FINANCIAL CONDITIONS IN ROUMANIA.

Mr. Francis to Mr. Hay.

No. 20, Roumanian series.]

LEGATION OF THE UNITED STATES,

Athens, March 10, 1902.

Sir: During the last ten years all the young Balkan States have become involved in financial difficulties. Greece, Servia, and Bulgaria have been compelled to accept the principle of foreign control. Roumania alone has not yet bowed to the yoke. Each of these communities have initiated a costly scheme of public works which, for the present, furnishes no return commensurate with the outlay incurred. Each has established an elaborate educational system which has resulted in an increasing number of those who, disdaining manual labor, expect to be supported in the public service. The Government is thus compelled to maintain a host of unnecessary functionaries. * * * The enormous military expenditure is also one of the gravest causes of economic exhaustion; but in military matters the junior members of the European family are not always free agents. * * *

The inevitable result has been excessive borrowing abroad. The temptation to resort to the foreign money markets is all the greater owing to the high rate of interest at home. Except in Greece, private liberality has done little to aid in providing schools, hospitals, barracks, prisons, etc. The circulation of foreign capital creates a certain artificial prosperity liable to sudden interruption by a crisis in the European money market or by some serious catastrophe at home. A combination of these factors has led to the present critical situation in Roumania.

To judge by the figures of successive budgets the economic progress of Roumania has been almost phenomenal. Under the rule of King Charles that country has made gigantic strides. But it would be unsafe to take the budget figures as an accurate index of increasing prosperity without making allowance for the inflation produced by a succession of foreign loans. On the other hand, the extraordinary expenditures incurred within this period must be considered, as well as the heavy drain on the national resources resulting from an accumulation of external debt. Of the extraordinary expenditures the principal outlay has been on public works, railways and rolling stock, on harbors, docks and roads, on bridges, schools, and various public buildings. A large proportion may be regarded as ultimately productive, and therefore justifiable, but many of the constructions might have waited, and the practice of defraying ordinary working expenses from extraordinary revenue appears to be indefensible. The remainder of the debt has been devoted to military expenditure, or to cover budgetary deficits. For the military outlay there is something to show.
The army compares favorably in the perfection of its equipment with any other of its size in Europe. An elaborate line of defenses extends from Focshani to Galatz, and Bucharest has been made a great fortified center. These results, however, have been achieved by an extraordinary expenditure, exceeding 266,000,000 lei, or francs. For this immense outlay the best excuse is the precarious position of Roumania, the dangers from without, and her uncertain future. The amount required to meet various deficits is given as 159,000,000, but this far from represents the extent to which every kind of current expenditure was made good from the proceeds of special loans.

Meanwhile the charge for the service of the foreign debt continued to increase, and in 1900 it was nearly 40 per cent of the expenditure in a budget of 238,000,000. In a community with a variety of internal resources such a proportion might be regarded as serious, though not disquieting. But Roumania is purely an agricultural country, practically dependent on the harvest. Should this fail, she commands no other source of revenue. The balance of trade has been adverse; from 1877 to 1898 the value of imports exceeded that of exports by an annual average of 80,000,000. Roumanians of the upper classes travel much abroad and spend, it has been estimated, 20,000,000 lei (francs) annually in foreign countries. It must have been clear to responsible statesmen and observers that the outward show of prosperity was illusory, and that any serious check to agricultural production must be attended by a financial crisis. A policy of thrift is peculiarly imperative in the case of Roumania where climatic conditions and the configuration of the country expose the soil to recurrent droughts and floods. Warnings were frequent: In 1887 drought destroyed the maize crops, which led to peasant uprisings and some financial reforms; in 1894 another drought produced an acute crisis similar to the present, but Berlin financiers came to the rescue; in 1897 the lowland crops were destroyed by inundations and the grain stores at Galatz were swept away by flood. Then came the drought of 1899. Crops were ruined, pastures withered up, cattle died, and in a few months peasants were starving. As the bulk of the urban population derives its sustenance directly or indirectly from the grain trade, an acute commercial crisis followed. The banks did what was possible to mitigate the stress of the situation, but the banks became straitened because of a new factor—a crisis in the European money market. The Roumanian banks were subjected to pressure from without, and Roumanian merchants were called upon to make good their debts. Retail dealers could not sell their goods, and the result was enormous decrease of importation and loss to the Treasury under the head of indirect taxation. There was a corresponding decline in other branches of the revenue. The traditional foreign loan was no longer available except on terms compromising the future of the state.

Such was the origin of the serious crisis which afflicts Roumania. The situation, however, is not beyond remedy, though it would be a grave error to suppose the trouble is of a transitory character, and that a few good harvests will put everything to rights. Before stating measures which have been taken to cope with the serious situation in this country, it is well to mention that in certain respects Roumania compares favorably with other States of the Peninsula. The revenue, for instance, is satisfactorily collected, the huge arrears found in Servian and Grecian budgets being absent. Again, the adoption, in 1889, of the gold standard, was a wise measure.
The budget of 1898-99 showed a surplus of 11,500,000 lei, but the state of the exchequer not being satisfactory, and the Government being unable to effect a foreign loan, it was obliged to issue treasury bonds at short terms amounting to 64,500,000 lei. Then came the failure of the harvest, and a resort to a fresh issue of treasury bonds. Negotiations resumed with Berlin proving unsuccessful, the situation became grave. The financial group with which negotiations had been conducted finally agreed to accept treasury bonds for 175,000,000 nominal, at a net price of 894, the bonds bearing 5 per cent interest and redeemable on December 31, 1904. How this large amount of floating debt is to be disposed of in the allotted time is the problem of the present situation. Under the arrangement, the State may not contract any new foreign obligation until the bonds have been redeemed or consolidated, and even an internal loan is forbidden except in case of war.

A new situation had to be faced in 1900-1901 demanding retrenchment and increased taxation. The estimate for both expenditures and receipts was greatly in excess of all previous estimates, the Government being unwilling to take the receipts of an exceptionally unfortunate year as a basis for its figures. The enduring effects of such a crisis on the taxable capacity of the population appears to have been inadequately realized. A surplus of 7,000,000 was anticipated, but the budget closed with a deficit of 27,500,000 lei.

When in July, 1900, Mr. Carp became president of the council and minister of finance great hopes were founded on combinations he was expected to effect. Like his predecessors, he had faith in additional taxation and he aimed at developing sources of revenue hitherto untapped. A new method of assessing the tax on tzuica, a kind of liquor extracted from plums, was the cause of serious riots in the country. Aiming to reach the wealthier classes who escape their due share of the public burdens in Roumania, Mr. Carp imposed additional direct taxation of 5,500,000 lei, contributions being proportional to the incomes of taxpayers. Receipts were put down more than 18,000,000 below the estimates of the preceding year, the expenditures being placed at the same amount, 227,203,000 lei. This was a step in the right direction, but had it been applied would have resulted in a deficit. Mr. Carp and his friends were averse to economies on the ground that "economies are not compatible with the dignity of Roumania." Moreover, an aggregate deficit of 48,000,000 had still to be provided for. To meet this they fell back on proposals to alienate state property, including the sale of the cigarette paper monopoly for thirteen years, the surrender of Government shares in the national bank, the sale of state forests, and the lease to the American Standard Oil Company of petroleum-bearing undersoil. The first two have been carried out, the third is under consideration, but the fourth has been abandoned. A proposal for the sale of the merchant marine was discussed, but no action was taken. Liberal politicians attacked the whole programme, which they denounced as the "liquidation of Roumania."

At an extraordinary session of the national legislature, Mr. Carp introduced his budget. The great land proprietors, who form the core of the old conservative party, gave evidence of hostility which culminated in an attack on the ministry's proposal to increase the tax on licenses for trades and professions. Mr. Carp appealed to the
Chamber of Deputies for a vote of confidence. This being refused by a majority of one, he resigned and a brief interregnum followed until on February 27, 1901, the King recalled to power Mr. Sturdza, the present president of the council of ministers.

The veteran Liberal leader at once inaugurated a policy of retrenchment. The figures of Mr. Sturdza's budget, which has been in application since April 18, 1901, are worthy of special attention, as they mark the beginning of a new system, on the success of which the financial future of Roumania depends. Conservatism in the preparation of estimates of revenue, and economy in expenditure are apparently the guiding principles of Mr. Sturdza's administration.

The receipts are estimated at 218,500,000 lei, as compared with 245,750,000 previously anticipated, as follows:

<table>
<thead>
<tr>
<th>Direct taxes</th>
<th>44,015,000</th>
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<tbody>
<tr>
<td>Indirect taxes</td>
<td>56,410,000</td>
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<tr>
<td>State monopolies</td>
<td>52,380,000</td>
</tr>
<tr>
<td>Ministry of domains</td>
<td>20,200,000</td>
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<tr>
<td>Ministry of public works</td>
<td>21,520,000</td>
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<tr>
<td>Ministry of interior</td>
<td>10,345,000</td>
</tr>
<tr>
<td>Ministry of finance</td>
<td>3,334,000</td>
</tr>
<tr>
<td>Ministry of war</td>
<td>1,253,000</td>
</tr>
<tr>
<td>Ministry of foreign affairs</td>
<td>202,000</td>
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<tr>
<td>Ministry of public instruction</td>
<td>600,000</td>
</tr>
<tr>
<td>Ministry of justice</td>
<td>431,000</td>
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<tr>
<td>Various</td>
<td>7,810,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>218,500,000</strong></td>
</tr>
</tbody>
</table>

In accordance with the policy of the Sturdza administration, new contributions to the extent of 5,500,000 are to be in the main derived from augmentation of direct taxes, as indicated:

| Increase of the tax on real property | 1,000,000 |
| Increase of 10 per cent on direct taxes | 3,185,000 |
| Increase of 1 per cent on direct inheritances | 600,000 |
| Increase of 1 lei on the 2 per cent registration tax | 715,000 |
| **Total** | **5,500,000** |

But the most noteworthy feature of Mr. Sturdza's budget is the great series of economies enforced, aggregating over 25,500,000 lei, compared with last year's estimates, and are the following:

| Reducing number of employees in departments | 8,796,112 |
| Saving in materials | 5,885,505 |
| Reductions in salaries of state employees | 6,838,883 |
| Saving effected in railway department | 5,065,610 |
| **Total** | **26,656,110** |

Expenditures have been fixed at the same amount in the aggregate as the estimated receipts, and all disbursements each month are kept within specified limits.

It is announced that the receipts for the last six months have considerably exceeded expenditures, and foreign interest coupons have been promptly met from ordinary revenue. Should the reign of economy continue, should the European money market be favorable,
and should the harvests of the next few years prove of average productiveness, there is reason to hope that the loan of 175,000,000 lei in treasury bonds can be converted into a consolidated loan, on fairly favorable terms. Failing to accomplish this, the only assistance from abroad available will be in the form of possibly a guarantee loan with conceded revenues and foreign supervision. To avert this the greatest sacrifices would unquestionably be made. Few states possess a proportionally greater reserve of productive property than Roumania. It would be premature, however, to outline at the present time any scheme of liquidation that would assure a desired result.

Apart from the measures called for by the existing crisis in Roumania, much remains to be done in order to enable the country to stand the stress of similar misfortunes in the future. Not only must provision be made against the recurrence of bad seasons, but to save the agricultural interests from the disastrous effects of foreign competition. Roumania possesses few manufacturing industries. To promote these, capital must be attracted from abroad. More scientific methods of cultivation should be introduced for the improvement of agriculture, and horticulture should be no longer neglected. The Roumanian peasant is thriftless and unenterprising, and it will be difficult to induce him to abandon his conservative ways. The land-owning class has certainly neglected its duties, many living abroad, with little thought for the toilers at home. What could be done to stimulate new industries, to improve agriculture and to better the condition of the masses of the people may best be seen on the royal estates, which present a model of enlightened and beneficent administration. Should this example be followed a great development of the national resources of Roumania will be the result.

I have, etc.,

CHARLES S. FRANCIS.

PROTECTION OF CUBAN INTERESTS BY UNITED STATES CONSULAR OFFICIALS.\(^a\)

Mr. Wilson to Mr. Hay.

No. 27, Roumanian \{ series. \}

Legation of the United States, Athens, June 16, 1902.

Sir: I have the honor to inform you that permission has been granted by the Roumanian Government for the United States consular officers in that country to use their good offices in the representation of Cuba and of its citizens until Cuban consuls shall have been appointed, and I have notified the United States vice-consul-general at Bucharest to that effect. I am, etc.,

CHARLES S. WILSON,
Chargé d' affaires ad interim.

\(^a\) See instruction, printed, page 6.
JEWS IN ROUMANIA—DISCUSSION OF PROPOSED NATURALIZATION CONVENTION BETWEEN THE UNITED STATES AND ROUMANIA: DISCRIMINATIONS, IN THE LATTER COUNTRY, AGAINST JEWS, CONDITION OF HELPLESSNESS TO WHICH THEY ARE REDUCED, AND OBJECTION OF UNITED STATES GOVERNMENT TO IMMIGRATION OF SUCH PERSONS.\(^a\)

Mr. Hay to Mr. Wilson.

[Confidential.]

No. 14, Roumanian series.\(^{b}\)

DEPARTMENT OF STATE,
Washington, July 17, 1902.

SIR: Your legation's dispatch No. 19,\(^b\) of the 13th February last, reported having submitted to the Roumanian Government, through its diplomatic representative in Greece, as the outcome of conferences had by Mr. Francis with him on the subject, a tentative draft of a naturalization convention, on the lines of the draft previously submitted to the Servian Government, and Mr. Francis added that his excellency the Roumanian minister had informed him of his hearty approval of the project, which he had forwarded to his Government with his unqualified indorsement. Minister Francis was instructed on March 4 that his action was approved. No report of progress has since been received from your legation, but it is presumed that the matter is receiving the consideration due to its importance.

For its part the Government of the United States regards the conclusion of conventions of this character as of the highest value, because not only establishing and recognizing the right of the citizens of the foreign state to expatriate themselves voluntarily and acquire the citizenship of this country, but also because establishing beyond the pale of doubt the absolute equality of such naturalized persons with native citizens of the United States in all that concerns their relation to or intercourse with the country of their former allegiance.

The right of citizens of the United States to resort to and transact affairs of business or commerce in another country, without molestation or disfavor of any kind, is set forth in the general treaties of amity and commerce which the United States have concluded with foreign nations, thus declaring what this Government holds to be a necessary feature of the mutual intercourse of civilized nations and confirming the principles of equality, equity, and comity which underlie their relations to one another. This right is not created by treaties; it is recognized by them as a necessity of national existence, and we apply the precept to other countries, whether it be conventionally declared or not, as fully as we expect its extension to us.

In some instances, other governments, taking a less broad view, regard the rights of intercourse of alien citizens as not extending to their former subjects who may have acquired another nationality. So far as this position is founded on national sovereignty and asserts a claim to the allegiance and service of the subject not to be extinguished save by the consent of the sovereign, it finds precedent and warrant which it is immaterial to the purpose of this instruction to discuss. Where such a claim exists, it becomes the province of a naturalization

\(^a\) See also under Austria, page 42.  
\(^b\) Not printed.
convention to adjust it on a ground of common advantage, substituting the general sanction of treaty for the individual permission of expatriation and recognizing the subject who may have changed allegiance as being on the same plane with the natural or native citizens of the other contracting state.

Some States, few in number be it said, make distinction between different classes of citizens of the foreign State, denying to some the rights of innocent intercourse and commerce which by comity and natural right are accorded to the stranger, and doing this without regard to the origin of the persons adversely affected. One country in particular, although maintaining with the United States a treaty which unqualifiedly guarantees to citizens of this country the rights of visit, sojourn, and commerce of the Empire, yet assumes to prohibit those rights to Hebrew citizens of the United States, whether native or naturalized. This Government can lose no opportunity to controvert such a distinction, wherever it may appear. It can admit no such discrimination among its own citizens, and can never assent that a foreign State, of its own volition, can apply a religious test to debar any American citizen from the favor due to all.

There is no treaty of amity and commerce between the United States and Roumania, but this Government is pleased to believe that Roumania follows the precepts of comity in this regard as completely and unreservedly as we ourselves do, and that the American in Roumania is as welcome and as free in matters of sojourn and commerce and legal resorts as the Roumanian is in the United States. We hear no suggestion that any differential treatment of our citizens is there imposed. No religious test is known to bar an American from resorting to Roumania for business or pleasure. No attempt has been made to set up any such test in the United States whereby any American citizen might be denied recourse to the representatives of Roumania in order to authenticate documents necessary to the establishment of his legal rights or the furtherance of his personal interests in Roumania. And in welcoming negotiations for a convention of naturalization Roumania gives proof of her desire to confirm all American citizens in their inherently just rights.

Another consideration of cognate character presents itself. In the absence of a naturalization convention, some few states hold self-expatriation without the previous consent of the sovereign to be punishable, or to entail consequences indistinguishable from banishment. Turkey, for instance, only tacitly assents to the expatriation of Ottoman subjects so long as they remain outside Turkish jurisdiction. Should they return thereto their acquired alienship is ignored. Should they seek to cure the matter by asking permission to be naturalized abroad, consent is coupled with the condition of nonreturn to Turkey. It is the object of a naturalization convention to remedy this feature by placing the naturalized alien on a parity with the natural-born citizen and according him due recognition as such. This consideration gives us added satisfaction that negotiations on the subject have been auspiciously inaugurated with Roumania. If I have mentioned this aspect of the matter, it is in order that the two Governments may be in accord as to the bases of their agreement in this regard, for it is indispensable that the essential purpose of the proposed convention should not be impaired or perverted by any coupled condition of banishment imposed independently by the act of either contracting party.
The United States welcomes now, as it has welcomed from the foundation of its Government, the voluntary immigration of all aliens coming hither under conditions fitting them to become merged in the body politic of this land. Our laws provide the means for them to become incorporated indistinguishably in the mass of citizens, and prescribe their absolute equality with the native born, guaranteeing to them equal civil rights at home and equal protection abroad. The conditions are few, looking to their coming as free agents, so circumstanced physically and morally as to supply the healthful and intelligent material of free citizenhood. The pauper, the criminal, the contagiously or incurably diseased are excluded from the benefits of emigration only when they are likely to become a source of danger or a burden upon the community. The voluntary character of their coming is essential; hence we shut out all immigration assisted or constrained by foreign agencies. The purpose of our generous treatment of the alien immigrant is to benefit us and him alike—not to afford to another state a field upon which to cast its own objectionable elements. A convention of naturalization may not be construed as an instrument to facilitate any such process. The alien, coming here voluntarily and prepared to take upon himself the preparatory and in due course the definitive obligations of citizenship, retains thereafter, in domestic and international relations, the initial character of free agency, in the full enjoyment of which it is incumbent upon his adoptive State to protect him.

The foregoing considerations, whilst pertinent to the examination of the purpose and scope of a naturalization treaty, have a larger aim. It behooves the State to scrutinize most jealously the character of the immigration from a foreign land, and, if it be obnoxious to objection, to examine the causes which render it so. Should those causes originate in the act of another sovereign State, to the detriment of its neighbors, it is the prerogative of an injured State to point out the evil and to make remonstrance; for with nations, as with individuals, the social law holds good that the right of each is bounded by the right of the neighbor.

The condition of a large class of the inhabitants of Roumania has for many years been a source of grave concern to the United States. I refer to the Roumanian Jews, numbering some 400,000. Long ago, while the Danubian principalities labored under oppressive conditions which only war and a general action of the European powers sufficed to end, the persecution of the indigenous Jews under Turkish rule called forth in 1872 the strong remonstrance of the United States. The treaty of Berlin was hailed as a cure for the wrong, in view of the express provisions of its forty-fourth article, prescribing that "in Roumania the difference of religious creeds and confessions shall not be alleged against any person as a ground for exclusion or incapacity in matters relating to the enjoyment of civil and political rights, admission to public employments, functions, and honors, or the exercise of the various professions and industries in any locality whatsoever," and stipulating freedom in the exercise of all forms of worship to Roumanian dependents and foreigners alike, as well as guaranteeing that all foreigners in Roumania shall be treated, without distinction of creed, on a footing of perfect equality.

With the lapse of time these just prescriptions have been rendered nugatory in great part, as regards the native Jews, by the legislation and municipal regulations of Roumania. Starting from the arbitrary and controvertible premise that the native Jews of Roumania domiciled
there for centuries are "aliens not subject to foreign protection," the
ability of the Jew to earn even the scanty means of existence that
suffice for a frugal race has been constricted by degrees, until nearly
every opportunity to win a livelihood is denied; and until the helpless
poverty of the Jew has constrained an exodus of such proportions as
to cause general concern.

The political disabilities of the Jews in Roumania, their exclusion
from the public service and the learned professions, the limitations of
their civil rights, and the imposition upon them of exceptional taxes,
involving as they do wrongs repugnant to the moral sense of liberal
modern peoples, are not so directly in point for my present purpose
as the public acts which attack the inherent right of man as a bread-
winner in the ways of agriculture and trade. The Jews are prohibited
from owning land, or even from cultivating it as common laborers.
They are debarred from residing in the rural districts. Many branches
of petty trade and manual production are closed to them in the over-
crowded cities where they are forced to dwell and engage, against
fearful odds, in the desperate struggle for existence. Even as ordinary
artisans or hired laborers they may only find employment in the propor-
tion of one "unprotected alien" to two "Roumanians" under any one
employer. In short, by the cumulative effect of successive restrictions,
the Jews of Roumania have become reduced to a state of wretched
misery. Shut out from nearly every avenue of self-support which is
open to the poor of other lands, and ground down by poverty as the
natural result of their discriminatory treatment, they are rendered
incapable of lifting themselves from the enforced degradation they
endure. Even were the fields of education, of civil employment, and
of commerce open to them as to "Roumanian citizens," their penury
would prevent their rising by individual effort. Human beings so
circumstanced have virtually no alternatives but submissive suffering
or flight to some land less unfavorable to them. Removal under such
conditions is not and can not be the healthy, intelligent emigration of a
free and self-reliant being. It must be, in most cases, the mere trans-
plantation of an artificially produced diseased growth to a new place.

Granting that in better and more healthful surroundings the morbid
conditions will eventually change for good, such emigration is neces-
sarily for a time a burden to the community upon which the fugitives
may be cast. Self-reliance and the knowledge and ability that evolve
the power of self-support must be developed, and at the same time
avenues of employment must be opened in quarters where competition
is already keen and opportunities scarce. The teachings of history
and the experience of our own nation show that the Jews possess in a
high degree the mental and moral qualifications of conscientious citi-
enhood. No class of emigrants is more welcome to our shores when
coming equipped in mind and body for entrance upon the struggle for
bread and inspired with the high purpose to give the best service of
heart and brain to the land they adopt of their own free will. But
when they come as outcasts, made doubly paupers by physical and
moral oppression in their native land, and thrown upon the long-
suffering generosity of a more-favored community, their migration
lacks the essential conditions which make alien immigration either
acceptable or beneficial. So well is this appreciated on the Continent
that, even in the countries where antisemitism has no foothold, it is
difficult for these fleeing Jews to obtain any lodgment. America is
their only goal.
The United States offers asylum to the oppressed of all lands. But its sympathy with them in nowise impairs its just liberty and right to weigh the acts of the oppressor in the light of their effects upon this country, and to judge accordingly.

Putting together the facts, now painfully brought home to this Government, during the past few years, that many of the inhabitants of Roumania are being forced by artificially adverse discriminations to quit their native country; that the hospitable asylum offered by this country is almost the only refuge left to them; that they come hither unfitted by the conditions of their exile to take part in the new life of this land under circumstances either profitable to themselves or beneficial to the community, and that they are objects of charity from the outset and for a long time—the right of remonstrance against the acts of the Roumanian Government is clearly established in favor of this Government. Whether consciously and of purpose or not, these helpless people, burdened and spurned by their native land, are forced by the sovereign power of Roumania upon the charity of the United States. This Government can not be a tacit party to such an international wrong. It is constrained to protest against the treatment to which the Jews of Roumania are subjected, not alone because it has unimpeachable ground to remonstrate against the resultant injury to itself, but in the name of humanity. The United States may not authoritatively appeal to the stipulations of the treaty of Berlin, to which it was not and can not become a signatory, but it does earnestly appeal to the principles consigned therein, because they are the principles of international law and eternal justice, advocating the broad toleration which that solemn compact enjoins and standing ready to lend its moral support to the fulfillment thereof by its cosignatories, for the act of Roumania itself has effectively joined the United States to them as an interested party in this regard.

Occupying this ground and maintaining these views, it behooves us to see that in concluding a naturalization convention no implication may exist of obligation on the part of the United States to receive and convert these unfortunates into citizens, and to eliminate any possible inference of some condition or effect tantamount to banishment from Roumania, with inhibition of return or imposition of such legal disability upon them by reason of their creed, as may impair their interests in that country or operate to deny them the judicial remedies there which all American citizens may justly claim in accordance with the law and comity of nations.

I am, sir, your obedient servant,

John Hay.

Mr. Wilson to Mr. Hay.

Confidential: Roumanian series.

Legation of the United States,

Athens, August 8, 1902.

Sir: I have the honor to acknowledge the receipt of your No. 14, Roumanian series, dated July 17, 1902, relative to the proposed naturalization treaty between the United States and Roumania.

Since the draft of the treaty approved by the Department was submitted to the Roumanian minister for foreign affairs nothing further has been accomplished, as the Roumanian Government refused to consider the project favorably.
Upon the receipt of your dispatch, I called upon the Roumanian minister to Greece, who has within a few days returned from Roumania, and asked him if his Government, after examination, had found the draft of the naturalization treaty submitted to it acceptable.

Mr. Ghica told me that just before leaving Bucharest he had a long audience with the King, during most of which relations with the United States were discussed. His Majesty told Mr. Ghica that he considered a naturalization treaty between the United States and Roumania unnecessary, and that he did not favor considering the matter at all. Upon my endeavoring to point out to Mr. Ghica that, in our opinion, such a treaty would be of great advantage to both countries, he said that he would be perfectly frank with me and tell me the real objection that the King had expressed against the proposed treaty.

According to His Majesty's opinion, a naturalization treaty would be most injurious to Roumania for the reason that it would complicate the already troublesome Jewish question in that country.

As you stated in your dispatch on this subject, on account of discrimination against them a large number of Roumanian Jews are driven from Roumania and a majority of them take refuge in America. If, therefore, there was a naturalization treaty, these Jews would return to Roumania and as American citizens claim rights and privileges to which they were not before emigration entitled. The King also fears that with a naturalization treaty between the two countries an even larger number of Jews would emigrate to America, and for the express purpose of returning to Roumania and claiming protection as American citizens.

I expressed to Mr. Ghica my regret that the United States and Roumania had been unable to conclude any of the proposed treaties, and expressed the hope that he would use his efforts to bring about a favorable consideration of the naturalization treaty, but as he assured me that the ministry and members of the Government shared the unwillingness of the King to consider such a treaty, I have not communicated with the Roumanian minister for foreign affairs, and shall await further instructions from the Department before so doing. * * *

I am, etc.,

CHARLES L. WILSON,
Chargé d'Affaires ad interim.

Mr. Ade to Mr. Wilson.

No. 15, Roumanian series.]

DEPARTMENT OF STATE,
Washington, August 22, 1902.

Sir: Referring to the Department's No. 14 of the 17th ultimo, Roumanian series, on the subject of the treatment of Jews in Roumania, I inclose for your confidential information a copy of an instruction which has been sent to the diplomatic representatives of the United States in the countries parties to the treaty of Berlin of July 13, 1878, in the hope that it may seem wise to those powers to take measures to persuade the Government of Roumania to accord to the indigenous Jews the generous and equal treatment prescribed for them by the Berlin treaty.

I am, etc.,

ALVEY A. ADEE,
Acting Secretary.

*Printed under Austria, page 42.*