

Détente and Beyond

Anglo-Romanian Relations in the
Aviation Industry (1966-1993)

Mauro Elli



EUROCLIO
STUDIES AND DOCUMENTS



PETER LANG

By the mid-1960s, the whole European aviation industry had begun looking at two main solutions in order to survive competition from the USA: European cooperation, and exports to markets still closed to the Americans. Against this background, Anglo-Romanian dealings in the aviation industry over a period of almost thirty years are a case of converging politico-military interests with major interpretative potential. This holds true for the history of East-West relations and intra-Western commercial competition, but also for the transformation of domestic decision-making patterns and the change in economic priorities. While Britain became Romania's first commercial partner in order to offer a new outlet to the aviation industry, Bucharest was looking at the UK to pursue a strategy of industrial modernisation and political visibility. The story of their intersection sheds light on the lower-level reality of Détente in Europe. The degree of collaboration across the Iron Curtain was not just the product of a generally improved diplomatic atmosphere, but – at least in the present case – the result of a peculiar mixture of political ambition, economic viability, and technological expertise. Indeed, the change of economic paradigm in the UK (from Neo-Keynesianism to monetarist Neo-Liberalism), along with President Ceaușescu's fixation with foreign debt, played a crucial role in the vicissitudes of Anglo-Romanian relations in the aviation industry in the period between the demise of Détente and the end of the Cold War. This points to a reasonably articulated model, which is hinged on the category of 'transfer', rather than on the category of 'cooperation'.

Mauro Elli, Ph.D., is currently Adjunct Professor in Contemporary History at the State University of Milan. He has published several contributions on the reciprocal feedback between foreign policy and technology during the Cold War, with a focus on nuclear power developments.

DÉTENTE AND BEYOND
ANGLO-ROMANIAN RELATIONS
IN THE AVIATION INDUSTRY
(1966-1993)



P.I.E. Peter Lang

Bruxelles · Bern · Berlin · New York · Oxford · Wien

EUROCLIO is a scientific and editorial project, a network of research institutions and researchers, and an ideas forum. EUROCLIO as an editorial project consists of two aspects: the first concerns studies and documents, the second concerns tools. Both are aimed at making the results of research more accessible, and also at opening up paths through the history of European construction/integration/unification.

The EUROCLIO series meets a dual objective:

- to provide reference tools for research,
- to provide a platform for this research in terms of the publication of results.

The series thus consists of two sub-series that satisfy these requirements: the Studies and Documents series and the References series. These two series are aimed at general libraries and/or university history departments, teachers and researchers, and in certain cases, specific professional circles.

The Studies and Documents series consists of monographs, collections of articles, conference proceedings, and collections of texts with notes for teaching purposes.

The References series consists of bibliographies, guides and other tools. It thus contributes to the creation of a database making up a "Permanent catalogue of sources and bibliographies on European construction".

Edited by

Éric Bussière, Université de Paris-Sorbonne (France),

Michel Dumoulin, Louvain-la-Neuve (Belgique),

& Antonio Varsori, Università degli Studi di Padova (Italia)

DÉTENTE AND BEYOND
ANGLO-ROMANIAN RELATIONS
IN THE AVIATION INDUSTRY
(1966-1993)

Mauro Elli

Euroclio
Vol. 102

Linguistic supervision: Nicola Resnati.

This volume is published thanks to the support of Università degli Studi di Milano and Università degli Studi di Padova.

This publication has been peer reviewed.

No part of this book may be reproduced in any form, by print, photocopy, microfilm or any other means, without prior written permission from the publisher.

All rights reserved.

© P.I.E. PETER LANG s.A.
Éditions scientifiques internationales
Brussels, 2018
1 avenue Maurice, B-1050 Brussels, Belgium
brussels@peterlang.com; www.peterlang.com

ISSN 0944-2294
ISBN 978-2-8076-0674-6
ePUB 978-2-8076-0676-0
D/2018/5678/20

DOI 10.3726/b13344
ePDF 978-2-8076-0675-3
MOBI 978-2-8076-0677-7

CIP available at the Library of Congress and the British Library.

Bibliographic information published by "Die Deutsche Nationalbibliothek".

"Die Deutsche National Bibliothek" lists this publication in the "Deutsche Nationalbibliografie"; detailed bibliographic data is available on the Internet at <<http://dnb.de>>.

Table of Contents

Acronyms	9
Introduction and Acknowledgements	13
CHAPTER 1. Western Wings for Romania.....	25
1.1 Antipodes in Détente Europe: British Industrial ‘Decline’ and Romanian Economic Development	26
1.2 Competition for TAROM’s Modernisation: the Choice in Favour of BAC	47
CHAPTER 2. Counter-trade: the B-N Islander Production Line in Romania	65
2.1 The Vagaries of Insolvency	65
2.2 The Quest for Good Workmanship	79
CHAPTER 3. Military Aviation: JUROM and Beyond	83
3.1 The Brezhnev Doctrine as a Propeller	83
3.2 The Rolls-Royce Viper Engine and CoCom Issues.....	98
3.3 The Chinese Spin-off.....	109
3.4 Afterburning	118
CHAPTER 4. Chartering the Modernisation of Civil Aviation	133
4.1 Shrinking Perspectives in the UK.....	133
4.2 BAC and US Competition in Romania	148
CHAPTER 5. Rombac	161
5.1 Competing with the Germans.....	161
5.2 Queen Elizabeth II’s Guests	178
5.3 Licensing the 1-11	188

CHAPTER 6. Epilogue: Re-engining the 1-11 197

 6.1 The ROMBAC Programme in ‘*Epoca de Aur*’ 197

 6.2 Post-Revolutionary Demise 220

References 235

Index..... 259

Acronyms

AA	Associated Aerospace
AEI	Associated Electrical Industries
AMEJ	Papers of Julian Amery, Churchill College, Cambridge
ANR, CC	The National Archives of Romania, Central Committee of the Romanian Communist Party, Bucharest
ARB	Air Registration Board
BA	British Airways
BAC	British Aircraft Corporation
BAe	British Aerospace
BDOHP	British Diplomatic Oral History Programme, Churchill College, Cambridge
BEA	British European Airways
BHC	British Hovercraft Corporation
B-N	Britten-Norman
BP	British Petroleum
CAA	Civil Aviation Administration
CIAR	Headquarters of the Romanian Aeronautical Industry (Centrala Industriei Aeronautice Române)
CMEA	Council for Mutual Economic Assistance
CNIAR	National Centre of Aeronautical Industry (Centrul Național al Industriei Aeronautice Române)
CoCom	Coordinating Committee for Multilateral Export Controls
CPSU	Communist Party of the Soviet Union
CSCE	Conference on Security and Co-operation in Europe
DBPO	Documents on British Foreign Policy Overseas
DOI	Department of Industry
DOT	Department of Trade
DTI	Department of Trade and Industry

EBRD	European Bank for Reconstruction and Development
ECGD	Export Credits Guarantee Department
EMBRAER	Brazilian Aeronautics Company (Empresa Brasileira de Aeronáutica)
ERC	Exporters Refinance Corporation
FAA	Federal Aviation Administration
FCO	Foreign & Commonwealth Office
FOI/DTI	Papers obtained by the UK Department for Business, Innovation & Skills pursuant the Freedom of Information Act
FOI/FCO	Papers obtained by the UK FCO pursuant the Freedom of Information Act
FOIA/DoS	Papers obtained from the U.S. Department of State pursuant the Freedom of Information Act
GAB	Bucharest Aeronautical Group (Grupul Aeronautic București)
HAEC	Historical Archives of the European Communities
HSA	Hawker Siddeley Aviation
IAR	Romanian Aeronautical Industry (Industria Aeronautică Română)
IATA	International Air Transport Association
IAvB	Bucharest Aircraft Company (Întreprinderea de Avioane București)
ICI	Imperial Chemical Industries
ICPAS	Institute for Aerospace Design and Construction (Institutul de Cercetări și Proiectări Aerospațiale)
ILS	instrumental landing system
IMFCA	Institute for Fluid Mechanics and Aerospace Constructions (Institutul de Mecanica Fluidelor și Construcții Aerospațiale)
INCREST	National Institute for Scientific and Technical Creation (Institutul Național pentru Creație Științifică și Tehnică)
IRMA	Enterprise for the Repair of Aeronautical Material (Întreprinderea de Reparații Material Aeronautic)
LAR	Romanian Airways (Liniile Aeriene Române)
MAEF	Archives du Ministère des affaires étrangères

MAER	Romanian Ministry of Foreign Affairs
MBB	Messerschmitt-Bölkow-Blöhm
Mintech	Ministry of Technology
MoD	Ministry of Defence
NARA, ADD	National Archives and Records Administration, access to archival databases
NSF	National Salvation Front
OECD	Organisation for Economic Co-operation and Development
OEEC	Organisation for European Economic Co-operation
PCL	Polytechnic of Central London
PMR	Romanian Workers' Party (Partidul Muncitoresc Român)
RCP	Romanian Communist Party (Partidul Comunist Român)
RMFA	Archive of the Romanian Ministry of Foreign Affairs
SBAC	Society of British Aircraft Constructors
SNECMA	National Society of Research and Construction of Aviation Engines (Société nationale d'étude et de construction de moteurs d'aviation)
STOL	short take-off and landing
Tarom	Romanian Air Transport (Societatea de Transporturi Aeriene Române)
TARS	Romanian-Soviet Air Transport (Societatea de Transporturi Aeriene Româno-Sovietice)
UKNA	The National Archives of the United Kingdom
VFW	United Flight-technical Company (Vereinigte Flugtechnische Werke)

Introduction and Acknowledgements

This book has come together almost by chance. I was mainly concerned – and I still am – with nuclear power and in 2010 I was completing a research on one of the two atomic power plants that the British managed to export in the 1950s, specifically the one purchased by the ENI Group for Latina. I was looking for a new topic, convinced – as I was back then – that my job would always be historical research, a field that possibly had nothing to do with nuclear power, because – it was suggested – it would be appropriate for my academic future to show the ability to be flexible, not to focus on one single theme to be rehashed at any given opportunity.

On the one hand, I wanted to investigate something that had to do with Romania, because in previous years I had been able to develop a special bond with this country for personal reasons. On the other hand, I had a very cursory knowledge of its history, and I had never had dealings with Eastern Europe. It was then that one of my colleagues in Milan, an expert on such topics, with his good-naturedly brazen ways, told me that if I wanted to try and research a significant theme that involved both the Romanians and ‘my beloved English’ I would have to consider planes.

Aeroplanes, for me, were just a means of transport – and not a very comfortable one. However, I jumped aboard one heading for London and for a couple of weeks I lost myself in that extraordinary place of study still known at that time as the Public Record Office. During that stay, I could not do much, apart from seeing the amount of material available and understanding, though still in an obscure way, the enormous quantity of historical links that such research could offer. Accustomed as I was to take the availability of low-cost carriers on European routes for granted, I still remember my amazement upon learning that one of the first aircraft operated by the newly-formed Ryanair – the Spirit of Dublin – was a ROMBAC 1-11 manufactured in Romania.¹

Everything would have probably ended here, had I not taken part in the Final ESF Inventing Europe Conference – 4th Tensions of Europe Conference, which was to be held in June 2010 in Sofia – a city I had

¹ Robert Church, *The One-Eleven Story*, Tonbridge, Air-Britain Historians, 1996, p. 199-203.

never visited before and that I thought would be an interesting place to spend a few days in the company of my wife to be. On a more professional level, the conference offered a great opportunity to use my material on Anglo-Romanian aeronautical relations, but I needed someone who was familiar with the history of aeronautics and who was available to present a paper with me, dealing with the background issues. I turned to David Burigana, whom I already knew, though not particularly well: that was the beginning of an important friendship and the moment when I decided to take seriously the research that culminates in the present volume.

It is not necessary to bring post-Popperian epistemology into the picture as regards the driving forces of scientific research. Rather, it might be useful to make a different type of clarification. Against the backdrop of historical disciplines, where a persistent and perhaps excessive specialisation is only partially balanced by an interdisciplinary approach, which in turn becomes something of a fetish, a codeword to secure funds for research, this book takes on a different dimension. Indeed, it is not a work on the history of the Cold War, nor on economic history, nor on the history of Eastern Europe, but rather a bit of all these things, blended together in varying measure. The boundary between eclecticism and amateurism is somewhat blurred and I can only assure that I have done my best to opt for the former. What I wanted to do was investigate a concrete case of those relationships that crossed the Iron Curtain in *Détente* Europe. Although the framework of diplomatic relations was already clear, there were very few studies that researched what had happened at the lower levels, especially in terms of economic and technological relations. In order for these relationships to make sense historically and for them to make a certain contribution to their progress, they needed a contextualisation that gleaned from different areas – and, for the most part, they needed to be investigated as a whole.

This is why this book is, in a sense, a kind of ‘contamination’ between these different areas and it is why I was prompted, at the writing stage, to adopt a concentric-circle structure in the various chapters, recalling the political and economic context of the United Kingdom and Romania, moving on to bilateral relations, and finally addressing aeronautical issues. In addition, I have dwelt on the technical aspects of these issues, because I do not think it is possible to really investigate any historical dynamics that have to do with technical content – whether nuclear or aeronautical – limiting myself to the perceptions of politicians and diplomats, or narrowing down the analysis to a certain type of documentation. I thought, in short, that this way of proceeding, that is, integrating different points of view by anchoring them to a precise bilateral dynamics, was the most

functional way to present the heart of the matter, the model that seems to be revealed.

Here another clarification is necessary. I am speaking about a 'model', not about 'conclusions' – and the reader wishing to throw a glance at the table of contents might be surprised at the fact that this book does not offer the much-expected ending chapter entitled 'Conclusions'. I fully realise that this fact can be misleading, but I hasten to assure the reader that I conscientiously considered the matter while planning the book and that I opted for including my conclusions in this introduction. Insofar as a conclusion is not merely a summary of the main points already examined in the body of the text, it should offer an interpretative model, or – even better – a possible historiographical approach for further studies. Therefore, I deemed it useful to offer the reader my key of interpretation beforehand, as well as any proper reference to the general context. Firstly, this would hopefully lead more easily the reader through the narrative of the book – whose chapters are more or less self-contained entities with their own introduction and conclusions. Secondly, the reader can test the model that I suggest hereafter in a straightforward way and he or she is enabled to formulate his or her own ideas more freely, in a more fruitful hermeneutic circle – I believe.

But what model could emerge from such complicated events, lasting nearly three decades? Thirty years seems a short time, but they are in fact quite a long period compared to the 'pulse' of contemporary history: the world, the coordinates of the context in which these events occurred were already radically transformed when it all ended, passing through the transformations of the 1970s and the end of the Cold War. Also, the number of actors in the game, the difficulty of combining political and technical aspects, the apparent breaking down of Anglo-Romanian aeronautical cooperation that, like an underground river, seems to disappear, swallowed up by the earth, only to reappear with new twists. Years ago, still in the early stages of my research and thus with a very partial knowledge of the subject matter, I tried to map these channels into a flowchart. In the end it filled nine pages, held together with adhesive tape. That was probably the first of several times when I thought I would give up this project.

With a certain uneasiness – having to finalise my work – I find it necessary to sketch out its contents, to serve as a key to reading the book, outlining the topics of the single chapters. Thus, it seems to me that a model does emerge. First, at risk of stating the obvious, Anglo-Romanian aeronautical cooperation was based on polarity, not convergence. On one side, the positive pole, the United Kingdom, which possessed technology

and manufacturing skills in an important sector of the mechanical industry and was less and less able to compete profitably in the usual markets; on the other side, the negative pole, Romania, which aspired to possess this technology and production skills, but basically could not afford them. Cooperation was not, therefore, an act of 'building together', but rather a 'transfer', which was always conditioned and unidirectional.

Of course, this does not mean that the Romanians were untalented or unable to achieve the same levels of quality as the British. However, the results of the 'building together' strategy were almost negligible, even at a time when it was very fashionable to talk about East-West cooperation – especially in the light of a renewed importance of the European context between the 1960s and the 1970s – as a key synergy to reach new markets in developing countries.² Of course, everyone talked about it: Anglo-Romanian cooperation was often seen as a vehicle for selling aeronautical material to African countries, and Romania played an important role in the arrival of Rolls-Royce in China. In the end, however, amidst pretensions and exploitations, nothing came of it.

The whole story could be seen as an example of 'constructive illusion,' or cooperative dynamics based on misperceptions.³ However, in the face of a recent historiography that has rightly drawn attention back to the cooperative dimension of East-West relations, especially in the European arena, it is fundamental to try and pinpoint the connotations of the concept of 'cooperation.'⁴ Undoubtedly, in the present case, the numerous interactions between multiple actors placed on different levels were always brought back to the governmental and diplomatic dimension, because, ultimately, the risk of investment needed to implement Anglo-Romanian cooperation were guaranteed by the state.

The 'transfer' of technology and productive skills was always subject to conditions. It should be noted that such limitations were not only applied

² On the European dimension of Détente during the longer 1970s see Federico Romero and Silvio Pons, "Europe Between the Superpowers, 1968-1981", in Antonio Varsori and Guia Migani (eds.), *Europe in the International Arena During the 1970s*, Brussels, P.I.E. Peter Lang, 2011, p. 85-97; Angela Romano, *From Détente in Europe to European Détente*, Brussels, P.I.E. Peter Lang, 2009; Wilfried Loth and Georges-Henri Soutou, *The Making of Détente. Eastern and Western Europe in the Cold War, 1965-75*, Abingdon, Routledge, 2008.

³ For more on this see Eric Grynawski, *Constructive Illusions. Misperceiving the Origins of International Cooperation*, Ithaca, Cornell University Press, 2014.

⁴ See Sari Autio-Sarasma and Katalin Miklössy, "The Cold War from a New Perspective", in Sari Autio-Sarasma and Katalin Miklössy (eds.), *Reassessing Cold War Europe*, London, Routledge, 2011, p. 1-15.

to cases of military relevance. Of course, as far as the military industry is concerned, Romania's membership in the Warsaw Pact was a very restrictive factor, irrespective of the political positions assumed by Bucharest, especially after the invasion of Czechoslovakia in 1968, which caused the premature end of the contacts initiated about a possible cooperation in the realisation of a supersonic fighter. Conditions and limitations affected the civil sector, for example with regard to certification procedures and the maintenance of design authority by the United Kingdom, partly because it was difficult to control technological developments once the know-how had been transferred, partly because the Romanians never concealed their desire to proceed in both areas – and to consider the military one more important.

The British were also conditioned by relationships with their allies at CoCom. Historians have dealt with multilateral control mechanisms on exports to countries behind the Iron Curtain,⁵ notably with respect to the period 1950s-1960s,⁶ highlighting the contrasts between the Westerners. In the present case, there was certainly the fear that the control mechanisms could serve to unduly favour American competition and, had there been interests as vital as Rolls-Royce's entry into the Chinese market, the British government would have contemplated the hypothesis of unilateral solutions. However, the overall assessment of CoCom's role remained positive and far from overcoming the limits, in the case of Romania, the British were rather inclined to interpret them restrictively, for example concerning metallurgical techniques or the development of an afterburner for the Viper engine. From a strictly strategic point of view, these elements probably would not have changed the military balance between the two blocs in any way, but why risk tensions with Western allies, and especially with the United States, which was still the most important partner in the aerospace sector?

Moreover, if Anglo-Romanian aeronautical cooperation was indeed based on an intrinsic polarity, the same was true of its 'surrounding conditions.' On the one hand, the United Kingdom was engrossed in the debate on decline and engaged in a policy of differentiation aimed to seize the political and economic opportunities presented by Détente in Europe; on the other

⁵ Frank Cain, *Economic Statecraft During the Cold War. European Responses to the US Trade Embargo*, Oxford, Abington, Routledge, 2013.

⁶ See, for example, Jari Eloranta and Jari Olaja, *East-West Trade and the Cold War*, Jyväskylä, Jyväskylä University Press, 2005 and Luciano Segreto, *East-West Trade in Cold War Europe: National Interests and Hypocrisy*, paper presented at the XIV International Economic History Congress, Session 111, Helsinki, August 2006.

hand, Nicolae Ceaușescu's Romania, the maverick of the Soviet Bloc, was registering striking indexes of economic growth.⁷ These conditions enabled the activation of a rather dense network of personal and corporate contacts, which, most of the time, represented the prime mover of the various moments in which Anglo-Romanian cooperation was articulated. Naturally, this does not mean that the level of high politics and diplomacy were secondary: it would be structurally impossible in the case of a regime like the one in power in communist Romania, but also in the case of the United Kingdom there is systematic cooperation, although not devoid of tensions, between the diplomatic representation in Bucharest, the departments at Whitehall and the upper echelon of the British government on the one hand, and the industrial subjects with their mediators on the other.

This testimony to the vitality and general competence of a diplomatic tradition, for that matter already highlighted,⁸ must be read alongside the fact that rarely did the initiative come through these channels. The most striking case is that of George Pop, for about thirty years the representative and mediator of the interests of the British aeronautical industry in Romania: not only is Pop often seen as the main – sometimes unique – source of information for the Embassy in Bucharest and, consequently, for Whitehall, but through a formidable network of contacts and thanks to an extraordinary knowledge of the power mechanisms of the Romanian regime, he was able, on more than one occasion, to make the difference, suggesting solutions that allowed the continuation of bilateral cooperation.

Examples are numerous and they concern the Romanians as well, ranging from important members of the Communist Nomenklatura, such as Emil Bodnaraș, to experts in matters related to aviation like Ștefan Ispăș. These are cases in which personal sympathies and interests played a significant role in orienting the choices on which bilateral cooperation was set up: elements that are undoubtedly difficult to investigate, but whose documentation has left different traces. In other cases, it is also important to consider a perspective that goes beyond the time limits of the Cold War: it is impossible, for example, not to take into consideration the role played by that extraordinary engineer Henri Coandă in the creation of the British and Colonial Airplane Company in Bristol in the years before the First World War, when one appraises the easiness his contacts with

⁷ For a fresh portrait of Ceaușescu see Eliza Gheorghe, "Nicolae Ceaușescu", in Steven Casey and Jonathan Wright (eds.), *Mental Maps in the Era of Détente and the End of the Cold War 1968-91*, Basingstoke, Palgrave, 2015, p. 60-80.

⁸ John Young, *Twentieth Century Diplomacy: A Case Study of British Practice, 1963-1976*, Cambridge, Cambridge University Press, 2008.

Rolls-Royce – which had inherited the former company – in the early 1970s. In the end, the constant reminder of Ceaușescu's aviation projects was Romania between the two wars, albeit always accompanied by the ideological view that communism should allow the full realisation of an industry that the old 'aristocratic-bourgeois' regime had not been able to develop.

These personal contacts were activated whenever British companies had any industrial and commercial interest. I should also mention what I consider to be the missing piece of this research, that is, the lack of the documentation produced by these companies, which would have been of paramount importance. I have tried, on several occasions, to contact Rolls-Royce and BAE Systems, only to get evasive or negative answers about the availability, or the existence, of any documentation. So, I had to try to trace this information through the content of the papers I had access to. Undoubtedly, the industrial and commercial interest was stimulated by competition between Western countries in an attempt to enter previously inaccessible markets, to the point that the British considered less dangerous the possibility of Romania purchasing aircraft from the USSR rather than the United States, a more fearsome competitor. Be that as it may, the readiness to do business with Romania became, as time went by, and especially in the second half of the 1970s, a means of seeking financial protection from the government for products still struggling to find a market (as in the case of the 1-11) or without one (for example, the German VFW-Fokker 614, a substantial failure.)

All this leads to the crucial point in the story. Romania did not, of course, have the financial resources necessary to rebuild its aviation industry, so the costs had to be covered through counter-trade and loans with merchant banks, at least until the export of new products, whose technological know-how and production practices had been previously imported, generated, theoretically speaking, sufficient revenue to pay the debts. This was something very similar to what happened with developing countries and, not by chance, a Romanian leitmotiv during these negotiations was the request to obtain – with little success – the same financial conditions offered to the poorest African and Asian countries.

For years, the political and economic situation of Détente in Europe had justified this line of conduct. In fact, Romania was in a powerful negotiating position: on the one hand, it could put forward the need for a favourable treatment that would politically encourage its independence from Moscow – although, in fact, Romania's individual choices in favour of one Western partner or another were not necessarily equivalent to anti-Soviet positions; on the other hand, in addition to exploiting East-West

political competition, Romania could benefit from the commercial rivalry between Western countries. In short, despite all the constraints deriving from being a Warsaw Pact country, Romania could try and follow the example of Yugoslavia.⁹

Analysing in detail the long negotiations on the economic and financial aspects gives an opportunity to realise, not without some degree of amazement, how long the Romanian tactic proved successful, even after the conditions that had originally made it possible began to disappear one after another. In the mid-1970s, Détente began a descending parabola, the repressive nature of Ceaușescu's regime was getting increasingly detestable and the consequences of the oil shock became manifest, especially in terms of inflation and economic depression. Yet, the objective difficulties in fixing costs over the medium to long term and the exhausting haggling on the escalation clauses and the terms of the loans continued to be largely resolved in favour of the Romanians until 1979. This is because, as long as Keynesian neo-corporatist criteria remained valid, the British governments of the time were ultimately available to finance and cover the risk of these operations, in order to contain the employment repercussions over a civil airframe industry that was in dire straits; likewise, it continued to be considered normal, all in all, that the state intervened with industrial policy measures in support of those sectors that, rightly or wrongly, were considered crucial from the economic point of view as well as from that of national prestige. So, what could roughly be described for the British as reasons of internal politics were, for the Romanians, the real lasting advantage in these negotiations.

When questioning the rise of post-Keynesian political economy and its effects on the Cold War,¹⁰ the apparently more logical answer that would seem to stem from the history of Anglo-Romanian aeronautical cooperation is that the arrival of Margaret Thatcher entailed exhaustion of those support mechanisms that had guaranteed the operation until that moment. However, that answer would only be partial. In fact, even if Whitehall's loss of interest was tangible, not least because in the various corporate evolutions of the British aerospace sector, those who were historically concerned with the relationship with Romania came progressively to be less influential, it should also be noted that, until the fall of Communism, cooperation projects basically stalled because of

⁹ See Benedetto Zaccaria, *The EEC's Yugoslav Policy in Cold War Europe, 1968-1980*, Basingstoke, Palgrave, 2016.

¹⁰ See Federico Romero, "Cold War Historiography at the Crossroads", *Cold War History*, Vol. 14, No. 4 (2014), p. 685-703.

Ceaușescu's determination not to contract new debts, and not really for the unwillingness of the British to offer credits. The emergence of new economic paradigms was certainly significant, but had a comparatively lower impact on the fate of these vicissitudes in the 1980s than the devastating austerity imposed by Ceaușescu on Romania, in turn a reaction to the global crisis of the previous decade and further confirmation that even the absence of reforms and a 'totalitarian' social control were not a guarantee for the good functioning of planned economies.¹¹

All these paradigms were decisive after Ceaușescu's death and the end of the Cold War, when it now seemed a self-evident truth that a liberist shock therapy would be the most effective recipe for post-communist economies. Henceforth the idea that the resources needed for the revival of Romanian aeronautical projects should first come from the restructuring of the Romanian aeronautical industry itself. Only later, this restructuring having been carried out with sacrifices, would other sources intervene and, in short, what could be done by the British was to help the Romanians help themselves. All this signed the death warrant of almost thirty years of cooperation and redefined the role of the Romanian industry in partnership with Boeing.

These being the general conclusions, the model that I believe can be derived from this investigation – and that I hope might be useful in a comparative key for those who will in future be concerned with trans-European economic interactions during the Cold War¹² – can benefit from a brief presentation of the structure of the book, even though the material could perhaps be arranged differently.

Chapter 1 presents the polarity represented by the United Kingdom-Romania binomial, with particular attention to the political, diplomatic, economic and industrial context data and a sight to key historiographical issues: Détente and Romania's 'independence' from the Soviet Union and its relations with Western countries. The chapter analyses the launch of Anglo-Romanian aeronautical cooperation, starting with the sale of five BAC 1-11s to modernise the TAROM fleet and enable it to exploit better tourist flows, a valuable currency source. This transaction and all the related counter-trade measures designed to make it possible opened

¹¹ For the opposite view, regarding the USSR, see Philip Hanson, *The Rise and Fall of the Soviet Economy. An Economic History of the USSR from 1945*, New York, Longman, 2003.

¹² Angela Romano and Federico Romero, "European Socialist Regimes Facing Globalisation and European Co-operation: Dilemmas and Responses", *European Review of History*, Vol. 21, No. 2 (2014), p. 157-164.

up a series of long-term prospects, not limited to the civilian sector, which seemed to tie Romania steadily to the British industry, giving the latter a new and significant commercial outlet.

Chapter 2 considers the most interesting element of counter-trade, that is, the building under licence of the Britten-Norman Islander in Romania. The Romanian line should not have simply served to generate revenue to cover the cost of the aircraft purchased by TAROM but, above all, to mature production skills that could satisfy Western quality controls, starting with a simple plane and promising commercial prospects. The Islander, at the crossroads of all Anglo-Romanian aeronautical relations during the 1970s, might have actually been a success in terms of developing industrial skills, but Romania did not succeed in autonomously producing even half of the plane components. In addition, the Islander affair clearly unearths the financial, if not managerial, weakness of the British aeronautical industry in the 1970s, even if it could rely on a high-quality product that later enjoyed worldwide business success.

Chapter 3 examines relations in the military sector, stressing the importance of Romania being a Warsaw Pact country after the invasion of Czechoslovakia in 1968, irrespective of the unequivocal condemnation of the incident by Ceaușescu and its convergence with Yugoslavia. With the possibility of cooperating in the construction of a supersonic fighter being denied early on, the Romanian interest shifted onto the ability to build some Rolls-Royce engines under licence, starting with the Viper. This was to become the engine of an aircraft at the heart of Romanian-Yugoslav cooperation and a starting point for repeated attempts to convince Rolls-Royce to collaborate in the design of an afterburner. In general, contacts in the military sector demonstrate, on the one hand, the continued effectiveness of CoCom's restrictions on exchanges with the Soviet bloc and, on the other hand, the impracticability of the ambitions of the regime in the face of the difficulties of the Romanian productive apparatus to assimilate the technology obtained. The relations in this area allowed Rolls-Royce to activate, through good Romanian offices, those contacts with the Chinese authorities that led to the sale of the production licence for a military engine to the People's Republic.

Chapter 4 shows the rapid decline of the prospects for civilian cooperation that had emerged in the late 1960s, due to the growing weakness of the British aviation industry and to Boeing's first foray into the Romanian market. Against this backdrop, starting with Pop's initiative, it was possible to put in place a new transaction involving the reactivation of the 1-11 production line in the United Kingdom thanks to the financial support of the government – be it Conservative or Labourist, convinced as

it was that it should intervene in support of an industry operating in areas of the country which had already been heavily affected by unemployment in the 1970s. It was precisely the government's support that would enable the sale at fixed prices, over a period of galloping inflation, of other 1-11s to the Romanians, with a view to setting up a subcontracting production line in Romania as a counter-trade element.

Chapter 5 examines the lengthy negotiations on the ROMBAC project, that is, the production under licence of the 1-11 in Romania in the second half of the 1970s, underlining how the lack of German competition left the British airplane as the only concrete option for the Romanians, as well as the sale of the production licence to Romania was considered a useful means of survival for the British airframe industry. This situation highlights how economical and commercial considerations were decisively predominant over political-diplomatic issues, and how, on part of the British, there was a concern to place precise constraints on the extent of technological transfer and on the degree of Romania's future industrial independence. On the other hand, the frequent variation in the number of planes involved in the project gives a clue to how aleatory Romanian plans were.

Chapter 6 analyses the failure of the ROMBAC project in its original formulation in the changing climate of the 1980s, while taking into consideration the epilogue of Anglo-Romanian aeronautical cooperation and the various attempts made to infuse new life into it through use of more modern engines after the fall of Communism. These efforts could have maintained on the market an airplane that was still appreciated, but the project backfired for the unavailability of the United Kingdom to invest money unless the new Romanian government guaranteed it.

Finally, there are a number of people to whom I would like to express my gratitude. Firstly, Professor Antonio Varsori, who believed in this project and who has always urged me to complete it, despite the delays due to the changes in my personal circumstances. I am deeply grateful not only because he encouraged me to carry on, but also because he took on the task of reading the drafts of the chapters as I finished them. Secondly, I wish to thank the Department of Political Science, Law and International Studies at the University of Padua, where I was a Postdoctoral Researcher, a position which allowed me to devote time to my studies. I am also indebted to the project "Ex post Italy. Experts and Politics on Science and Technology in Italy: A Problem of Democratic Legitimacy and International Reliability? The Interplay Between Experts and Political Decision-Makers in Italian Foreign Policy from the Crisis of the 1970s to the 'New' International and European System of the 1990s," which has contributed greatly to my

work. I would also like to thank the Department of Historical Studies of the University of Milan – in particular its former director, Professor Maria Luisa Betri, and Professor Alfredo Canavero – for its contribution to publishing expenses. I am greatly indebted to Dr. Nicola Resnati, whose valuable linguistic supervision has been crucial in order to ‘streamline’ my impervious style.

Lastly, a special thank you and all my affection go to my friend David Burigana, who I met almost by chance many years ago, and to whom I owe my interest in aeronautics as a subject of study. Without him, this work would very probably never have seen the light of day.

CHAPTER 1

Western Wings for Romania

In 1968, a small booklet printed on card saw the light of day. It was well bound and the graphics were attractive and colourful. The booklet turned out to have been written by a Romanian officer, who was General Director of the Division of Aircraft Manufacturing in the Ministry of Machine Building. The volume was published by the Romanian Aviation Industry, but it was designed and printed by the British Aircraft Corporation. It contained mainly stories about Romanian aviation pioneers, but it also gave an account of an industry that, before the Second World War, had ranked sixth in Europe. The booklet ended with the British company acknowledging the fact that Romania had regained its place as a partner in the European aviation at a time when international cooperation in the field was becoming more and more important.¹

This publication, seemingly bizarre, tangibly marked the beginning of Anglo-Romanian cooperation in the aviation industry, a complicated affair, which would outlast the historical limits of the Cold War. A concrete example of the new perspectives generated by Détente, it apparently represented a sort of oxymoron, juxtaposing the country that embraced the so-called Swinging London and one of the harshest Communist dictatorships of Eastern Europe.

And yet, the actual circumstances that the United Kingdom and Romania were going through during the 1960s, as well as the historical course that had determined them, made it possible for two antipodes to concur in a complementary relationship, supported, on the one hand, by the necessity for the British aviation industry to find new ways to guarantee its survival, on the other, by the ambitions of the Romanian regime.

¹ Ștefan Ispăș, *Romanian Wings. A Review of Romania's Contributions in Aviation Development Through more than 60 Years*, Bucharest, IAR, n.d.

1.1 Antipodes in Détente Europe: British Industrial 'Decline' and Romanian Economic Development

The 1980s witnessed the publication of a certain number of influential essays aimed at explaining how it had been possible for the United Kingdom to find itself in such dire straits compared to other developed capitalist economies. Could it be possible that the drastic measures that Margaret Thatcher was forcing on the country found their *raison d'être* precisely in the history of the decline of the nation itself? Actually, this 'decline' that everybody quickly recognised became quite elusive and ideologically ambiguous when one looked into its causes and dynamics.

George Allen and Martin Wiener, among other historians, pinpointed a sort of cultural conservatism in the ruling classes that would prevent them from supporting national entrepreneurship as well as stopping the country from moving with the times.² Correlli Barnett essentially pointed to a political myopia, that is, the choice made during the post-war period to channel all the available resources into the construction of the Welfare State, undoubtedly profitable from the point of view of public approval, at the expense of restructuring the economic and productive system, a necessity that the very experience of the conflict should have made as compelling as it was evident.³ Sidney Pollard, on the contrary, identified the reason for this decline in the inadequacy of the investments determined by stop-go dynamics,⁴ citing the centrality of the weakness of the balance of payments, which had already been mentioned by the officials of HM Treasury,⁵ and the government economic policies, all of which had proved counterproductive.⁶

² George Allen, *The British Disease. A Short Essay on the Nature and Causes of the Nation's Lagging Wealth*, London, The Institute of Economic Affairs, 1979; Martin Wiener, *English Culture and the Decline of the Industrial Spirit, 1850-1980*, Cambridge, Cambridge University Press, 1981.

³ Correlli Barnett, *The Audit of War. The Illusion and Reality of Britain as a Great Nation*, Basingstoke, Palgrave Macmillan, 1986.

⁴ Typically, efforts aimed at increasing the growth rate determined an overheating of demand with ensuing overvalued exchange rate, balance of trade deficit and flight of capitals. The government was thus forced to cut public spending and/or act on fiscal policy (the 'stop'), so that actions initially intended to foster investments turned out to be counterproductive. See Barry Eichengreen, *The European Economy Since 1945. Coordinated Capitalism and Beyond*, Princeton, Princeton University Press, 2007, p. 229-232.

⁵ Alec Cairncross, *Managing the British Economy in the 1960s: A Treasury Perspective*, Basingstoke, Palgrave Macmillan, 1996.

⁶ Sidney Pollard, *The Wasting of the British Economy. British Economic Policy 1945 to the Present*, London, Croom Helm, 1982.

The historiographical debate on the decline as such is not the focus of the present work, but it is still interesting to note how these interventions, in identifying the lowest common denominator in the paralysis of the system, lay the blame heavily on the post-war Labour governments, thus portraying a certain image of Britain in the 1960s. The government led by Harold Wilson would preside over a period riddled with rhetoric and frustrated expectations, marked by a stubborn but futile defence of the pound sterling, and by the enormous waste of resources allotted, through public intervention, to the support of dysfunctional and non-competitive industrial sectors.⁷ This is an image that, beyond the possible political and ideological connotations, found ample validation in historiography relating to economic policy after 1945, when it was presented as a series of missed opportunities.⁸

Starting from the 1990s, new investigations have provided a more complex and problematic picture, launching a re-evaluation of the Wilson government, designed to analyse the context of the choices made and the reasons for them.⁹ Living in a period of heavy recession, historians, such as Barry Supple, have noted the apparent paradox of the contemporaneity of a century-long political debate, hinged on the idea of the incipient or ongoing decline of the country and the patency that the standard of living of the average citizen had gradually and considerably risen over the years.¹⁰ This apparent paradox stemmed precisely from the pervasiveness of declinism, which led specialists of every discipline to diagnose an illness that the nation had contracted: the British disease,¹¹ to be treated perhaps

⁷ The most notable examples are the shipbuilding and the motorcar industries. See Anthony Slaven, *British Shipbuilding, 1500-2010: A History*, Lancaster, Carnegie Publishing, 2013 (especially chapter VII) and Timothy Whisler, *The British Motor Industry, 1945-1994. A Case Study in Industrial Decline*, Oxford, Oxford University Press, 1999.

⁸ Roger Middleton, *The British Economy Since 1945. Engaging with the Debate*, Basingstoke, Palgrave Macmillan, 2000, p. 100.

⁹ An early example of this tendency is Richard Coopey, Steven Fielding and Nick Tiratsoo (eds.), *The Wilson Governments 1964-1970*, London, Pinter, 1993.

¹⁰ Barry Supple, "Fear of Failing: Economic History and the Decline of Britain", in Peter Clarke and Clive Trebilcock (eds.), *Understanding Decline. Perceptions and Realities of British Economic Performance*, Cambridge, Cambridge University Press, 1997, p. 9-31. This argument is forcefully resumed and broadened by George Bernstein, *The Myth of Decline: The Rise of Britain Since 1945*, London, Pimlico, 2004.

¹¹ Alan Booth (ed.), *British Economic Development Since 1945*, Manchester, Manchester University Press, 1995, p. 28-35.

by emulating the French economic model or by focusing attention on the apparent success of a Soviet-style planning in terms of productivity.¹²

Although Adam Smith had indeed already complained about the number of declinist papers that were proliferating in the second half of the 18th century,¹³ between the 1950s and the 1960s, the greater availability of comparative statistical data, the high expectations regarding the actions of the state, which were due to the development of Welfare, along with political dialectics, produced the rhetoric of the British disease,¹⁴ suggesting an interesting parallelism with the situation of the 1780s. In other words, insufficient investments due to bad choices related to macroeconomics,¹⁵ the deadweight of a humanistic and amateur culture managed by an élite totally unsuitable to the demands of the modern productive world,¹⁶ as well as the necessity for modernity and innovation for the purposes of economic growth.¹⁷

Even though the allegedly negative role of an elitist culture has been subject to harsh criticism,¹⁸ here it is important to underline that the obsession with a GDP growth almost one percentage point lower than that of countries such as Germany, Japan, and Italy, in which – unlike in the United Kingdom – a relevant batch of manpower had yet to be transferred from a relatively poor agricultural sector to industry, pushed Labourists

¹² Glen O'Hara, *Governing Post-War Britain: The Paradoxes of Progress, 1951-1973*, Basingstoke, Palgrave Macmillan, 2012.

¹³ Donald Winch, "A Great Deal of Ruin in a Nation", in Clarke – Trebilcock (eds.), *Understanding Decline*, op. cit., p. 32-48.

¹⁴ Jim Tomlinson, "Inventing 'Decline'. The Falling Behind of the British Economy in the Post-war Years", *Economic History Review*, Vol. 49, No. 4 (1996), p. 731-757.

¹⁵ Sidney Pollard, *The Development of the British Economy, 1914-1960*, London, Arnold, 1962.

¹⁶ Charles Snow, *The Two Cultures and the Scientific Revolution*, Cambridge, Cambridge University Press, 1959. Snow was appointed parliamentary undersecretary in the Ministry of Technology during the first Wilson government. For an interesting intellectual biography of Snow, see Guy Ortolano, *The Two Cultures Controversy: Science, Literature and Cultural Politics in 1960s Britain*, Cambridge, Cambridge University Press, 2009.

¹⁷ Thomas Balogh, *Planning for Progress. A Strategy for Labour*, London, Fabian Society, 1963. Balogh, an economist, eventually became Wilson's economic counsellor. On the importance of the developments in the economic thought and the central role of professional economists, see Roger Middleton, *Charlatans or Saviours? Economists and the British Economy from Marshall to Meade*, Northampton, Edward Elgar Publisher, 1998, p. 201-281.

¹⁸ Bruce Collins and Keith Robbins (eds.), *British Culture and Economic Decline*, London, Weidenfeld and Nicolson, 1990; William Rubinstein, *Capitalism, Culture and Decline in Britain, 1750-1990*, London, Routledge, 1993.