

RECORD OF CONVERSATION
between N.S. KHRUSHCHEV AND F. CASTRO
26 May 1963

(Pitsunda)

During the morning walk in the woods, F. Castro told N.S. Khrushchev that when he was in Moscow, he received information from the Cuban Ambassador in Romania that there were some actions on the part of the Romanian comrades directed at undermining the unity of the socialist camp and weakening the international communist movement that were hard to understand. F. Castro noted that the report was formulated in general terms and he was unable to figure out precisely the substance of the issues raised in it. However, said F. Castro, I intend to meet with my ambassador in the nearest future and to talk to him about the situation in Romania.

In response, N.S. Khrushchev noted that indeed, in the recent past, a number of contradictions and disagreements have emerged between the Romanian workers' party and other fraternal communist parties. N.S. Khrushchev said that the whole issue started from the fact that some time ago, I sent a letter to several socialist countries that share the Danube river with a proposal to start construction of a cascade of hydroelectric power stations on the Danube. [The reason behind] building such a cascade is the sharp shortages of power in such countries as the GDR, Czechoslovakia, Hungary and even Romania. On the other hand, neither of the countries that share the Danube is able to build a large modern hydroelectric power station by itself. In this connection, said N.S. Khrushchev, in my letter, I raised the issue of combining our efforts in building those power stations and investing capital from other socialist countries in the construction of those hydroelectric complexes.

According to the proposed plan, Czechoslovakia, the GDR and Hungary were supposed to contribute their financial and other means to the construction of power stations on the Danube, so that in the future they could get electricity from those stations in the amount equivalent to the contribution they provided, which would play a role of a loan. It was planned to build two power stations on the Danube within the borders of Romania: one hydroelectric power station on the Romanian-Yugoslav border, and one on the Bulgarian-Romanian border.

The Romanian comrades reacted to this design, which was so obviously mutually beneficial, with hostility; they saw in it some kind of export of capital and exploitation of some countries by the others.

It is so obvious, even from the most basic political economy textbooks, that loans are always beneficial to the one who takes loans. That is why capitalist countries are so happy to take loans anywhere where loans are given. But the Romanian comrades, having no understanding of these basic elementary truths of political economy, spoke against the rational use of socialist countries' resources for mutually beneficial interests. They would rather prefer to leave the Danube's rich water resources untouched, than combine their efforts with other socialist countries to develop this river.

This narrowly nationalist, limited character of the Romanian comrades manifested itself in their approach to the issue about building hydroelectric power stations on the Danube. But this is not the only case where the Romanians demonstrated their lack of understanding of the basic principles of political economy as well as concrete economics. They have a negative attitude toward working together within the framework of socialist cooperation and toward specialization in certain kinds of products.

Romania's internal resources, their domestic market, do not allow them to build a multisector economy, which would allow them to provide the country with everything they need. And at the same time, they resist specialization and cooperation, thus harming their own economy. Take this example—they produce, I think, 30 electrical engine cars. They sell some of those abroad. But we could negotiate [an agreement] to sharply increase the number of those electrical engine cars so that they could supply all the socialist countries with them, and in return, they could receive products that are in short supply in Romania. However, for some reason, the Romanians don't want that.

Overall, noted N.S. Khrushchev, it is striking how the Romanians do not want to develop foreign trade with the countries of the socialist camp. They act not as comrades, not as brothers and not as communists on the issues of foreign trade. It would suffice to mention the following examples. We supply them with cotton, even though we do not have enough cotton ourselves, and we have to purchase it on the world market and pay in gold. We send them nickel, although we have to buy nickel abroad for gold. At the same time, when last year the Soviet Union approached the Romanians with a request to sell us a small amount of herbicides, the Romanians replied: of course we could sell, but only for dollars.

This is outrageous: the country that gets everything from us on the basis of barter, even the most desirable goods that are always in shortage, goods [we pay for] in hard currency, offers us the goods we need for dollars.

The Romanians, in particular, contribute the least per capita of defense expenditures in the Warsaw Pact. In other words, they participate in the cooperation to strengthen the military power of the socialist camp less than others.

Naturally, all these elements taken together, led to the situation where there is now certain misunderstanding and some disagreements that have arisen between the Romanian Workers Party and other fraternal communist parties, and especially big disagreements emerged between the GDR, Czechoslovakia and Romania.

And by the way, added N.S. Khrushchev, in Romania, they reacted with hostility to the construction of the friendship pipeline, which will bring Soviet oil to Czechoslovakia and the GDR. They even had conversations at party meetings about how allegedly the Soviet Union competes with the Romanian oil, stifles it and so forth.

It will be easy for you to understand, says N.S. Khrushchev, if you compare the numbers of oil production, that there could be no talk of any kind of competition: the USSR extracts 205 million tons of petroleum per year, while Romania only produced 10 mln tons a year.

N.S. Khrushchev continued that he thinks that all this is just a temporary phenomenon, that it is the remnants of bourgeois nationalism in people's minds, that they would be able to overcome them in the future, and that the CPSU is taking all possible steps in order to resolve these disagreements on the principled basis of the Marxist-Leninist ideology. In particular, said N.S. Khrushchev, just now a Soviet party delegation headed by comrade Podgorny has left for Romania. N.S. Khrushchev handed him a personal letter for comrade Georghiu-Dej. And although, said N.S. Khrushchev, I have very little hope that we would be able to resolve the emerging conflict this way, nonetheless, we will not miss any opportunity to improve relations.

Regretfully, disagreements of this kind are immediately used by the Chinese and the Albanians, who try to patch together some sort of a coalition. They will try to create an ideological basis for it and thus carry out their work aimed at splitting the socialist camp.

This is where things stand with Romania, concluded N.S. Khrushchev.

Ambassador of the USSR to Cuba, A. I. Alexeyev was present at the conversation.

Conversation was translated by N.S. Leonov

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