

Situation Report

June 18, 1959

ROMANIA

Eric Bourne, reporting from Bucharest in the CHRISTIAN SCIENCE MONITOR of June 15, notes that business "between Romanians and West Europeans the last few months has been brought up to a total of not less than \$60 million. If other negotiations now proceeding are successful, the figure will rise to about \$100 million."

Among other things, Bourne mentions two sugar factories bought from French firms, a factory for paper bags for cement from an Anglo-American firm, a \$50 million deal for expanding Romania's petro-chemical industry, purchase of Swiss locomotives and equipment for food processing and canning. Bourne attributes this upsurge of negotiations with the West as the fulfillment of a need which cannot be met by socialist countries. He notes that:

"Six months ago, for example, the Romanians visited Moscow to negotiate further credits. Details were never disclosed, and officials now say privately that the agreement covered supplies of equipment needed for chemical and other items in the development foreseen in the six year plan currently under preparation. A fair inference is that the Soviet Union has been unable to give the Romanians all they asked for and has advised them to see what they can do in the West."

Situation Report for June 17: KARL Thores, the President of Radio Diffusion Francaise, was interviewed over Radio Bucharest Tuesday evening. He extolled the People's Republic, the system of government, the economy, and said, "I have never in my life seen an example of such fine young men as in the DPR." Thores made similar statements in Poland. For example, he condemned the resolution of the French parliament aimed at preserving the Polish library in Paris. He is not a member of the socialist or French Communist Party.

Feeling here is that Bourne's assumption is correct and that the fact that he writes this from Romania gives credence to the theory that the Soviets were either unwilling or unable to meet Romanian requests for fulfillment of their ambitious plans to expand the chemical industry.