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5. Soviet-Rumanian Economic Relations (II)
1. Manescu in San Francisco (II)

A. Manescu's Speech. The gala meeting in San Francisco marking the 25th anniversary of the signing of the UN Charter (June 26), which was attended by representatives of 121 out of 126 member nations (of the "socialist" countries, only Albania and Cuba were not represented) was the occasion for a number of commemorative speeches. The main address was delivered by U Thant; other speakers included the US and Soviet Ambassadors to the UN, Charles Yost and Jakob Malik (who spoke on behalf of the East European group); two statesmen who had signed the Charter 25 years ago, Philippine Foreign Minister Carlos Romulo and Turkish Foreign Minister Feridun Gemal Erkin; and Rumanian Foreign Minister Corneliu Manescu, who spoke in his capacity as former president of the UN General Assembly (1967).

Manescu said that Rumania participates with confidence and interest in the activities of the UN and its specialized agencies, in the conviction that they have an important role to play in the effort to create a climate of trust and understanding among nations. He recalled that the Charter of the UN lays down the fundamental principles governing the relations among states, including respect for national independence and sovereignty, equal rights, non-interference in the internal affairs of another country, renunciation of the use (or threat) of force, and the right of self-determination of peoples. Recalling his term as president of the UN General Assembly three years ago, Manescu attributed his appointment to the prestige his country enjoys and to its "contribution to international life," and to the role played by "the socialist countries, without whose participation no lasting settlement of the problems now facing mankind is remotely conceivable." He reiterated the "essentials" of Rumania's foreign policy, (giving precedence to her friendly relations and co-operation with all "socialist" countries to which she is bound by a common social system, by common ideological and philosophical convictions, and by common fundamental aims and aspirations -- and to her constant endeavor to promote, in a spirit of peaceful coexistence, and active policy of expanding co-operation with all states, regardless of their social systems). He pledged support for the admission of Communist China, the FRG, the GDR, and "other countries" to the UN, repeated the standard Rumanian demands in connection with the Middle East and Indochina (without accusing the United States by name), said that although a quarter of a century had elapsed
since the end of World War II, there were still many unresolved problems throughout the world (dwelling on disarmament, particularly on nuclear disarmament), and warned that the prestige of the UN depended on its capacity to ensure that its aims are fulfilled in practice.

It is interesting that both Manescu and Malik called for the immediate withdrawal of all troops from foreign territories. Malik qualified this, however, by saying "from all foreign territories occupied by force."

B. Meetings with Rogers and Nixon. According to UPI (June 29), US Secretary of State William Rogers, who arrived in San Francisco on that day on his way to the Far East, met with Foreign Minister Manescu at the latter's request. After their 90-minute talk Rogers told newsmen that world affairs, particularly East-West problems, the Warsaw Pact, and NATO were discussed. The Secretary of State also announced that the US would provide "increased assistance" to Rumania for flood control. Rogers also told the press that he was flying to the Summer White House at San Clemente, California, to brief President Nixon on his talks with Manescu. Reuter had announced on June 28 that the President was to confer with Manescu and Rumanian Ambassador Cornel Bogdan at the Summer White House on June 29. According to White House spokesman Ronald Ziegler, the meeting had been arranged so that the President could reciprocate for the courtesies he received during his trip to Bucharest on last August 2 and 3. Ziegler added that Manescu would be paying a courtesy call on the President but he assumed that their talk would cover the Warsaw Pact's acceptance in principle (see the communique on the Budapest meeting) of a conference with NATO on the mutual and balanced reduction of forces in Europe. He also thought they might touch on US aid to the victims of last month's floods in Rumania. (According to UPI on June 29, Ambassador Cornel Bogdan stated that American assistance was double that of the Soviet Union and Red China combined.) It is also possible that Manescu, who attended the Budapest meeting, briefed the President on some aspects of the preparations for a European security conference (in which the US and Canada are expected to participate) and the proposal that a European body be established under the UN to handle security and co-operation problems.
One may also assume that the President was interested in Rumanian views on the Rumanian-Soviet Treaty expected to be signed this summer and on the problems of the Middle East and Indochina from the perspective of recent Soviet-Rumanian and Sino-Rumanian talks and the forthcoming visit of Soviet leaders to Bucharest. Something like a "special diplomatic relationship" has developed in recent years (even before Nixon's visit to Rumania) between Rumania and the US. One might recall in this context the meeting three years ago (26 June 1967) in Washington between President Johnson and Premier Maurer, the Johnson-Manescu talks of 13 June 1968, and the meetings between President Nixon and Manescu on 19 September 1969, and between Nixon and First Deputy Foreign Minister George Macovescu on 19 December 1969.

According to Reuter (June 29), President Nixon and Foreign Minister Manescu had an hour-long talk on European security problems and relations with Communist China. The President said after the meeting that among the topics discussed was a possible conference between NATO and the Warsaw Pact, "in which the Rumanians and others are interested." (The agency did not mention that Rumania's standard position was to reject bloc agreements on European security.) The President added that aside from Peking's policy, his talks with Manescu touched on relations with East European countries in general (both subjects had already been discussed in Bucharest last August, the President said).

The first problem on the agenda was the disastrous floods in Rumania. The President pledged an additional 8,500,000 dollars as a contribution to flood relief, and presidential spokesman Ronald Ziegler noted that the United States had also pledged 2,400,000 dollars to Rumania through the UN World Food Program.

According to an RFE Special from San Francisco (June 29), Secretary of State Rogers commented further on his talks with Manescu, saying that he had been encouraged by the improvement in relations between the United States and Rumania. Informed State Department officials said that Rogers had discussed with Manescu not only European security problems but also the Middle East, bilateral cultural relations, and the consequences of floods in Rumania. According to these sources, Indochina and Communist China did not come up for discussion in San Francisco. The discussion on the Middle East was described by Rogers as particularly interesting and meaningful, in view of the fact that when the Secretary
of State stressed the importance of the new US initiative, Manescu was in the position to convey to his colleague the impressions he had gained from a series of talks on that subject with several ambassadors to the UN from Arab countries.

2. Maurer's Visit to the FRG

A. Background. On June 22, three years after the establishment of diplomatic relations between Rumania and the FRG (on 31 January 1967), Premier Maurer arrived in Bonn for discussions with Chancellor Brandt, who had extended the invitation in August 1967, during his visit to Rumania while he was FRG Foreign Minister. (For background on Maurer's visit, see Rumanian SR/26, 6 May 1970, Item 1).

Maurer is the first Premier of an East European country -- aside from East Germany -- to visit the FRG. The latter's reactivated Ostpolitik, together with a series of international conferences and bilateral contacts showing a growing readiness by both East and West to explore the possibilities of convening a European security conference, enhanced the importance of the FRG-Rumanian talks. Maurer's visit to the FRG illustrated once more Rumania's amazing ability to maintain co-operation with Moscow, Washington, and Peking, Belgrade, Sofia, and Tirana, Bonn, East Berlin, and Warsaw, Tel Aviv, Cairo, and Algiers. However, the visit to Bonn was not a spectacular one. Coming as it did shortly after Ceausescu's state visit to France, the Brandt-Maurer meeting acquired significance less from outward ceremony than from the fact that it coincided with the current negotiations between Bonn, Moscow, Warsaw, and East Berlin. This does not mean that bilateral questions, particularly economic aid and co-operation, remained in the background -- quite the contrary -- but that the FRG-Rumanian talks marked an interesting political moment. These talks are to be continued on an even higher level in Bucharest (though among approximately the same circle as in September 1967), as evidenced by the invitation extended to Heinemann and Brandt to visit Rumania.

On leaving the FRG on June 26, Maurer told interviewers in Munich that developments had shown that Rumania had been right in establishing diplomatic relations with the FRG three years ago. He must also have come to the conclusion that he was well advised to visit the FRG at a moment when Rumania can make an increased
contribution to Bonn's efforts to "normalize" relations with other East European countries, and when Rumania herself -- in view of the floods -- needs increased aid and economic co-operation. But let us first examine the various phases of the Rumanian visit:

Before arriving in Bonn, in the company of Foreign Trade Minister Cornel Burtica, Minister of Metallurgy Nicolae Agachi, Deputy Foreign Minister Vasile Gliga, and a group of experts, Maurer granted an interview to Der Spiegel, in which he said that Rumania was convinced that a dialogue with the FRG could become a factor for peace. He expressed the hope that the FRG's efforts to conclude renunciation-of-force agreements with the Soviet Union, Poland, and East Germany would help to pave the way for a European security conference -- which, he added, must not await the resolution of the problems that exist between the FRG and East Germany. He described military blocs as anachronistic and, reverting to economic matters, referred to the imbalance in the trade between Rumania and the FRG. Praising co-operative agreements with Western firms, he said that joint companies had not so far been set up because "on Rumanian territory there can be no ownership except Rumanian ownership -- at least not now" (RFE Special from Bonn June 21).

In an interview given to the Rumanian weekly Lumea (Agerpres, June 18), Brandt spoke of the common FRG-Rumanian interest in achieving détente in Europe, and added that the two countries could do much to work out lasting solutions to European problems while remaining loyal to their respective alliances. He described Maurer's visit as a proof of the friendly relations between the two countries and as a demonstration of the obvious desire of both sides to deepen these relations.

During his first days in Bonn, Maurer had several talks with Chancellor Brandt. He also conferred with Foreign Minister Walter Scheel; Bundestag President Kai-Uwe von Hassel; the President of the Bundesrat, Ministerpresident Josef Roeder of the Saar, who was acting for Federal President Gustav Heinemann; and Otto-Wolff von Amerongen, head of the East Committee of German Business. During his tour of the FRG, Maurer visited Dusseldorf, Hamburg and Munich. The absence of President Heinemann, who was visiting Sweden at the time, and of Economics Minister Karl Schiller, who was negotiating a new economic agreement in Poland, somewhat limited the scope of the talks.
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On June 23, after his negotiations in Bonn, Maurer stated (RFE Special from Bonn same day,) that he was highly satisfied with his talks with Chancellor Brandt, and that they had reached full understanding on a number of topics. "There are many areas in which we are very close together," he said at a press conference. Regarding the emigration of ethnic Germans to join their families in the FRG, he stressed that his government regarded this as a humanitarian problem which it is prepared to consider. He added, however, that it was a matter on which Rumania had a sovereign right to decide.

In a toast offered at a dinner given for Maurer in Bonn on June 23, Brandt said that "during our talks we have not been able to accomplish everything that one side or the other may have had in mind, but nowhere was there a blocked path." He may have been referring to such political problems as military blocs, on which the FRG and Rumania hold differing views, as well as to the interrelation between Bonn-East Berlin relations and a European security conference. It is also possible that in other areas, such as the reuniting of families, evaluation of the possibility of increasing Rumanian exports to the FRG, and the stepping-up of economic co-operation and sales to third countries, not all expectations were fulfilled.

Maurer countered Brandt's reference to FRG support for the NATO Council suggestion that a balanced reduction of forces be carried out by both NATO and the Warsaw Pact, by referring to the proposal envisaging the withdrawal of all troops from foreign territories submitted by Rumania to the Geneva Disarmament Conference.

Once more, both Brandt and Maurer stressed that FRG-Rumanian relations illustrated the possibilities of co-operation between countries with different socio-political systems. Maurer was quite outspoken when he referred to the FRG's economic and technological potential "which is in a position to furnish Rumania with the means to enable her to reach more rapidly the goal of socialist construction toward which she is advancing." Needless to say, Maurer emphasized during his visit to the FRG his country's belief in independence, sovereignty, and non-interference, and his own belief that only rapid economic development could secure maximum political freedom of maneuver for a country.
The Communiqué. In its political section the final document issued on June 26, at the end of Maurer's visit to the FRG, listed some of the contacts mentioned above, as well as Burtica's negotiations with Finance Minister Alex Moeller, Food and Agriculture Minister Josef Ertl, Economic Co-operation Minister Erhard Eppler, and Education and Science Minister Hans Leussink, and with Secretary of State Johann Baptist Schollhorn (in the absence of Economics Minister Karl Schiller). The communiqué dealt only very briefly on political matters saying that the two sides had had detailed talks on international problems, and had expressed satisfaction at the development of relations between the two countries on the basis of the well-known "principles," as well as their determination to develop these relations to mutual advantage.

The communiqué also said that the atmosphere of the talks was one of cordiality and mutual understanding, which permitted an exchange of views on bilateral and international relations.

C. Economic Aid, Trade, and Economic Co-operation. Although the communiqué referred only in the above-mentioned very general terms to the mutual desire to expand economic ties between the two countries, a number of additional facts have since become known. On June 25, according to an RFE Special from Bonn of that day, a spokesman for the Economics Ministry said that the FRG is contemplating granting credit to Rumania to aid her in repairing the damage caused by the spring floods. This credit, which would amount to 250 million DM, might be used to delay settlement of the deficit in Rumania's balance of payments with the FRG. The Industriekurier (June 29) said that the main purpose of Maurer's visit to Bonn had been to negotiate a delay in the payment of Rumania's debts to the FRG. The paper reported that settlement of these obligations, due to be made by 30 June 1971, will now be postponed to 1974. Since claims by German firms are guaranteed, losses of interest will be covered from FRG Budget funds. One may recall in this connection that according to the Rumanian Official Bulletin, Rumania's accumulated trade deficit vis-à-vis the FRG amounted to 2,291,000,000 lei for the 1960-1968 period (six lei to the dollar). The Suddeutsche Zeitung (March 6) reported that the deficit for 1969 amounted to 265,400,000 DM (FRG exports worth 729,400,000 DM -- 1.5 per cent less than in 1968 -- and imports from Rumania in the amount of 464,000,000 DM, or 11.4 per cent
more than in 1968). Thus the accumulated Rumanian deficit over
the 1960-1969 period amounted to well over 2,500,000,000 lei.
This poses a formidable problem (particularly in view of the 10,000
million lei loss suffered by the Rumanian economy and the popula-
tion due to the floods this spring), although, substantial efforts
were made in 1969 and the first half of 1970 to reduce the gap
between Rumanian imports from and exports to the FRG, which was
about 1,000 million lei in 1967 and decreased to about 400 mil-
lion lei in 1968). (Discrepancies between FRG and Rumanian
official figures are due to different methods of calculation.)

According to Official Bulletin No. 18, 13 March 1970,
the long-term FRG-Rumanian (1970-1974) agreement on trade and the
expansion of economic co-operation, signed on 22 December 1969,
and the trade agreement for 1970, called for the raising of import
quotas for Rumanian agricultural produce from 27 million to 32
million DM in 1970 (a 19 per cent increase), and those of industrial
products from 160 million to 234 million DM (a 46 per cent
increase). A number of provisions were designed to promote
economic co-operation between the two countries, for which purpose
a mixed governmental commission was proposed.

The Sueddeutsche Zeitung (June 29) now reports that, as
a result of the just-completed FRG-Rumanian talks, intensifica-
tion of economic and scientific co-operation is planned providing
for mixed working groups made up of representatives of the govern-
ments and the economic agencies of the two countries which will
explore possibilities of co-operation on third markets.

The FRG Economics Ministry announced that a mixed working
group for co-operation in the chemical industry had been set up
in Bonn (RFPE Special from Bonn, June 25), and Minister of Economic
Co-operation Eppler announced on the same day that an agreement
had been signed setting up an FRG-Rumanian consultant firm to pre-
pare investment studies and recommend specific aid projects for
developing countries. On June 29 an RFPE Special from Munich
reported that Rumania's Deputy Minister of the Machine-Building
Industry Ion Morega, had negotiated an agreement under which Rumania would
supply one million DM worth of machinery per month to the Motoren
and Turbinen Union in Munich (a subsidiary of MAN and Daimler Benz).
Morega, who was a member of the Maurer delegation, discussed the
first results of the 10-year co-operation agreement signed last
year between the Rumanian automobile industry and MAN; the agreement
involves 100,000,000 DM, and provides for the manufacture in Brasov,
under the MAN trade mark, of 19-ton, triple-axle heavy trucks,
which will leave the assembly lines next year.
While in Munich, Maurer promised to study a proposal to establish a Romanian trade mission in that city. He also received from Ministerpresident Alfons Goppel a check for 50,000 DM, as a contribution to the victims of last month’s floods.

3. Reaction to Dubček’s Expulsion from the CPCS.

On June 27, unlike Italian Communist leaders and the Yugoslav press, Romanian media confined themselves to a simple announcement that the CPCS Plenum in Prague had confirmed the changes made in the Party Presidium and the expulsion of Dubček from the Party, together with his removal as deputy in the People’s Chamber and ambassador to Turkey. Radio Bucharest added briefly that the Plenum had decided on a number of changes in the Party and state apparatus, and that Gustav Husak had made the concluding speech.


A. UNCAP Council Meeting

A Plenary Meeting of the Council of the National Union of Agricultural Production Co-operatives (UNCAP) was held in Bucharest on 26-27 June 1970 (Scanteia, 28 June 1970). The meeting was presided over by Virgil Trofin, chairman of the above-mentioned Council. Vasile Vilcu, Vice-President of the State Council and former chairman of UNCAP, and Iosif Banc, Vice-President of the Council of Ministers in charge of Agriculture, also attended the meeting.

The following problems were debated:

a. The tasks incumbent on the agricultural production co-operatives (ACPs) in implementing the irrigation program and other land improvement operations, and the long-term program for the expansion of animal husbandry endorsed by the March 1970 CC Plenum (see Rumanian SR/20, RFER, 25 March 1970, Item 1). It was brought out that these two programs were of exceptional importance in the development and modernization of agriculture, and that they had received the unanimous approval of the co-operative farmers. The Plenum agreed that it was in the
interest of the entire peasantry to add the material and human resources available to the APCs to the financial efforts being made by the state with a view to modernizing agriculture; consequently, it endorsed a decision on the measures to be taken to fulfill these tasks.

d. The draft bill on the organization of production and labor in agriculture, which was published in the daily Scanteia (27 June 1970) so that it might be submitted to "public debate" (see Section B, below).

c. The situation which has arisen in co-operative agriculture as a result of the floods and the working out of measures to repair the damage and to fully implement the production targets. The Plenum stressed that particular attention should be paid to the speedy harvesting of cereals, sowing in double crops, vegetable growing, and animal husbandry. It was also decided that a "local commission" should be set up in each agricultural unit to co-ordinate the entire activity with a view to implementing the measures advocated.

d. Regulation of the organization and operations of interco-operative associations.

e. The degree to which the investment plan of the APCs has been implemented. On this point, the plenary meeting deemed it fitting to recommend that APC managements and the relevant state organs see to it that all projects are carried out, and that investment funds are not used for purposes other than those for which they were established by the general assemblies of the APCs at the beginning of the year.

(more)
f. The December decision to increase pensions. On this point, the plenary meeting recommended that the leading councils of the co-operatives "take great care that each unit make its contribution to the pension fund in due time. It was decided to increase to between 300 and 400 lei the monthly old age or disability pension of co-operative chairmen who had held that position for at least 10 years, at the same time preserving all other rights provided under the pertinent statutes.

It should be recalled that the CC Plenum of December 1969 (see Rumanian SR/108, RFER, 18 December 1969, Item 1), decided to increase the pension of all co-operative farmers by 50 to 80 per cent, effective 1 January 1970.

g. The decision to set up "commissions on problems" in the county co-operative unions, with a view to improving their activity.

h. Selection of the leading organs of the National Union of Agricultural Production Co-operatives. Adrian Rogojan, head of section in UNCAP, Dumitru Tudose, chairman of the Stoicanesti-Olt APC, and Maria Zidaru, chairman of the Paulesti-Satu Mare APC, were elected vice-presidents of the Council.

Virgil Trofin took the floor at the end of the plenary meeting (the text of his speech has not yet been published).

B. The Draft Bill on the Organization of Production and Labor in Agriculture

The draft bill is intended to establish a legal framework for all agricultural activities. It represents a continuation of recent measures affecting agriculture -- the establishment of the Ministry of Agriculture and Forestry, the takeover by the latter of the most important responsibilities of the leading organs in co-operative agriculture, placing co-operative agriculture under the direct guidance of the Party, the decision on improving norm-setting and the wage system in the APCs, which is now codified by the new bill. (These measures were discussed in "Co-operativized Agriculture in Rumania in a Blind Alley?", Rumanian Background Report/3, RFER, 2 February 1970.)

Along with these organizational measures, a number of advantages have been granted to agricultural workers, such as an increase in wages for those working in state agricultural units (within the framework of the general wage increase), an increase in pensions for co-operative farmers, and the decision on encouraging the animal and vegetable output -- see "Incentives for Animal Breeding and Increase in Animal Product Retail Prices in Rumania," Rumanian Background Report/11, RFER, 8 June 1970.
In order to implement the decision of the 10th Congress of the RCP to "establish a modern agriculture," and taking into account the continuing deficiencies in agriculture in general, the regime has decided to enact a special law, setting forth compulsory rules on the full and efficient utilization of the land, the duties and rights of agricultural unit managements and of farmers in all categories, and on sanctions to be applied in cases of non-observance of these rules, duties, and rights. Regarding the organization of labor in agriculture, the new bill parallels that on the organization of labor and labor discipline in state-run socialist units approved by the Party Central Committee Plenum of 17-19 March 1970 (see Rumanian SR/20, RFER, 25 March 1970, Item 1A).

From the beginning the purpose has been to make agriculture more productive and to develop it not by appealing to the farmers' interests but by imposing further obligations on them, and setting severe punishment for nonfulfillment of these obligations. So far as the positions of co-operative agriculture and of the individual producers are concerned, the new law represents a step toward integrating them into the system of state agriculture.

This intention is obvious in Article I of the draft bill, which defines the sphere of authority of the Ministry of Agriculture and Forestry more precisely than does the law on the organization of this ministry. Through its own organs and through the local people's councils, the ministry will "exercise uniform control over agriculture, set the over-all plan targets for agriculture and see that they are achieved, and guide and co-ordinate the organization of production and labor in the state and co-operative agricultural units." With this end in view, it will set norms and regulations and "support and supervise the agricultural units and all holders of agricultural land and animals in applying these norms." The range of activity and the jurisdiction of the ministry are now extended even to the individual plots and homesteads of co-operative farmers and individual producers.

The draft bill contains detailed provisions on the use of land, compulsory technical farm operations and agro-zootechnical activities, the obligations of co-operative farm managements and agricultural workers, the rights of employees of the state agricultural units and of agricultural production co-operatives and those of their members and of other agricultural producers.

Though these provisions include such positive elements as state material and technical support to agricultural units and individual producers, and the codification of the rights of members of these units, they also have a number of less desirable aspects.
For instance, the local state organs may give interco-operative associations or state agricultural enterprises the right to take over plots of land which have not been cultivated by their holders according to the legal technical norms, but there is no mention of a compensation to the holders of such property.

Under another provision, no economic unit is permitted to hire labor from the agricultural co-operatives without specific approval from the leading organs of the latter -- which actually constitutes a flagrant limitation on the individual liberties of co-operative farmers.

Another repressive aspect of the law is contained in the chapter on responsibilities and penalties. Article 21 stipulates that "nonfulfillment of legally established duties is subject to disciplinary measures, penalties for contravention [under Rumanian law "contravention" is a minor offense which is not subject to punishment by penal sentence -- Trans.], or penal procedures, according to the case."

Contraventional penalties may be levied even on members of APCs and individual producers who fail to fulfill on their own homesteads the duties stipulated by the law. Contraventions are punished by fines ranging from 100 to 1,500 lei or, in particularly serious cases, 3,000 lei. Damage caused to "socialist agricultural units" through oversight will be chalked up against those who caused it, in addition to the fines that are imposed for contravention.

Representatives of the Ministry of Agriculture and of the president of the Executive Committee of the county people's councils are authorized to investigate infringements of legal provisions. These representatives are recruited from "among the best, most experienced specialists, who enjoy professional prestige."

Finally, the draft law stipulates that the Council of Ministers and the county state organs may assign people to compulsory work, and may requisition the means of transportation of agricultural units and of farmers in order to protect crops and animals against natural calamities. Infringement of these measures also constitutes a contravention, and is punishable by a fine ranging from 500 to 3,000 lei.

The enacting of this new law emphasized the regime's discontent with the low productivity of agriculture, which is, after all, to a large extent due to the fact that this important sector of the national economy has hitherto been neglected so far as the funds allotted for its development are concerned, and because of a thoughtless and abusive "socialization" policy.
The floods this summer have aggravated the situation in agriculture to an even greater extent. The restrictions on the prerogatives of co-operative agriculture, the limitations on the freedom of co-operative farmers and individual producers, the legal obligations concerning the strengthening of labor discipline, and other repressive aspects of the law testify again to the low level of support on the part of the farmers for the measures taken by the regime to reorganize agriculture.

It remains to be seen whether the chosen path will act as a stimulus to the farmers or whether a more suitable way will have to be found later, one which will provide them with more incentives.

5. Soviet-Romanian Economic Relations (II)

The interval between Ceausescu's and Maurer's visit to Moscow (May 18-19 and 28-29 respectively) and Brezhnev's visit to Rumania (which reportedly is to start on July 6, and during which the new 20-year Treaty of Friendship, Mutual Aid, and Co-operation between the two countries will be signed) is being used by the Rumanian media to project a picture of an "ascendant line" of cooperation, particularly in the economic field, between Bucharest and Moscow. (In this connection, see Rumanian SRs/29 and 32, RPER, 27 May and 16 June 1970, Items 5 and 4, respectively, and previous studies on industrial co-operation between Rumania and the Soviet Union contained in Rumanian SRs/21 and 25, 1 and 29 April 1970, Items 4 and 14.)

The latest analysis of the expanding economic relations between the two countries was contained in an article by I. Ionescu in the weekly Viata Economică (June 26), under the title "The Continuous Development of Economic Relations between Rumania and the Soviet Union."

The study is of interest in that it presents new data on co-operation in the areas of nuclear energy and the mining of iron ore, and on the "substantial" increase in trade between the two countries envisaged for the 1971-1975 period.

The study announced for the first time the capacity (400 MW) of the atomic power station (using enriched uranium) to be built in Rumania with Soviet assistance. This leaves plenty of room, under the Rumanian program to install nuclear power plants with a capacity of 1,000 MW by 1975 and 2,400 MW by 1980 for the purchase of another nuclear plant from the West which would be of the natural uranium-heavy water type that Rumania prefers.
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Since the Soviets have in recent months spoken of a "large" atomic power plant to be delivered to Rumania, it was not clear whether they meant one with a capacity of 400 MW or one of 800 MW (two coupled 400 MW blocs).

Other interesting details were given in the article concerning co-operation in the mining of iron ore. Ionescu said that the appropriate Soviet and Rumanian organs are currently examining a detailed study of co-operation in the mining of iron ore in the Soviet Union, which envisages the supplying of machinery and the making of a financial contribution by Rumania. At the same time these bodies are studying the possibility of Soviet-Rumanian co-operation, under similar conditions, in the development of Soviet capacities for the production of asbestos (fiber) and cellulose, with a view to increasing Soviet deliveries of all these raw materials to Rumania. On the other hand, the Soviet Union is studying ways of co-operating in the production of caustic and calcined soda in Rumania, with a view to Rumania's increasing her exports of these materials to the Soviet Union.

Other problems currently being examined are related to collaboration in shipbuilding in Rumania, and to the production in that country of diesel engines for ships, equipment for nuclear power plants, and installations for metallurgical enterprises. Other projects involve co-operative efforts to increase reciprocal deliveries of complex installations and technological production lines in various industrial branches. Increased Soviet deliveries of raw materials are envisaged, to be processed (within existing capacities) in Rumanian textile mills so that finished products may be exported to the Soviet Union. It has already been agreed to exchange various types of rolled products amounting to 240,000 tons from each side in 1970, and the possibility of expanding this quantity is foreseen.

The study also listed a number of co-operative projects which have already been approved and partly implemented, such as Soviet-Rumanian and Soviet-Yugoslav co-operation in the production and delivery of turbines and other installations for the Iron Gates power and navigation system on the Danube; Soviet-Rumanian co-operation in the construction of a power and irrigation system on the River Prut; and Soviet assistance in the construction in Rumania of important metallurgical installations at Galati. Co-operation in the production of equipment for the extraction of oil and the prevention of eruptions in oil wells is also planned.
A large part of the article was devoted to the work of the mixed Soviet-Rumanian governmental economic commission, the similar commission on technical-scientific co-operation, and various mixed groups of experts engaged in co-operative projects in both the economic and technical-scientific domains. Ionescu stated that the work of these groups had confirmed that possibilities for co-operation exist in a number of fields, particularly in engineering, in the chemical, metallurgical, and electric power industries, and in agriculture and forestry. He also mentioned that direct technical-scientific co-operation among "interested ministries and institutions of the two countries" on the basis of annual plans had been approved by appropriate commissions.

Referring to trade between the two countries, Ionescu said that commercial exchanges had amounted to more than 5,500 million currency lei (six lei to the dollar) in 1969 -- 70 per cent more than in 1960; this represents 29 per cent of Rumania's total foreign trade, and about 50 per cent of her trade with the "socialist" countries. He said that in 1970 Soviet-Rumanian trade is to increase by 3 per cent over the level achieved in 1969, or 4 per cent more than envisaged in the five-year (1966-1970) trade agreement for 1970. He spoke of a "positive mutation" in trade between the two countries, emphasizing that the ratio of equipment and installations within Rumania's total exports to the Soviet Union had increased from 16.2 per cent in 1960 to about 30 per cent in 1969.

Finally, Ionescu said that the planning bodies of the two countries are currently completing the draft of a new long-term trade agreement covering the 1971-1975 period, which envisages a "substantial" increase in the volume of exchanges. (A volume of 3,000 million rubles had been planned for 1966-1970, which will be probably exceeded.) At the same time, it is envisaged that, concomitantly with the setting of reciprocal deliveries for the next five-year period, long-term agreements or contracts will be concluded involving industrial projects or complete installations, means of transport, machinery and equipment that require a long manufacturing cycle, and other goods. Strong emphasis will be placed on expanding co-operation and increasing specialization in the production of machinery and installations of a high technological level, and on co-operation based on licenses, patents, and the exchange of technical documentation in various economic branches.

CORRECTION to Rumanian SR/33, RFER, 25 June 1970:
Page 6, para.1, 3rd line from end: Please change to read "European states will not be realized..."