

PRIORITY

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June 15

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RUMANIA

FOREIGN RELATIONS (1500)

Economic Relations (3305)

PROGRESS MADE TOWARD RESUMPTION OF DIPLOMATIC
RELATIONS WITH GREECE.

SOURCE ATHENS: RFE News Bureau.

DATE OF OBSERVATION: June 8, 1956.

EVALUATION COMMENT: For background information see Weekly Information Letter No. 177 and Item Nos. 5481 and 5902/56.

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At a session of the Joint Greek-Rumanian Committee negotiating resumption of diplomatic relations between the two countries, the Rumanian delegation indicated that it would be prepared to consider assessing indemnity for nationalized, seized or abandoned Greek immovable property on the basis of the 1939 income value (valoarea locativa) of the property. This was agreed to in principle by the Greek delegation on condition that the provisions of the existing agreement with Switzerland were applied. Under that agreement, the value of immovable property was set at 20 times the income value.

Discussions stumbled on the subject of war preparations (indemnity payable by Rumania for Greek property bombed, requisitioned, seized or looted by Soviet troops,) the delegates being unable to decide upon a basis for assessment.

With regard to the indemnification of Greek owners of Danube river craft, discussions are "progressing satisfactorily," according to Greek Committee members.

Since the assessment of damages for immovable property will take considerable time, the committee is considering the expedient of signing the agreement for resumption of

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diplomatic relations as soon as the problems of war reparations and shipowners' indemnity are solved satisfactorily. In this case the Rumanian delegation would sign a protocol undertaking to indemnify the owners of immovable property on the basis of the income value (valoarea locativa) multiplied by the factor to be agreed upon.

It is reported that the Greek Government, which favors an early agreement with BUCHAREST, will accept the procedure outlined above.

Greek-Rumanian refugee circles in ATHENS, however, are not too happy over the arrangement, fearing the Rumanian Government will start reneging on its obligations once its objective (resumption of diplomatic relations) is achieved. The refugees are holding a general meeting to draft a petition to the Greek Government demanding that no agreement be reached before all questions are satisfactorily and definitely solved.

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