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11 January 1967

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Spanish-Rumanian Consular and Trade Accord

On January 6, the Spanish government announced that it had signed an agreement for the establishment of consular and trade relations with Rumania. This marked Spain's first exchange of official representatives with a Communist-ruled East European country since Franco came to power.

The agreement signed by the Spanish and Rumanian ambassadors in Paris (Pedro Cortina Maure and Victor Dimitriu) on January 5 provides that the respective consular services will also be charged with arranging all cultural, industrial and scientific exchanges between the two countries. UPI of January 6 quoted sources as saying that the agreement would be implemented in the near future. The Rumanian press reported on the agreement on January 7.

On January 6, Radio Prague also reported the news, saying that Spain had made it known that similar relations were envisaged with Poland and Hungary. The NYT noted on January 6 that consular relations were a step short of full recognition (and diplomatic relations) and added that similar ties might be established not only with Poland and Hungary, but later on with Czechoslovakia and Bulgaria as well. According to diplomatic sources quoted by the papers, the establishment of formal relations between Spain and the Soviet Union, even at the consular level, might take more time.

The NYT article stated that Spain's growing interest in the fullest possible participation in European political affairs and in trade relations with Eastern Europe as a result of generally

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increasing East-West contacts had prompted the Spanish government to go half way in normalizing relations with some East European Communist-ruled countries. The NYT said that Poland had in recent months been pressing, through Paris, for closer relations with Spain. The paper ascribed the choice of Rumania to open Spain's relations with the area to its position as "the most independent-minded Communist country in Europe." The NYT said that the conversations that led to the Spanish-Rumanian accord were started in Madrid in October by the Rumanian delegation to the International Oceanographic Congress.

The signing of a consular and trade pact between Spain and Rumania has been preceded by a rapid increase of commercial exchanges between the two countries. According to Le Monde (January 6) Spanish exports to Rumania increased from 128 million pesetas in 1964 to 269 million pesetas in 1966, while imports from Rumania increased from 327 to 431 million in the same interval. Total Spanish exports to Eastern Europe rose from 1,410,000,000 to 1,510,000,000 pesetas between 1964 and 1966, while imports increased from 1,941,000,000 to 3,150,000,000 pesetas. Reuter of January 6 reported that in 1965 the East European countries (including the Soviet Union, Yugoslavia and Albania) exported goods to Spain worth 72.24 million dollars, while importing goods for only 28.06 million dollars. It claimed that by October 1966 the trade balance had leveled out, with Spanish exports to these countries worth 45.73 million dollars and imports valued at 42.48 million dollars. According to the NYT article cited above, Spanish exports to Rumania rose from 2,133,000 dollars in 1964 to 4,483,000 dollars in the first 11 months of 1966, while imports from Rumania increased from 5,450,000 to 7,183,000 dollars in the same period. Trade with Rumania represents roughly 15 per cent of Spain's imports from Eastern Europe and 20 per cent of her exports to the area. Up to now, this trade has been handled through clearing agreements and commercial missions (without diplomatic status) in the two capitals.

Valcu Addresses French CP Congress

On January 3, a delegation of the Rumanian Communist Party left for Paris to attend the Eighth Congress of the PCF. It consisted of Vasile Valcu, member of the Executive Committee, and Ion Teoreanu, alternate member and section chief of the Central Committee.

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In the speech he delivered before the congress on January 6, Valcu followed the pattern of the speeches of Rumanian delegates at the recent Bulgarian and Hungarian Party congresses, refraining from any criticism of Peking and failing to support the proposed international Communist conference. In fact, Valcu was silent on both issues. It should be noted that the Italian and North Vietnamese delegates also failed to endorse the plans for a Communist meeting. Luigi Longo attacked Chinese policies but proposed that an international conference be preceded by group Party meetings. Valcu condemned US "aggression" in Vietnam, expressed "ardent solidarity with the just struggle of the Vietnamese people" and voiced his country's resolve to supply all material and moral support "until final victory is scored over the aggressors." Valcu said that in the interest of defending peace, the vigilance and combativity of the peoples, the union and reinforcement of the fighting power of anti-imperialist forces were required more than ever. "In acting firmly in close unity, these forces...can assure a lasting peace in the world," he added.

The Rumanian delegate praised the activity of the French CP in the social field and in the "defense of vital interests of France," but also expressed satisfaction with "the favorable evolution of political, diplomatic, economic, and cultural-scientific relations between Rumania and France. As for the relations between the two Parties, Valcu expressed the hope that the cooperation and fraternal friendship established between them would develop on the basis of independence, non-interference, etc.

Cioara to Paris

Radio Bratislava of January 6 reported that Rumanian Foreign Trade Minister Gheorghe Cioara was scheduled to begin a nine-day visit to Paris on January 21, and would have talks with his French counterpart concerning an extension of trade relations between the two countries. An RFE Special/Ovadia of January 9 said that Cioara would be received by Finance Minister Michel Debre and see a large number of industrial installations and their responsible directors. He would also, the report said, meet Pierre Dreyfuss, the head of Renault (with which Rumania signed an 80 million dollar deal last year), one of the chief promoters of an envisaged "clearing" office to facilitate the marketing in France of goods with which the Communist countries pay for French deliveries. The Special stated that the French-Rumanian negotiations were designed to find new openings for the sale of Rumanian goods in France.

French Secretary of Foreign Trade Charles de Chambrun signed the French-Rumanian trade agreement for 1967 in September 1966, and on this occasion he extended the invitation to Rumanian Foreign Trade Minister Gheorghe Cioara. According to RFE Special/Edwards of 17 October 1966, the 1967 agreement provided for Rumanian exports up to a value of 70 million dollars, i.e. more than the goal set even for 1969 under the long-term Rumanian-French trade agreement.

New Ministry Established

Scanteia of December 30 reported the establishment of a Ministry of Construction of Chemical Plants and Refineries. It may be recalled that in his speech at the Central Committee Plenum of December 21-23, Party leader Ceausescu criticized the non-fulfillment of the 1966 investment plan, which he said was due mainly to lags in chemical industry construction. In order to avoid such deficiencies in the future, Ceausescu announced that measures would be taken to strengthen the construction sector and at the same time to reduce the responsibilities of the Ministry of the Chemical Industry in this field.

Tax Increase for Childless Persons

Radio Bucharest of January 9 reported the new decree increasing taxes for childless persons. The increase will affect men and women, married or unmarried, who have reached the age of 25. Taxes on earnings between 800 and 2,000 lei will be increased (beginning this January 1) by 10 per cent, and those on earnings over 2,000 lei by as much as 20 per cent.

For instance:

<u>Salary</u>	<u>Previous Taxes</u>	<u>New Taxes</u>	<u>Difference</u>
800 lei	32 lei	35.20 lei	3.20 lei
1,700 "	207 "	227.70 "	20.70 "
2,500 "	335 "	402.- "	67.- "

The above decree is one of a series of measures adopted during the last few months as part of a concerted effort to improve the country's demographic situation. Among the others were a decree drastically limiting legal abortions (October 1966), new and highly restrictive legal regulations on divorce (also October 1966), the institution of premiums for the third and all subsequent children, and the decision to build new nurseries, kindergartens and children's homes.

Israeli Ambassador Presents Credentials

Radio Bucharest of January 10 reported that the new Israeli ambassador to Bucharest, Eliezer Doron, had presented his credentials to President Chivu Stoica. In his speech on this occasion, the ambassador declared that the foreign policy of Israel was based on respect for sovereignty and national independence.

The appointment of Doron is of special importance in view of his previous high position as head of the East European division of the Israeli Foreign Ministry. Parallel with a general improvement of Israel's relations with East European countries, particularly since the appointment of Abba Eban as Foreign Minister (RFE Special of 23 March 1966 from Tel Aviv, Christian Science Monitor of 13 April, and Aurore and Le Monde of 23 April 1966), there have been signs of a Rumanian-Israeli rapprochement in recent months, among them the replacement of the Rumanian charge d'affaires (Dumitru Popescu) in Tel Aviv by Valeriu Georgescu.

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From the Rumanian side, this development appears to have been motivated to a large extent by economic interest in Israel, which could provide technical assistance (see the Rumanian language paper Viata Noastra of December 26), as well as a market for Rumanian products. According to an RFE Special from Tel Aviv of 25 November 1965, the Rumanian delegation to the WFTU Congress held in Warsaw the previous October did not vote in favor of an Arab-sponsored anti-Israel motion. Likewise, at the United Nations, Rumania was the only Communist-ruled country to abstain in the vote on an Arab-sponsored motion to nominate a trustee for the possessions of the Arab refugees in Israel.

Rumania does not, however, seem to be prepared yet for the elevation of its diplomatic representation with Israel to embassy level (Doron has the rank of an Ambassador in the Foreign Ministry) or for the transfer of the Rumanian Legation to Jerusalem.

Miscellaneous

Yugoslav Undersecretary to Bucharest. Assistant Secretary for Foreign Affairs Dimce Belowski arrived in Bucharest on January 10 (Radio Bucharest of January 10). Radio Zagreb of January 9 reported that Belowski will hold talks on "European collaboration."

Luns to Bucharest. According to Agerpres of January 10, Dutch Foreign Minister Joseph Luns is due to arrive in Bucharest on January 11. Luns' visit is scheduled to last until January 16. According to RFE Special/Ramsay of January 5, commercial relations and cultural and technical exchanges will be discussed. In its commentary, Agerpres said that the value of trade between Rumania and Holland in 1967 would be about 50 per cent higher than in 1966. Trade between the two countries in 1965 amounted to 16 million dollars (figures for 1966 are not yet available).

Relations with Finland. According to Radio Bucharest of December 29, Finnish Foreign Minister Ahti Karjalainen will visit Rumania in the second half of February at the invitation of the Rumanian government.

RFE Special/Suter/SA of January 5 reported that negotiations for a new long-term trade agreement between Rumania and Finland would start on January 6. Thus far there has been no long-term trade agreement between the two countries. The first postwar trade agreement was signed in 1951, and up to 1961 (covering the year 1962) the agreement was renewed each year. Although no further agreement has been signed since the 1961 accord, the trade volume has remained almost unchanged. (For reference see also RFE Special from Stockholm of December 29.)

Ceausescu Receives British Ambassador. On December 30, Party Secretary General Nicolae Ceausescu received British Ambassador Leslie Charles Glass, on the occasion of the latter's final departure (Radio Bucharest of December 30).

Rumanian Mayors to West Germany. Reuter of January 11 reported that the Mayors of Bucharest and three other Rumanian cities will visit a number of West German cities later this month at the invitation of the West German Cities Council.

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Exchange of Ambassadors with Colombia. Radio Moscow in Polish on January 7 cited well-informed sources in Bogota to the effect that Rumania and Colombia would exchange ambassadors soon.