of Romania's external and internal development.
20. AJ KPR I-2/40, Relations SFRY-SR Romania, January 1969.
21. AJ SIV-130, fol. 628, Cooperation with the Republic of Romania, Mining and Metallurgical Combine Zenica, 4 September 1969.
22. DA, PA, 1969, Yugoslavia, fol. 81, doc. 433797, Current problems in relations with neighboring countries, 26 September 1969.
23. DA, PA, 1969, Romania, fol. 127, doc. 443066, Information on the condition and problems of economic cooperation between Vojvodina and SR Romania, November 1969.
24. Sabić, 9.
25. DA, PA, 1969, Romania, fol. 127, doc. 417912, Encrypted telegram, Bucharest, no. 136, 19 May 1969.
26. DA, PA, 1969, Romania, fol. 127, doc. 418450, Protocol on the Fifth Session of the Joint Committee, 4 July 1969.
27. DA, PA, 1970, Yugoslavia, fol. 107, doc. 42923, Encrypted telegram, 28 January 1970.
28. AJ, SIV, Federal Secretariat for Foreign Trade, Information on the development of trade relations of the SFRY with SR Romania, 8 October 1971.
29. DA, PA, 1969, Romania, fol. 126, doc. 412181, Note on the conversation of Sveta Rakić, assistant of the chief of the First Administration, with Tudose, second secretary of the Romanian Embassy, 16 April 1969.
30. The new impetus to the development of relations was given by the meetings between Josip Broz Tito and Nicolae Ceaușescu at Djerdap in September 1969, and between Mitja Ribičić and Ion Gheorghe Maurer in January 1970. During Maurer's visit, numerous contracts and agreements were signed in various spheres of economic cooperation. During these meetings, Romania showed readiness for direct cooperation between organizations and factories, which significantly accelerated the conclusion of business contracts.
31. DA, PA, 1970, Romania, fol. 158, doc. 439728, Encrypted telegram, Bucharest, no. 405, 23 October 1970.
32. DA, PA, 1969, Romania, fol. 126, doc. 435660, Note on the visit of the newly-appointed Romanian Ambassador to Yugoslavia, Vasile Șandru, to the Secretary for Economy B. Jelić, 25 September 1969.

33. DA, PA, 1970, Romania, fol. 160, doc. 421890, Encrypted telegram, Bucharest, no. 216, 4 June 1970.
34. The spring of 1970 in Romania was marked by heavy rainfall, which between 10 and 15 May exceeded 100 liters per square meter. Most affected were northwestern Transylvania and the northern part of Moldavia. The heavy rainfall raised the level of the Danube, the Someș, the Mureș and other rivers to a level that had not been recorded in Romania since 1840 (the beginning of the measurement of water levels). According to the estimates of the authorities in charge, the damage amounted to about 10 billion lei.
35. DA, PA, 1970, Romania, fol. 160, doc. 49775, Report on the visit of a member of the Federal Executive Council Toma Granfil to SR Romania from 25 to 30 May 1970.
36. AJ KPR I-2/40, Relations between SFRY and SR Romania, January 1969.
37. AJ SIV-130, fol. 628, Problems and difficulties in the field of industrial cooperation, 8 September 1969.
38. "SFRY-SR Romania cooperation in the production of fireplaces," *Politika*, 14 January 1969, p. 6.
39. AJ SIV-130, fol. 628, Information on the negotiations Rade Končar-Zagreb with Romania, 3 September 1969.
40. DA, PA, 1969, Romania, fol. 128, doc. 46615, Encrypted telegram, Bucharest, no. 42, 20 February 1969.
41. Ibid.
42. DA, PA, 1969, Romania, fol. 128, doc. 444630, Encrypted telegram, Bucharest, no. 398, 12 December 1969.
43. "Yugoslav-Romanian exchange of locomotives," *Borba* (Belgrade), 14 January 1970, p. 6.
44. AJ KPR I-3-a/97-29, Relations between Yugoslavia and Romania, Information on the meeting of the President of the Republic with President Ceaușescu, 30 October 1970.
45. "The first generator in Djerdap was started up," *Politika*, 6 August 1970, p. 3.
46. Milan Gulić, "Yugoslav authorities and construction of the Iron Gates Hydroelectric Power Plants," *Tibiscum: Acta Musei Caransebesiensis* (Caransebeș), new ser., *Istorie-arheologie*, 5 (2015): 511-528.
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Abstract**Economic Relations between Yugoslavia and Romania during the 1960s**

Economic cooperation between Yugoslavia and Romania during the 1960s can be divided into three parts. The first lasted until 1964 and was characterized by relations at an extremely low level. The second period began with the Agreement on the Construction of Djerdap and lasted until 1969. The work of the Joint Committee for Economic Cooperation showed that the two countries had opportunities to significantly improve economic relations. The gap that existed between a high level of political relations and the concrete bilateral cooperation began to decrease only when cooperation intensified in 1969 and 1970. Turning to other forms of economic cooperation while at the same time increasing the trade between the two countries allowed the volume of economic exchanges to increase four times by the end of the decade (19 million dollars in 1960, 76 million dollars in 1970). The cooperation between the two countries in the economic sphere continued in the years that followed, but it never reached the previous level of political relations.

Keywords

Yugoslavia, Romania, economic policy, 1960s, economic cooperation, foreign trade