

Trade Agreementsa) West Germany

An RFE special from Bonn of January 6 reported that, on the same day, the existing trade agreement between Rumania and the Federal Republic had been extended to the end of 1961. This trade agreement provides for an annual trade volume of nearly 100 million dollars. Figures for the whole of 1960 are not yet available but, by the end of October, trade between the two countries -- standing then at nearly 75 million dollars -- was higher than in any other previous post-war year. The biggest increase has been in Rumanian exports, which are reported to have increased by about 50 per cent. By the end of October West Germany had bought Rumanian goods worth 142 million marks (c 35 million dollars) compared with 104.7 million marks (c 25 million dollars) in the whole of 1959 and the previous best of 122.6 million marks (c 30 million dollars) in 1958. The main Rumanian exports to West Germany are oil and oil products and timber and agricultural products. The continued inclusion of crude oil in Rumania's exports in view of the great reduction of exports of Rumanian crude oil in favor of oil products. West Germany's main exports to Rumania are heavy machinery, industrial equipment and chemicals.

The volume of Rumanian imports from West Germany was not as high as expected during 1960, although they were higher than ever before. Their failure to come up to expectations because of the long delivery periods (due to the great demand) for German heavy industrial machinery. Thus many of the orders placed this year will be reflected in next year's trading figures.

The question Rumanian-West German trade has for several years been hinged to the repatriation of the ethnic Germans from Rumania. In 1959 trade relations between the two countries were broken off because of Rumanian obduracy but in October of the same year sufficient assurance was given by the Bucharest government for the big trade agreement of 1960 to be signed. German Red Cross authorities state that nearly 2,300 ethnic Germans have been allowed to rejoin their families in Western Germany this year. Of Bonn's original list of 8,000 it is estimated that about 4,400 are still awaiting repatriation.

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b) Soviet Union

Tass reported on January 7 that the 1961 protocol on a goods exchange had been signed in Moscow. For Rumania it was signed by Radulescu who later commented on the protocol over Soviet television. He stated that the goods exchange would total some 550 million (new) roubles (2.2 billion old) and would be 19 per cent higher than last year. Particular stress was laid by Radulescu on the fact that a characteristic feature of the protocol is a substantial growth in the reciprocal deliveries of machinery and equipment. Rumania will import machinery and machine tools for the power industry, the electronics industry and for mining and will export machinery mainly for the oil and chemical industries.

This protocol is the 1961 part of the long term trade agreement which was signed on November 11. (See Background Report of November 15) On the basis of this agreement it was estimated that the average annual rate of growth of Soviet-Rumanian trade over the next five years would be about nine per cent. This 19 per cent increase is, therefore, well above the estimated average. It should also be noted that in the long term agreement machinery and equipment amounted to less than one third of the total planned Rumanian imports. The preponderance is made up of raw materials and semi-finished goods. This year however, exchanges of machinery are to be doubled compared with last.

c) Cuba

According to an agreement between Rumania and Cuba announced on January 8 by Agerpress, Rumania is to grant Cuba credits worth 15 million dollars. This is under the terms of a protocol for Rumanian-Cuban goods exchanges in 1961. The agreement was signed in Bucharest by the touring Cuban economic delegation led by deputy foreign minister Hecto Rompert. Rumania will deliver to Cuba oil field equipment, road building machinery, compressors for a refrigerating plant, chemical products, mineral oils and 2000 tractors. Cuba will deliver sugar, nickel oxide, cord, textile fibres, coffee and other foodstuffs.

In addition Cuban engineers and technicians will train in

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Rumanian and Cuban students will attend Rumanian universities.

This agreement is the 1961 segment of the five year trade and payments agreement which was signed by Gogu Radulescu in Havana at the end of last October (Agerpress October 27). Under the terms of this agreement Rumania was to export to Cuba oil equipment, tractors, rail rolling stock as well as various other types of machinery and equipment. Cuba was to supply Rumania with rubber cloth, hides, coffee, cocoa, tropical fruit and other products of Cuban agriculture. Sugar was not specifically mentioned in this agreement although it could obviously be included under "other products of Cuban agriculture". So far as is known Rumania had not up to now agreed to take a specific quantity of Cuban sugar, as had the other countries of the Eastern bloc.

A short note on the tractors and the credits is appearing.

Collectivization

Radio Bucharest announced on January 8 the Draganesti-Vlasca district in the Bucharest region had been directly collectivized, i.e. none of it had passed through the intermediate Agricultural Association stage. This is an interesting development and may indicate a "Constanta"-like hurry to get the Bucharest region as quickly collectivized as possible. It is not now possible to say how many districts in the region are now collectivized since, under the recent administrative-territorial reorganization, the number of districts has been reduced.

Youth Plenum

Agerpress announced on January 7 that on the previous day an enlarged plenum of the UTM had been held to discuss the achievements for 1960 and the part the organization is to play in the electoral campaign.

Note the appointment of Joja to be chairman of the electoral college.