

Situation Report - April 1, 1959

Romania - Yugoslav press agency Tanjug reported arrival in Belgrade of Romanian delegation for meeting of Romanian-Yugoslav Mixed Commission for joint Iron Gates hydroelectric power project; this is first meeting of this group in many months. The vast Iron Gates project, which is still in planning stage, is of enormous potential economic importance; current meeting may be related to recent reports of electric power projects involving East-West European cooperation under consideration by UN Economic Commission for Europe (see Munich Notes of 25 March).

Agerpress and Scanteia carry denials of report allegedly carried in Greek paper to effect that long range missile bases have been installed in Romania.

Regime press prints texts of agricultural decrees (see yesterday's situation report) in full. Initial regime commentaries and reports on these decrees tend to confirm our feeling that they will cause chaos and confusion in countryside. Reference is made to confiscation of vineyards, which obviously require hired labor for operation. This may indicate that regime plans rather broad confiscation of this type of agricultural land. Other regime commentaries indicate that aim of socialization of economy is to be pursued in remnants of private enterprise in trade and industry; a quiet campaign to close down small private workshops has apparently been under way for several months. Regarding state farms, one commentary says that their output could be increased two or three times, thus confirming our view that these units have been highly inefficient.