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RUMANIA

TRADE (3300)
Foreign Trade (3305)

GERMAN-RUMANIAN TRADE TALKS IN FRANKFURT

SOURCE FRANKFURT: FRANKFURT News Bureau.

DATE OF OBSERVATION: December 9 1955.

CORRESPONDENT'S COMMENT: Caution in handling above item is recommended for duration of talks, upon express request by source.

EVALUATION COMMENT: RFE Item No. 9567/55 reported in October that although Rumania wants to expand the volume of exchanges, it is very doubtful that it will reach the \$ 30,000,000 level of 1955. Rumania was not in the position in 1955 to fulfill her commitments regarding the export of timber to West Germany and West Germany was not interested in restoring the balance by increased imports of grain.

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German-Rumanian trade negotiations which have been in progress here for the past four days, are expected to extend over the better part of next week.

In absence of mutual diplomatic recognition of the two countries, the negotiations are being carried on between the Rumanian AGROEXPORT and the West German "Economic East Committee" (OSTAUSSCHUSS) whose delegation is headed by Alfred C. TOEPFER, chairman of the committee's Work-team for European East Bloc States. On the composition of the AGROEXPORT delegation no details are available.

Subject of the talks is the extension and/or revision of the current German-Rumanian trade agreement, concluded on February 8 1954. The agreement, while due to expire on December 31 this year, is subject to automatic renewal for the period of one year, unless prior notice is given by either one of the two partners. Earlier negotiations on the agreement took place in VIENNA, where the contract was signed, on the Rumanian side, by AGROEXPORT director Mrs. Milia WULICH, Mr. Vasile VICOL and Mr. Stefan GAL.

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Under the agreement, Rumania is obliged to deliver \$ 30,000,000 worth of grain, vegetables, various foods, skins and other animal products, wood and wood products, oil derivatives, tobacco, herbs and various other goods. West Germany, on the other hand, has undertaken to furnish an equal amount of fish, seeds, iron and steel products, non-ferrous metals, machines and machine parts, vehicles, electrical equipment, optical instruments, chemical products and various others.

Rumor has it that in the current talks Rumania is pressing for an increase of the 5,500,000 "swing" credit allowed under the terms of the agreement. This assertion, while allegedly denied by the Rumanians, is supported by the fact that Rumania is lagging behind in her deliveries, owing to production difficulties and prices considered too high on the part of West German buyers.

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