How to Become a Customer: Lessons from the Nuclear Negotiations between the U.S., Canada and Romania in the 1960s

Eliza Gheorghe

Civil nuclear cooperation agreements (NCAs) have returned to the nuclear policy limelight due to several recent deals, including those with India in 2005, with the UAE in 2009 and Vietnam in 2010. Despite their popularity (over 2,000 NCAs have been signed to date)[1] and apparent utility, civil nuclear cooperation agreement negotiations are fraught with the possibility of deception.

New archival evidence, for example, shows how in the 1960s and 1970s communist Romania successfully sold its image as an 'independent maverick' to the Western world in an effort to secure nuclear technology assistance. The Romanian Communist Party regularly reinforced this image by offering concrete services to the West, including functioning as a secret communication channel to Vietnam between 1967 and 1968. Despite failing to deliver any substantive results in its mediations, Romania's reputation remained intact and continued to be used as currency in its dealings with the Western world. This historical example shows that the U.S. was much more prone to pay heed to appearance instead of substance.

When dealing with current 'mavericks,' the U.S. can improve its tactics by drawing a few lessons from the U.S.-Romanian NCA negotiations: trust but verify, because appearances are often deceiving.

Wilson Center

Nuclear Proliferation International History Project

The United States has cooperated with countries around the world to advance the peaceful uses of nuclear energy ever since President Dwight Eisenhower's 1953 Atoms for Peace proposal. Several countries, such as India, the UAE and Vietnam, have recently sought out U.S. assistance for their civilian nuclear programs through nuclear cooperation agreements. While the focus has been mainly on the consequences of these agreements—particularly the 2005 U.S.-India nuclear deal which many argue broke down the legal and normative barriers that had previously prevented U.S. nuclear cooperation with non Nuclear Non-Proliferation Treaty (NPT) member states—the processes that lead to these accords invites a less studied, yet interesting question: how do small countries maneuver to become customers of major nuclear suppliers?

New evidence from archives in Bucharest, Ottawa, and Washington, D.C., on Romania's efforts to obtain U.S. and Canadian nuclear assistance in the 1960s and 1970s suggests that sometimes small actors are not as harmless as their size would indicate. Their versatility and potential for manipulation may enable them to punch above their weight and turn the tables on much more powerful players in international politics. Given the high financial, security, and proliferation stakes of such deals, 'getting to yes' is always difficult.

Some scholars who have done work on nuclear assistance point out that nuclear suppliers engage in NCAs because they want to strengthen their relationships with the enemies of their enemies.[2] Yet this literature on the reasons why suppliers choose to transfer nuclear technology can benefit from recent archival breakthroughs.

This NPIHP Issue Brief examines how one Cold War maverick, Romania, pursued ostensibly civilian nuclear assistance from the U.S. and Canada. As early as 1964, U.S. analysts identified Romania as a country which had the potential to go nuclear.[3] Despite these qualms, and not suspecting how contrived Romania's reputation as an anti-Soviet maverick really was, the U.S. proceeded to sign a nuclear cooperation agreement with Romania in 1969 which provided Romania with a research reactor, 85lbs of highly enriched uranium fuel, a heavy water plant, and scholarships for Romanian scientists in the U.S. At the same time, the U.S. gave the go-ahead for Romania's purchase of a CANDU heavy water reactor from Canada. What historians now know on the basis of declassified Romanian government documents is that in the 1960s and 1970s the communist leadership in Romania leveraged its not-entirely deserved reputation as a Warsaw Pact maverick to pursue nuclear technology not only for civilian purposes, but also to keep the nuclear weapons option in its pocket.[4]

The Enemy of My Enemy Is My Customer

Throughout the Détente era of the late 1960s and 1970s, the Romanian communist regime seemed to tick all the boxes in the United

States' 'enemy of the enemy' checklist. Despite having the official trappings of a Soviet ally, Romania's independent foreign policy received Western praise for resisting and disturbing Soviet plans for military coordination within the Warsaw Pact.[5] Bucharest's obstructionism within the Council for Mutual Economic Assistance (CMEA) stymied Moscow's program for economic integration and specialization, and gave way to increasing trade relations with the West.[6] Moreover, Romania directly threatened Moscow's interests in various international issues, such as the German Question, the Sino-Soviet split, the Six-Day War, and the invasion of Czechoslovakia, by publicly denouncing Soviet actions or openly supporting Moscow's rivals.[7]

Declassified Canadian Ministry of External Affairs documents show that the image resulting from Romania's behavior towards the Soviet Union bolstered its ability to get a Canadian-designed CANDU heavy water reactor which, if 'unsafeguarded,' could have been used to produce weapons-usable plutonium.[8] For instance, in November 1966, the Canadian Ambassador to Belgrade, Bruce Williams, reported in his telegram to the Canadian Ministry for External Affairs that "Romania's overtures to us in the nuclear field [are] a similar manifestation of a desire to establish economic independence of Mcow [Moscow]." This economic independence was part and parcel of Romania's increasing political autonomy. In the same telegram, he noted that "in the international sphere nothing could demonstrate more clearly Roumanians' determination to be independent of Mcow [Moscow] that Ceauşescu's forthright opposition to Brezhnev at Sovia [Sofia] on November 16, on holding of international conference on CPS to read China out of movement."[9] Later on, Williams urged Canada to increase its trade and commercial links with Romania so as to allow the communist leadership in Bucharest to maintain its independence.[10] Williams was one of the main proponents of the sale of Canadian nuclear technology to Romania. He repeatedly rebuked the Canadian Ministry for External Affairs for being "unnecessarily rigid in our stance" and for "forfeiting both commercial and diplomatic advantages."[11]

Williams' views echoed the convictions of several high-ranking officials in Washington, in particular of U.S. Secretary of State Dean Rusk. He advocated the application of a 'policy of differentiation' to Romania, comparable to the one Poland and Yugoslavia had benefitted from.[12] This approach, which involved offering rewards to those countries in the Soviet sphere of influence which did not toe Moscow's line, aimed at showcasing the benefits disobedience could bring. Rusk believed that Romanian leader Nicolae Ceaușescu's ascent to power in March 1965 marked a watershed in the history of Romanian communism, as his independent style would take Romania closer to the West. Rusk's strong belief that Romania pursued an independent course helped the communist leadership in Bucharest with several aspects of their request for nuclear technology.

Cutting the Gordian Knot: Half-Hearted Romanian Efforts to End the War in Vietnam

Though in the late 1960s Romania primarily sought Canadian nuclear reactor technology, Washington's backing was needed for Romania to overcome the hurdles imposed by the Coordinating Committee for Multilateral Export Controls (CoCom), which regulated East-West trade, and by the U.S. Mutual Defense Assistance Control Act (also known as the Battle Act) of 1954. The problem was complicated by the fact that both Romania and Canada needed Rusk's help to obtain Washington's approval for the transfer of U.S.-owned heavy water technology, which would not have been forthcoming had Rusk known, as we know now, about Romania's economic and military assistance to North Vietnam.[13]

In the face of these challenges, the 'maverick satellite' image was not strong enough, on its own, for Romania to obtain the nuclear technology that it sought. Therefore, in late 1967, the Romanian communist leadership came up with an 'ingenious' solution: bringing the Vietnam War to an end by means of negotiations.[14] The Romanians tried to assume the role of secret mediator between the Americans and the North Vietnamese, relaying several key messages between Washington and Hanoi by means of the 'shuttle diplomacy' carried out by Romanian Deputy Foreign Minister George Macovescu in January 1968.

Romania was not the first Eastern European country to offer its good-offices in the Vietnam War. The Soviet Union itself, together with Poland, Hungary, Czechoslovakia and Yugoslavia functioned as back-channels between the U.S. and the Democratic Republic of Vietnam (DRV).[15] However, according to George Herring, a historian of the Vietnam War negotiations, Washington was most hopeful about the Romanian effort. The Americans named this initiative PACKERS (for the Green Bay Packers professional football team) because, as the State Department's executive secretary, Benjamin Read, commented, it looked like a 'winner.'[16]

American confidence in the Romanian back channel was not borne out in the results, however. After approaching Hanoi in January 1968, and being rebuffed, the Romanians failed to inform the U.S. until 12 February.[17] The Vietnamese reply struck the Americans as a 'very very flat turndown.'[18] As the Romanians stalled the PACKERS mediation effort, the North Vietnamese took the U.S. by surprise with the launch of the Tet Offensive.

Despite Romania's failure to make progress in Hanoi, and the significant delay in communicating this failure to the U.S., policy-makers in Washington were now convinced of Romania's maverick credibility. This was crucial for Bucharest's pursuit of Western nuclear assistance. Decision-makers in Washington, overwhelmed as they were by the sudden and terrible turn of events in Indochina, did not dwell on the causes of the Romanians' unsuccessful mediation, and quickly rewarded the communist leadership in Bucharest for its diplomatic and political

services by expediting the negotiations on the nuclear deal.

For example, at the end of April 1968, Rusk told Mitchell Sharp, the newly-appointed Canadian State Secretary for External Affairs, about how impressed he had been with the Romanians, in particular with Foreign Minister Corneliu Mănescu (then president of the United Nations General Assembly) and his colleagues who "had carried out abortive explorations with the North Vietnamese a short while ago." Rusk added that "the Roumanians had played their part with integrity. They had reported the negative as well as any positive elements in the responses received from Hanoi."

Rusk's belief that Romania had acted in good faith on the United States' behalf led him to give the Canadians the long-awaited green light to seal the nuclear deal with Romania: "if Canada and Romania could agree on something, there would be no squawk out of the USA administration."[19] Soon after the Rusk-Sharp meeting, a memo from the Department of State to the Canadian Embassy in Washington, D.C. noted that "the executive branch [in the U.S.] would probably itself be prepared positively to support any Canadian application to CoCom."[20] The image the Romanians projected, not the outcomes of their actions, shaped decision-making in Washington and Ottawa.

The Frenemy of My Enemy

What Rusk could not have known in 1968 was that then top secret Romanian government documents—now declassified—suggest that the reasons for which the Romanians' mediation initiative did not succeed deserved more attention from Washington. Had he understood at the time that Romania not only intentionally delayed telling the U.S. about Hanoi's lack of interest in negotiating, but also failed to inform the U.S. of its knowledge of the upcoming Tet offensive, Romania certainly would not have won Rusk's gratitude, or his vocal support for the Canadian-Romanian nuclear deal.

While the Romanian back channel was doomed to failure because the political and military leadership in Hanoi was not serious about sitting down at the negotiations table with the Americans,[21] this fact opened the door to other opportunities for Romania to aid the American cause—which it shirked. Most prominently, the Romanians knew that the Vietnamese were getting ready for the Tet offensive, but they did not inform the U.S. about these preparations. The new documents showing Bucharest's complicity with Hanoi support historian George Herring's suspicion that "what the United States viewed as the most promising peace initiative may well have been the least."[22]

Herring also shows that for Romania, the purpose of the PACKERS initiative was two-fold: first, to make policy-makers in Washington believe that all was well so that the Tet Offensive could catch them off-guard; and second, to deliver a PR coup by mobilizing American and international public opinion against the U.S., so that Hanoi could negotiate from a position

of strength. The Romanians knowingly facilitated the Vietnamese strategy of 'talking while fighting.' Moreover, through this deception, they helped the DRV obtain some tactical advantages, such as the reduced bombing around Hanoi and Haiphong during George Macovescu's visit to North Vietnam in January 1968.[23] Finally, the Romanians withheld the message from the North Vietnamese to the Americans until 12 February, in part because of distracting negotiations between Moscow and Bucharest over the Soviet-Romanian Friendship Treaty, and in part, because both the Romanians' and the Soviets' preference to hold back.[24] Moscow represented one of the recurrent stops in Macovescu's shuttle diplomacy, which allowed the Romanians to consult with the Soviets on the development of the Vietnam War and about Romania's mediation between Washington and Hanoi.[25]

The Romanians' collusion with both the Vietnamese and the Soviets undermined the strategic value Romania offered to the U.S. Rather than being the 'enemy of the enemy,' Romania was a 'frenemy of the enemy.' In its foreign policy, the communist leadership in Bucharest may have been more concerned about Romania's national interests than about what Moscow wanted, but doing so did not prevent it from cooperating with the Soviet Union on specific issues. Since Bucharest both helped and defied Moscow on various international matters, the relationship between Romania and the USSR can be described as 'confrontational cooperation.' Both Moscow and Bucharest realized that the appearance of 'independence,' fuelled by Romania's controversial foreign policy moves, could occasionally prove useful,[26] as it did in the case of nuclear technology transfers.

Because of the Romanians' skillful use of selective secrecy, policy-makers in Washington were unaware that they were being manipulated by the communist leadership in Bucharest, and therefore continued to view Romania as a 'maverick satellite.' In the era of Détente, boundaries between the superpowers' spheres of influence were not as rigid as during the First Cold War. Therefore, small powers, like Romania, could pursue multiple non-mutually exclusive alignments. Therefore, Bucharest could build bridges to Washington and Ottawa while contributing to the victory of socialism and the defeat of capitalism, according to a pattern which the author of this brief calls 'cooperative competition.'

Conclusion

For countries like Romania, the era of Détente entailed great risks and overwhelming constraints, but also enticing benefits. The fact that Washington and Moscow agreed to disagree made it harder for small powers like Romania to play the two superpowers against each other.

The increasingly complex multipolar environment that we are operating in today makes it all the more important that policy-

makers negotiating NCAs tread carefully. To avoid being manipulated, they should pay more attention to who is behind the various 'enemies of enemies' Washington deals with. Some are real, others can be deceptive. The circumstances in which they make their appearance also matter. Some 'enemies of the enemy' prove useful in periods of bipolarity, while others in times of multipolarity. In such a setting, the U.S. should not rush to give the green light on a nuclear technology transfer to a potential 'enemy of the enemy' before checking whether this actor is considering a latent nuclear capability, or is cooperating with one of its rivals on issues that may affect America's security. If 'the enemy of the enemy' looks too good to be true, additional resources should be allocated to certify it is not a carefully crafted mirage. Finally, given the flux and uncertainty characteristic of periods of multipolarity, decision-makers in Washington should take into account the risks that can be incurred if an 'enemy of the enemy' switches sides and becomes the 'frenemy of the enemy.'

During the Cold War Romania engaged in confrontational cooperation with the Soviet Union, while at the same time leveraged its reputation as a Warsaw Pact maverick to obtain a series of benefits in the realm of nuclear technology to which no other country in the Eastern bloc had access. As we are moving towards an even more multipolar setting, officials responsible for NCA negotiations should be aware that the use of 'cooperative competition' and 'confrontational cooperation' make it increasingly difficult to distinguish who is an enemy, who is a frenemy, and who is a friend.

ELIZA GHEORGHE is a PhD candidate in International Relations at the University of Oxford, working on a thesis on Romania's negotiations for nuclear technology in the 1960s and 1970s. A more detailed analysis of the topics examined in this issue brief will be available in a forthcoming article in Cold War History.The research for this issue brief was financed by the Norwegian Institute for Defense Studies, the Graduate Scholarship at St Catherine's College, the Jenkins Memorial Fund at the University of Oxford, the Rațiu Family Foundation Fellowship, and the Leaders for Romania scholarship. The National Canadian Archives documents were obtained by Dr. Mauro Elli.Eliza can be reached at: eliza.gheorghe@politics.ox.ac.uk.

ENDNOTES

1 Matthew Furhmann, 'Taking a Walk on the Supply Side: The Determinants of Civilian Nuclear Cooperation,' *Journal of Conflict Resolution*, Vol. 53, No. 2 (April 2009), 181.

2 Matthew Furhmann, 'Taking a Walk on the Supply Side: The Determinants of Civilian Nuclear Cooperation,' *Journal of Conflict Resolution*, Vol. 53, No. 2 (April 2009), 181. Matthew Kroenig, Exporting the Bomb. *Technology Transfer and the Spread of Nuclear Weapons* (Ithaca: Cornell University Press, 2010), 37.

3 R. Murray, "Problems of Nuclear Proliferation outside Europe," December 7, 1964, DDRS, Doc. No. CK3100281620, 1, quoted in Francis J. Gavin, "Same As It Ever Was. Nuclear Alarmism, Proliferation, and

the Cold War," *International Security*, Vol. 34, No. 3 (Winter 2009/2010), 17.

4 Minutes of conversation between Emil Bodnăraş and the Ambassador of the People's Republic of China to Bucharest Liu Phan, January 28th, 1965, Bucharest, Romanian National Historical Central Archives (ANIC), Central Committee of the Romanian Communist Party (CC RCP), Foreign Relations Section (FRS), folder 4/1965; Minutes of conversation between Emil Bodnăraş and the Ambassador of the People's Republic of China to Bucharest Liu Phan, July 20th, 1965, Bucharest, ANIC, CC RCP, FRS, folder 4/1965. Later on, in 1974, the Indian nuclear test in 1974 prompted Ceauşescu to publicly assert that 'no state need refrain from a weapons acquisition.' Telegram from Secretary of State to the U.S. Embassy in Ottawa, 025899, February 3rd, 1976, Secret, Central Foreign Policy Files, Record Group 59, Access to Archives Database, NARA.

5 Special Memorandum Prepared in the Central Intelligence Agency, Washington, February 18, 1965, *Foreign Relations of the United States (FRUS) 1964-1968*, Vol. XVII, Eastern Europe, Document 10, 37-38.

6 Telegram from the Legation in Romania to the Department of State, Bucharest, May 12, 1964, *Foreign Relations of the United States (FRUS) 1964-1968*, Vol. XVII, Eastern Europe, Document 141, 387-388. Telegram from the Canadian Delegation to Vienna to the Ministry for External Affairs, September 27, 1966, NCA, RG 20, Vol. 1644, 20-68-Ra Pt. 1. Memorandum to Canadian Ministers, November 7th, 1968, National Archives of Canada (NCA), RG 20, Vol. 1644, 20-68-Ra Pt. 2.

7 Minutes of conversation between former Vice-President Nixon and the General Secretary of the Romanian Communist Party, Nicolae Ceauşescu, March 22nd, 1967, Richard Nixon Presidential Library, Series II: Trip File, Wilderness Years, File: Bucharest, Romania, 22 – 23rd March 1967, Box 9:22. Telegram from Campbell (Canadian Embassy in Belgrade), to the Ministry for External Affairs, November 23, 1966, NCA, RG 20, Vol. 1644, 20-68-Ra Pt. 1.

8 Romania's choice of the type of nuclear reactor it purchased from Canada, i.e. a pressurized heavy water reactor which uses deuterium-oxide (heavy water) as moderator and natural uranium fuel, also known as a CANDU (Canadian Deuterium) reactor, further reinforced the independent image. In a telegram from the Ministry for External Affairs to the Canadian Embassy in Washington, containing instructions for Canada-U.S. negotiations on the Romanian nuclear deal, the Canadians noted that 'Romania opted for the natural uranium heavy water concept in order to be independent of outside suppliers of enriched fuel. They want to acquire the capability to produce fabricated fuel elements and heavy water needed for their operation.' While both the U.S. and Canada were very clear about the inevitability of safeguards being applied to the technologies they would provide Romania with, the Romanians constantly delayed the signature of a safeguards agreement with the IAEA (until 1972) and relished the fact that IAEA safeguards were not effective. The safeguards issue, which the Romanians thought they could circumvent, was probably another reason for choosing CANDU reactors. Telegram from the Ministry for External Affairs to the Canadian Embassy in Washington, April 25, 1968, NCA, RG 20, Vol. 1644, 20-68-Ra Pt. 2. Note from the Permanent Mission of the Socialist Republic of Romania to the International Atomic Energy Agency in Vienna, on the Problems concerning IAEA Safeguards and Inspections, April 4, 1973, Secret, Archives of the Romanian Ministry of Foreign Affairs, 241/12.A.39, folder 5196/1973.

9 Idem.

10 Telegram from the Canadian Ambassador to Belgrade, Bruce Williams, to the Ministry for External Affairs, March 18, 1968, NCA, RG 20, Vol. 1644, 20-68-Ra Pt. 2.

11 Telegram from the Canadian Ambassador to Belgrade, Bruce Williams, to the Ministry for External Affairs, November 23, 1966, NCA, RG 20, Vol. 1644, 20-68-Ra Pt. 1.

12 Minutes of the Meeting of the Export Control Review Board, April 1st, 1965, *FRUS, 1964-1968, Vol. XVII, Eastern Europe*, Document 150, 406-407.

13 Memorandum from Warren, Deputy Minister of Trade and Commerce, to Winters, Minister of Trade and Commerce, March 14, 1968, NCA, RG 20, Vol. 1644, 20-68-Ra Pt. 1.

14 For a detailed analysis of these negotiations, see Mircea Munteanu, Over the Hills and Far Away. Romania's Attempts to Mediate the Start of U.S.-North Vietnamese Negotiations, 1967-1968 in *Journal of Cold War Studies*, Vol. 14, No. 3 (Summer 2012, pp. 64-96. Despite being based on largely the same

sources as this issue brief, Munteanu's article fails to take note of certain key documents in the Archives of the Romanian Ministry of Foreign Affairs, and of crucial Soviet-Romanian conversations about Vietnam in December 1967. As a result, Munteanu reaches a different conclusion about the nature of these negotiations than does this issue brief.

15 James G. Hershberg, *Marigold: The Lost Chance for Peace in Vietnam* (Washington, D.C.: Woodrow Wilson Centre Press/ Stanford, CA: Stanford University Press, 2012). Ilya V. Gaiduk, *The Soviet Union and the Vietnam War* (Chicago: Ivan R. Dee, 1996), 96-107. Zoltán Szőke, Delusion or Reality? Secret Hungarian Diplomacy during the Vietnam War, in Journal of Cold War Studies, Vol. 12, No. 4 (Fall 2010), 119-180.

16 George C. Herring, *The Secret Diplomacy of the Vietnam War. The Negotiating Volumes of the Pentagon Papers* (Austin: University of Texas Press, 1983), 523.

17 Summary of the 2nd Visit to Hanoi of Romanian Deputy Foreign Minister, George Macovescu (January18th -February 1st, 1968), February 3rd, 1968, AMAE, Top Secret of Utmost Importance (SSID), Vietnam Folder.

18 Herring, *The Secret Diplomacy,* 523.

19 Telegram from Ritchie, Canadian Embassy in Washington, D.C., to the Ministry of External Affairs, May 1st, 1968, CNA, RG 20, Vol. 1644, 20-68-Ra Pt. 2.

20 Telegram from the Canadian Embassy in Washington, D.C., to the Ministry of External Affairs, June 10, 1968, NCA, RG 20, Vol. 1644, 20-68-Ra Pt. 2.

21 Qiang Zhai, *China and the Vietnam Wars, 1950-1975* (Chapel Hill: The University of North Carolina Press, 2000), 168.

22 Herring, *The Secret Diplomacy*, 523.

23 Note, February 10th, 1968, AMAE, SSID, Vietnam Folder.

24 Agenda of the Permanent Presidium Meeting, January 24th 1968, ANIC, CC RCP, Chancellery, folder 10/1968, 4; Minutes of the meeting between Nicolae Ceauşescu and Leonid Brezhnev, December 15th 1967, ANIC, CC RCP, FRS, 101/1967, 62-63.

25 Minutes of Conversation between M.A. Suslov, Secretary of the CPUS CC and Teodor Marinescu, Romanian Ambassador to Moscow, January 24th, 1968, AMAE, SSID, Vietnam Folder.

26 Minutes of conversation of the meeting of the Permanent Presidium of the Central Committee of RCP, January 19th, 1966, ANIC, CC RCP, FRS, folder 5/1966, 13.
Minutes of conversation between Nicolae Ceauşescu and Leonid Brezhnev, May 10-13th, 1966, ANIC, CC RCP, FRS, folder 72/1966.