ROMANIA

PRINCIPAL PROBLEMS IN THE RELATIONS BETWEEN THE UNITED STATES AND ROMANIA

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Department of State Policy Statement

SECRET

[WASHINGTON,] January 14, 1949.

ROMANIA

A. OBJECTIVES

The long-range objectives of US policy concerning Rumania are (1) recovery by Rumania of truly independent statehood with freedom to conduct its relations with other states; (2) constructive integration of Rumania, politically and economically, into a stable and peaceful Balkan community of similarly free states, into a well-coordinated European community and into the world community of nations; (3) reestablishment in Rumania of a regime based upon law rather than upon the arbitrary authority of dictatorial government; (4) enjoyment by the Rumanian people of human rights and fundamental freedoms; (5) opportunity for the Rumanian peoples to develop through free institutions along genuinely democratic lines, to participate freely in political activities and to choose a broadly representative government responsive to their will; (6) a healthy, expanding Rumanian economy involving an active and broad extension of commercial relations and assuring to American interests an equal opportunity with those of any other country.

Because until some major change in international power relationships occurs there is virtually no possibility that the foregoing objectives may be attained, US policy concerning Rumania includes certain limited goals established with a view to existing circumstances. These short-term objectives of US policy toward Rumania are (1) protection, so far as possible in the circumstances, of American interests in

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1 Department of State Policy Statements were concise documents summarizing the current United States policy toward a country or region, the relations of that country or region with the principal powers, and the issues and trends in that country or region. The Statements provided information and guidance for officers in missions abroad. The Statements were generally prepared by ad hoc working groups in the responsible geographic offices of the Department of State and were referred to appropriate diplomatic missions abroad for comment and criticism. The Statements were periodically revised.
Rumania and the defense of US prestige against a systematic attempt on the part of the present Rumanian authorities to undermine it; (2) an effort within the limits of practicability to obtain implementation of the Treaty of Peace with Rumania; 2 (3) removal of the justification for retaining Soviet forces in Rumania, by the earliest possible conclusion of an Austrian settlement; 3 (4) support for the morale of the preponderant majority of the Rumanian people by keeping alive their faith in the values of Western civilization, by fostering in them genuinely democratic aspirations, and by evincing American interest in their welfare; (5) encouragement of passive (but not abortively overt) resistance by the Rumanian people to the totalitarian system and to the Communist ideology which is being imposed upon them; (6) development of such trade between Rumania and the west as can be adequately controlled to serve the interests of European recovery and unification without substantially or critically augmenting the war potential of Rumania and of the USSR, and which might ultimately tend to relax the stranglehold upon Rumania of the USSR and its satellite regime.

B. POLICY ISSUES

Current problems of US relations with Rumania cannot be substantially resolved or even, in most respects, mitigated apart from the larger context of issues involved in our relations with the USSR, with the eastern European sphere of Soviet domination and, conversely, with the countries of western Europe. US relations with Rumania have become a component of these predominant relationships. Accordingly, US policy toward Rumania, in all essentials, is contingent upon and must derive its formulation from US policy as regards these major political, economic and geographic elements.

From this broader perspective, current US policy as regards Rumania involves: (1) keeping open effective channels of influence on the Rumanian situation, on Soviet-Rumanian policies affecting the internal affairs and external relations of that country and on the latent Rumanian opposition; exploring possibilities of new avenues and methods of influence; (2) setting forth and emphasizing positive elements of US policy toward Rumania; (3) demonstrating by constant pressures, related to the over-all measures for containment of Soviet-Communist expansion and for the rehabilitation of Europe, that this aggression has been blocked and is destined ultimately to fail; (4) opposing further encroachments by the USSR and the Rumanian Communists; (5) vigorously counteracting anti-US Com-

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2 For text of the Treaty of Peace with Romania, signed at Paris, February 10, 1947, see Department of State, Treaties and Other International Acts Series (TIAS) No. 1649.
3 For documentation on the negotiations during 1949 of an Austrian State Treaty, see vol. iii, pp. 1006 ff.
munist propaganda; (6) employment of appropriate measures to preserve at least legal grounds for American rights and interests in Rumania and to obtain adequate compensation for loss or impairment of those interests.

It is contemplated that, in pursuit of these objectives the US will confer with other cooperative states, and in particular with the UK, on all matters of similar or common concern.

1. Political

Contrary to Soviet pre-armistice promises not to interfere with the social structure of Rumania and in violation of commitments underwritten by the USSR in the Yalta Declaration, the prolonged Soviet occupation of Rumania (which was made possible by the Armistice Agreement and legitimatized by the Treaty of Peace) has been employed to obtain and insure the perpetuation of a complete subjugation of that country.

Soviet authorities have continuously intervened, directly and indirectly, in the political affairs of Rumania to deliver firmly into the hands of the Rumanian Communist minority the absolute powers of a totalitarian regime. The puppet government of Premier Groza was originally installed on the instance of Andrei Vishinsky and consolidated its position only by virtue of Soviet support. The Rumanian Communists, utilizing other minority political elements of an opportunistic character and every device of the police state, have thus been enabled to thwart the will of the Rumanian people, to subvert the processes of representative government, to eliminate every vestige of political opposition and to flout the fundamental freedoms.

With a view to maintaining its usurpation against the possibility of effective challenge which might be stimulated by free associations with the west, the Rumanian Communist regime has studiously undertaken to exclude western—especially Anglo-American—influence from Rumania. Through a controlled press and radio it has poured forth a swelling flood of vilification against the so-called arch representatives of imperialistic capitalism, their leaders, culture, motives and actions. It has obstructed in every way the natural course of political and cultural associations with western democracies and particularly with the US. For example, official representatives of the US and other American citizens in Rumania are constantly harassed by impediments and indignities; Rumanian nationals are prevented by intimidation

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*The armistice with Romania was signed at Moscow on September 13, 1944 (as of September 12). Documentation on the negotiations leading to the armistice is presented in Foreign Relations, 1944, vol. iv, pp. 138 ff.


*For documentation on installation of Petru Groza as Romanian Prime Minister in March 1945, see Foreign Relations, 1945, vol. v, pp. 492 ff.
from association with Americans; American citizens desiring to visit Rumania are denied visas, Rumanian citizens wishing to visit the US are refused exit permission, accredited American correspondents are excluded from Rumania. Indeed, as a rule, American interests are accorded consideration only when reciprocal treatment is applied, which, unfortunately, in many instances the US is not in position to utilize. At the same time, mutual aid treaties and other agreements as well as the participation of its officials in the Cominform, bind Rumania artificially to the USSR and its eastern European satellites. This reorientation, which lacks little but the formal incorporation of Rumania into the USSR (which may be ultimately intended), is the most significant consequence of Rumania’s subjection to Soviet-Communist rule.

In coping with these basic difficulties, the US is taking appropriate occasion to express with dignified vigor its views concerning the policies and actions of the Rumanian Communist regime and of the Soviet authorities as regards Rumania, pointing out their violations of international agreements, deploiring their infringement of Rumanian independence, condemning their abridgement of human rights and liberties, countering their falsification of US conduct and motives and deploiring their calculated destruction of friendly relations between the peoples of the western democracies.

In particular, the US has made a series of publicized representations to the Rumanian Government with respect to its contraventions of international commitments undertaken by it in conformity with the decisions of the 1945 Conference of Foreign Ministers at Moscow. Following the judicial travesty of the trial and sentence of leaders of the National Peasant Party of Rumania—including Iuliu Maniu, one of the outstanding champions of democratic ideals in eastern Europe—the US, in a note which was made public, rehearsed the whole course of the Rumanian Government’s program to eradicate democratic opposition in that country and stated its opinion that the actions of the Rumanian Government do not conform to its obligations under the Treaty of Peace. These views, supported by British representations, were likewise communicated to the Soviet authorities, who refused to entertain the charge of treaty violation against the Rumanian Government.

While it is recognized that such representations or official statements will not, in the circumstances, achieve substantial improvement

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8 For documentation regarding the attitude of the United States with respect to the trial and conviction of Iuliu Maniu in October-November 1947 to life imprisonment on charges of anti-state activity, see ibid., 1947, vol. iv, pp. 493 ff.
of conditions in Rumania, expressions of this nature serve to inform and stimulate world opinion regarding Soviet-Communist aggressions and to remind the Rumanian people of US interest in their welfare. By recording the US position, they also serve the important function of laying a basis for further action which the US and other cooperative states may wish subsequently to take.

Although we would welcome the admission of Rumania, represented by an independently responsible government, into membership of the UN, the US continues to oppose the extension of such membership to Rumania in the absence of a government able and willing to abide by the obligations which it would assume under the UN Charter.

The principal considerations prompting the maintenance of US diplomatic relations with Rumania despite the hostile attitude and behavior of its government are: (1) to afford fullest possible protection of American interests in Rumania; (2) US responsibilities connected with the execution of the Rumanian Peace Treaty and the desirability of access to all available means to obtain implementation of its terms; (3) the advantages of keeping currently informed, by official reporting, on conditions and developments in Rumania and the value of such information as is obtained through our Mission at Bucharest; (4) the avoidance of formalizing the arbitrary separation of east and west; (5) to preserve so far as possible contacts with the Rumanian people and to manifest a continuing interest in their welfare. The actual and potential value for these purposes of our diplomatic representation in Rumania is presently regarded as warranting its continuation. However, considering the diminishing effectiveness of such representation in consequence of the increasing hostility and obstruction displayed by the present Rumanian authorities and the gradual drying-up of intelligence sources, the advisability of maintaining diplomatic relations must periodically be reexamined in the light of the prevailing situation.

US and UK efforts having failed to induce the USSR to honor its international commitments as regards Rumania, similar efforts in existing circumstances to obtain compliance by the Rumanian Government with its obligations under the Treaty of Peace hold slight prospect of success. Lacking the cooperation of the USSR, as one of the three powers charged with a primary responsibility for the interpretation and execution of the Peace Treaty, and in the absence of effective provisions for its implementation, our efforts toward this end have made little progress. Nevertheless, our policy is to utilize, in concert with the UK, the limited possibilities open to us. Although it may not deter appreciably the attainment of Communist objectives in Ru-

* For documentation on the attitude of the United States toward the application for membership in the United Nations by Romania and other Communist-dominated Balkan states, see vol. II, pp. 291 ff.
mania, a useful purpose will have been served if Rumania's refusal to comply with its treaty obligations as well as Soviet obstructionism and disregard of its treaty responsibilities are clearly established.

The importance of the Voice of America broadcasting program to Rumania has steadily increased in direct ratio to the restraints exercised by the Rumanian Communist regime upon the dissemination of information and the exchange of ideas within Rumania, as cultural and intellectual contacts between Rumania and the west are restricted and as impediments circumscribe other phases of the US information services in Rumania. At present our broadcasts are the most effective instrument at hand for informing and influencing the Rumanian people, thereby sustaining their faith in the traditional values of western civilization and their democratic aspirations.

While it cannot be foreseen what role, if any, the Rumanian exiles in the US and elsewhere may play in a future establishment of a democratic Rumania, we welcome cooperative efforts by them, based on a common devotion to the principles of democracy and freedom, for the preservation and welfare of Rumanian refugees, for the encouragement of the Rumanian people to passive resistance against the Communization of their country and for purposes of unofficial intelligence. On the other hand, we do not, at this time, regard with favor activities or organizations of such Rumanian political émigrés having in view the formation of anything resembling a government-in-exile.

2. Economic

Economic problems involved in current US relations with Rumania are essentially but another aspect of the more general basic problems. Not only have totalitarian economic measures been progressively imposed upon the human and material resources of Rumania since the cessation of hostilities, but the Rumanian economy has been subjected to extensive Soviet exploitation. By now, Rumanian economic policies are determined by the Rumanian Government in almost complete subordination to the interests of the Soviet Union. The condition and prospects of the Rumanian economy under the present Communist regime are those of a vassal state.

Initially, the Soviet occupation and the implementation of the Armistice Agreement under Soviet dictation facilitated this trend. Deliveries on account of reparations to the USSR, removals under arbitrary interpretations of various clauses of the Armistice Agreement and Peace Treaty, together with the shipment of commodities pursuant to commercial agreements with the Soviet Union and its satellites have not only reduced the goods available internally but have consumed a predominant share of Rumania's export availabilities. Thus, in 1947, over 90% of Rumania's exports, including reparations deliveries, and 98% of its petroleum exports were channeled to eastern Europe; over 50% of this trade was directly with the Soviet Union.
Assets claimed as German by the USSR were employed in the formation of joint Soviet-Rumanian companies in the principal areas of the Rumanian economy and, under the terms of bilateral economic agreements, these companies (directly controlled by the USSR) enjoy an exclusively privileged status. Through the implementation of the agrarian reform of 1945, the discriminatory application of the 1947 program of currency reform and the 1948 nationalization of industry (embracing all important petroleum, banking, insurance, mining, and transportation enterprises, but not the joint Soviet-Rumanian companies), a preclusive Soviet mastery of the Rumanian economy has been virtually completed.

Correlative to these developments, the economic policies and practices of the Rumanian Government have increasingly conformed to a pattern of discrimination against the interest of the US and other western countries. This discrimination is evident in the favorable price terms and prior implementation of Rumanian commercial agreements made for the states of the Soviet orbit and particularly the USSR. It appears also in the unique advantages granted to the Soviet-Rumanian joint companies in such matters as taxation, transfer of profits, guarantees against loss and extra-territorial privileges, which clearly discriminate against other foreign interests in Rumania.

American commercial and property interests in Rumania have also suffered from the increasing controls imposed by the Rumanian Government upon all phases of industrial and business management and operation. The actions of the Rumanian Government leaves no doubt of its intention to drive out of the Rumanian economy any western interests if not private interests of any sort. Thus, many American owners have been deprived of their properties and interests, without compensation, by expropriation pursuant to land reform and nationalization measures or through transfer of properties to the USSR as alleged German assets. The principal American interests in Rumania which have suffered from the application of these measures are those of the Standard Oil companies.

In case of loss or damage to American property interests in Rumania traceable to wartime events and measures, the US is seeking a settlement of claims through the instrumentalities provided by the Rumanian Peace Treaty. Whenever feasible, as in certain cases of discrimination against American interests in Rumania or illegal transfers of American-owned properties, the US has already invoked the terms of the Peace Treaty and will attempt to employ its remedies for the defense or satisfaction of the American interests involved.

As regards Rumanian interference with the rights of American owners and the financial losses sustained by them as a result of the imposition by the Rumanian authorities of controls over management since the coming into force of the Peace Treaty, the US Government
has not considered that the terms of that Treaty apply except as such measures may be discriminatory and thus in violation of Treaty obligations. By May 1948, the situation of American investments in Rumania had so deteriorated that the US was prepared to declare the Rumanian Government to have placed itself, by its excessive interference with the rights of management, in a position of "interventionship" and, accordingly, to hold it responsible for all loss or injury to American property rights occurring during the period of its control. The sweeping measures authorized by the Rumanian nationalization law enacted in June 1948 have altered this problem for American interests to one of expropriation without provision for prompt, adequate and effective compensation, which compensation the US will continue to demand on behalf of its nationals. Because this law is discriminatory in exempting Soviet interests from its application, fails to make adequate provision for valuation, and provides for compensation only in bonds to be redeemed out of future net profits of individual nationalized enterprises, the US has protested its application to American-owned properties.

Apart from (1) Rumanian diplomatic property in the US which, pursuant to the terms of the Peace Treaty, was to be returned to Rumania, (2) some exceptional cases in which justifiably overriding considerations have called for unblocking and (3) amounts paid as living allowances to individual Rumanians out of their private accounts, we are continuing to hold Rumanian assets in the US which have been blocked or vested since 1940. The Executive branch has the necessary legal authority (reinforced by the terms of the Peace Treaty) to take title in the name of the US to Rumanian assets, both governmental and private, which remain blocked. The US is authorized by the Peace Treaty to seize, retain, liquidate and use the proceeds of Rumanian assets in the US within the limits of American claims not otherwise fully satisfied under the Treaty. Considering its obstructive attitude, the Rumanian Government probably will not satisfy any appreciable part of the justifiable claims of American nationals under the Treaty nor of the claims arising as a result of losses sustained by American interests in Rumania in the period subsequent to the coming into force of the Treaty.

If the Rumanian Government persists in dilatory treatment of American claims, virtually no other possibility exists than to use the limited leverage of these assets to secure a partial satisfaction of American claims. This suggests negotiations for a lump-sum settlement, involving these assets on the one hand and American claims of all categories on the other, as the best means of obtaining any compensation whatsoever. The amount thus obtained would be administered by an American Claims Commission. It does not appear likely, however, that the Rumanian Government will entertain nego-
tiation for such a lump-sum settlement. In that event, it would be necessary to consider the possibilities of applying the blocked and vested Rumanian assets directly to the satisfaction of American claims. Even partial satisfaction of justifiable American claims would undoubtedly exceed the sum of the available Rumanian assets. Compensation would, of course, fall even further short of full satisfaction if private holdings among these assets should be excluded from such use.

No US Government credits have been extended to Rumania since the conclusion of hostilities and, in view of Rumania's subjection to the USSR together with the unfriendly behavior of its government, our policy is to continue withholding from it official financial assistance. We have not thus far positively objected to private loans to Rumania by American financiers (of which the Chase National Bank is the principal lender) but, except where humanitarian considerations arising from a severe famine were involved, it has been and remains our policy to discourage such loans by pointing out the captive character of the Rumanian economy and the possible prejudice to over-all American interests involved in such transactions even when they appear advantageous from the viewpoint of the lenders.

Restitution to Rumania, in fulfillment of the Peace Treaty, of Rumanian property in the US zone of Germany proceeded regularly for a time and, in fact, has never been entirely suspended. However, there has been no Rumanian mission in Germany, for the purposes of identifying and expediting such restitution, since mid-1947. Present US policy is that restitution to Rumania is to be carried out on a restricted basis, with a view to withholding those types of goods for which the US itself will not grant export licenses to countries under Soviet domination, and withholding goods which may involve beneficial American ownership. Restitution will, likewise, not be made to Rumania of property which is claimed by refugee nationals or non-nationals of that country.

US commercial policy toward Rumania is governed by our over-all foreign trade policies in so far as their application does not conflict with special security considerations vis-à-vis the countries of eastern Europe and US objectives for the economic rehabilitation of western Europe. Under existing regulations, US exports to Rumania are subject to license control (1) to insure optimum utilization of US export availabilities, and especially goods in short supply, for countries participating in the ERP and (2) to prevent such exports to eastern European countries as would substantially contribute, either directly or through their industrial potential, to the military potential of the USSR.

10 For additional documentation regarding United States policy on trade with the Soviet Union and Eastern Europe, see pp. 61 ff.
In the application of these controls, the US at present intends to prohibit American exports destined for Rumania of equipment and supplies having strategic significance. Negotiations are under way, also, to obtain the agreement of OEEC countries to withhold from export to Rumania certain goods which would contribute materially to the Rumanian and Soviet war potential.

Although such application of export controls is technically at variance with the most-favored-nation principle embodied in the 1930 commercial agreement between the US and Rumania (which was reinstated in 1947), these restrictions are required by the US, not only in the interests of its security so long as Rumania's economy is dominated and its policies determined by the USSR, but also to favor European economic recovery under the ERP. Rumania was cut off from priority considerations, accorded ERP participants, by its subservience to Soviet control which prompted its refusal of an invitation to join with other European countries in formulating and implementing such a recovery program.

Despite Rumania's position as a Soviet economic satellite and a non-participant in the ERP, it is US policy—subject to the limitations just stated—to favor such expansion of commercial relations between Rumania and the west as will, in conformity with the Economic Cooperation Act, (1) benefit OEEC countries in the interests of an accelerated economic recovery, (2) allow them to obtain more of their essential imports from European sources, thus reducing US dollar payments by the participants and (3) promote a better balanced European economy. Moreover, although trade between the US and Rumania has never been of major importance to the US, we view favorably the development of trade with Rumania in line with US policy to encourage eventual participation in a system of multilateral and non-discriminatory world trade as foreshadowed by the draft Charter of the ITO. At present, however, Rumania's foreign trade is conducted, under rigid governmental control, almost entirely within the framework of bilateral quota and clearing agreements; and for various reasons, including the inconvertibility of European currencies, there is no prospect of its abandoning its policy of bilateral trade.

Early in 1947 the US entered into negotiations with the Rumanian Government with a view to obtaining interim operation rights in and through Rumania for the certified US civil air carrier (Pan-American Airlines) pending the conclusion of a bilateral air transport agreement with Rumania to be negotiated as soon as possible. These negotiations, toward which the Rumanian authorities exhibited an initial enthusiasm, ultimately failed as a result, undoubtedly, of Soviet influence. Such Soviet pressure conforms to the evident policy of the USSR to exclude US aircraft from eastern Europe while seeking, at the same time, rights for itself and its satellites to operate planes over other
countries. In dealing with this situation, the US is seeking, in cooperation with other countries, to restrict the civil air operations of the USSR and its satellites, including Rumania, to their own territory until transit and landing rights for commercial carriers are granted to the US and other western countries in the USSR and Soviet-controlled areas.\textsuperscript{11}

C. RELATIONS WITH OTHER STATES

Considering its long-standing fear of Russia and its traditional cultural associations with the West, Rumania would undoubtedly have readopted a western—though not necessarily anti-Soviet—orientation if the inclinations of its people in this regard had been allowed to prevail. However, Rumania’s relations with other states are along lines of collaboration determined by the USSR and its international organ, the Cominform. This collaboration has been directed consistently toward accelerating the communization of countries in the Soviet orbit and toward establishing (by means of a network of “mutual aid” treaties, discriminatory economic agreements and cultural relations pacts) a Communist bloc of eastern Europe, through which the USSR may intensify its cold war against western European countries and, in particular, against the US. In the circumstances, it may be assumed that so long as the USSR remains in position to exert effective pressure upon Rumania, it will continue to control the foreign relations of that country.

The USSR is presently exercising the right granted to it by the Treaty of Peace with Rumania to keep on Rumanian territory armed forces “for the maintenance of the lines of communication” of the Soviet army with the Soviet zone of occupation in Austria. The elimination of this ground for the continued presence of Soviet troops in Rumania is dependent upon the conclusion of an Austrian settlement which would terminate Soviet occupation of Austria.

As a result of territorial settlements, confirmed by the satellite Peace Treaties, which involve the cession by Rumania of Southern Dobrudja and the recovery by Rumania of the whole of Transylvania, long-standing sources of friction troubling Rumanian-Bulgarian and Rumanian-Hungarian relations have been disposed of for the time being. Since these settlements were in accord with Soviet policy, revisionist agitation is not likely to arise, as it might with reference at least to Transylvania, if the Soviet-Communist grip upon Hungary and Rumania were relaxed. Meanwhile, relations with the new “democratic” governments of Hungary and Bulgaria as with those of Poland and Czechoslovakia are ostentatiously cordial.

\textsuperscript{11} For additional documentation regarding United States civil aviation policy toward the Soviet Union and Eastern Europe, see pp. 184 ff.
slavia prior to the Cominform rift with Marshal Tito in which Ru-
mania’s Foreign Minister played a leading role. Presently the two
countries are engaging in bitter recriminations and Rumania is ap-
plying economic sanctions to Yugoslavia. It is our policy carefully
to exploit this rift where possible to US advantage.

No diplomatic relations between Rumania and Greece have existed
since the cessation of hostilities. The Rumanian authorities have given
increasing aid and comfort to the Markos junta. Rumanian troops
have reportedly been allowed to volunteer for military assistance to
the Markos forces. Ranking government officials direct the organiza-
tion for relief to the Greek guerrillas and deductions are made for this
purpose from the salaries of government and industrial workers.
Several thousand children evacuated from northern Greece have been
brought to Rumania for “care and nurture.” Meanwhile, the animosity
of the Rumanian Government toward the Greek Government is con-
stantly displayed in propaganda and in prejudicial treatment of the
Greek minority in Rumania.

Only relatively less acute, tension between Rumania and Turkey is
accentuated by a mutual barrage of adverse propaganda punctuated by
occasional demands for recall of diplomatic personnel.

The Rumanian authorities have directed special hostility toward the
Vatican and Catholic activities in Rumania, as an arm of “western
imperialism.” The Rumanian Government has denounced its concordat
with the Vatican, forced the Uniate churches into affiliation with the
Rumanian Orthodox Church (which has been reorganized under Com-
munist sycophants as a satellite of the Soviet-controlled Russian Ortho-
dox Church), compelled the Catholic hierarchy in Rumania to declare
its loyalty to the Communist regime, and may be expected at any time
to sever diplomatic relations with the Vatican.

The UK, like the US, is a principal object of venomous attacks by
Rumanian Government officials and the government-controlled press.
The present pattern which is being developed through a series of trials
of Rumanian political prisoners is designed to demonstrate alleged
UK and US sponsorship of espionage activities with a view to the
violent overthrow of the present Rumanian Government.

D. POLICY EVALUATION

Because the expansion of Soviet power over a considerable area of
Europe places our policy as regards Rumania in a derivative relation-
ship to our policies vis-à-vis the USSR and Europe in general, the
success of our Rumanian policy is essentially dependent upon the

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12 The reference here is to Markos Vafiades, Prime Minister and Minister of
War of the so-called Provisional Greek Democratic Government, December 1947–
January 1949. Documentation on the conclusion of the Greek civil war is scheduled
for publication in volume vi.
effective implementation of our major over-all policies in this regard. Although the Rumanian situation cannot be dealt with independently, at least so far as ultimate objectives are concerned, there may well be local elements (such as the anti-Soviet feeling of the bulk of the Rumanian people) which will afford possibilities for retarding the communization of Rumania and for eventually undermining the Soviet subjugation of that country.

Virtually all of the policy problems for the US with respect to Rumania are unresolved. This situation is occasioned by fundamental differences between representative government in the western political tradition and totalitarian government of the Russo-Communist type as to principles and methods which govern their respective purposes and actions. On the part of the Rumanian Communist regime there is no adherence to any recognized standard of moral values, no good faith and little if any disposition to abide by international commitments except as it may serve a unilateral advantage to do so.

Several problems of prime concern to the further development of US policy toward Rumania may be anticipated:

1) US policy must reckon with the possibility of incorporation of Rumania and other Soviet satellite states into the USSR, as well as the alternative possibility of an eastern European union under conditions calculated to make it an effective instrument of Soviet purposes. On the one hand, there have been indications within the past year, although slight so far as Rumania was concerned, of a trend in the direction of an eventual federation of the states of eastern Europe. Judging by the rebuke administered in this connection to Marshal Tito and Premier Dimitrov, and by the factors evidently at the root of the Cominform rift with Tito, as well as other apparent considerations of Soviet policy, it is unlikely in present circumstances that the USSR would permit the formation of a federation or union of its satellites with a center of gravity other than Moscow. From the US point of view, a Danubian or eastern European federation or union which would for the long run serve constructive purposes and mitigate nationalist rivalries must spring from below in conformity to the will of the peasant populations rather than be imposed from above and outside by a Russo-Communist minority.

On the other hand, there have been signs of a development suggesting the direct amalgamation of Rumania with the USSR as perhaps the first in a chain of such assimilations. On balance, however, there does not seem to be a strategic advantage to the USSR in the absorption of Rumania at present.

2) The “new order” which has been imposed upon Rumania has resulted in upheavals which leave the social structure without organic equilibrium. The Communist regime has abolished the monarchy and disposed of the landed aristocracy which, with the crown, historically constituted the ruling element; it has reduced the middle class, never very strong, to impotence; and it has purged the peasantry of all leadership which exhibited any inclination to independence. The pervasive fear which is assiduously instilled into the Rumanian people, in so far as it is not dispelled by external democratic influences, stimu-
lates in the population a tendency to extremism of the right or left. It may well lead to the danger of a violent and repressive rightist counter-revolution along ultra-nationalist lines of the former Iron Guard movement at such time as the Russo-Communist grip may be slackened. Such a development would not only involve the continued political and economic subjugation of the peasant masses, in whose character lies the real hope of an ultimate Rumanian democracy, but would thereby greatly complicate the problem of peaceful, democratic developments in the entire Danubian area.

(3) A related problem is the intensified, if not overt, anti-Semitic feeling which has deep roots in Rumanian society and reached a peak in the era of the Iron Guard and of the pro-Nazi dictatorship of Marshal Antonescu which immediately preceded the present Communist regime. Not only is the current upsurge of indigenous anti-Semitism fostered by the remaining influence of Nazi racism, but it may also be attributed to the extent to which Rumanian Jews have aligned themselves with the Communists and assumed positions of authority. They are prominently represented in the Rumanian Communist party leadership, in the national and local officialdom and in the personnel of the political police—a fact which singles them out as objects of hatred by those who bitterly oppose the present regime as well as by many former legionnaires who have been absorbed into it. Considering that the largest surviving community of Jews in Europe outside of the USSR is in Rumania, this problem holds tragic potentialities for Rumania and for the cause of democracy if, at such time as Rumania may be rid of the Soviet yoke, the Jewish community were to be forced again into the bloody role of scapegoat.

(4) Finally, there is the critical problem of qualified leadership in a future liberated Rumania. The longer the Russo-Communist subjugation of Rumania endures, the greater will this problem become. Since the late 1930's Rumania, under pro-Nazi and pro-Soviet regimes, has undergone a progression of purges of mounting severity. This process, especially in its current drastic phase, has taken a heavy toll of past and potential democratic leadership. In these circumstances, US policy may be increasingly hard put to find means of assisting the preservation and development of such human resources against the day of Rumania's liberation. It is highly possible that by that time, the Communists will have taken care to physically "liquidate" most, if not all, potential leaders who might effectively moderate the course of subsequent developments and thus help to shape the reconstruction of Rumanian society along genuinely democratic lines.

King Michael has repudiated his forced abdication and has given indications of an aspiration to return to the throne of Rumania. Although at the time of his departure Michael had gained great popularity as a symbol of national hopes, and although at the moment he might provide a focus of political unity, the longer a restoration of Rumania's independence is delayed the greater will become the pos-

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23 Marshal Ion Antonescu, Romanian Prime Minister (subsequently Condutor) from September 1940 until his overthrew in August 1944. He was executed in June 1946 for war crimes.
24 King Mihai (Michael) abdicated on December 30, 1947 and left Romania on January 3, 1948.
sibility for various reasons that the people may not choose to reestablish the Hohenzollern-Sigmaringen monarchy.

There is no doubt that Iuliu Maniu, head of the former National Peasant Party, represented the best in democratic tendencies in Rumania and has been the most popular political idol in the country. Because of his advanced age, infirmities and what he represents to the Communist regime, there is little likelihood of his survival and great question as to the nature of a succeeding organization of any surviving followers. The former National Liberal and Social Democratic parties had already lost virility before their suppression by the Communists. At any rate, behind the prestige of Maniu and a facade of democratic ideals, the traditional parties of Rumania exhibit in practice a lack of comprehension of democracy in a western sense. Their leadership is largely associated with a small privileged segment of Rumanian society and a corrupt bureaucracy whose interests are divorced from those of the bulk of the peasant masses. These elements have kept the peasantry in their debt and the civil servants and professional men under obligation.

The political figures among the refugees who have managed to escape Rumania represent almost exclusively this old regime, which may not be welcome to the people of a future liberated Rumania; they offer poor prospects of popular, effective leadership for the future of a sort which would justify US encouragement in the face of leftist propaganda appeals in eastern Europe.

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711.00/3-2849

*The Chargé in Romania (Pigott) to the Secretary of State*

SECRET

Bucharest, March 26, 1949.

MY DEAR MR. SECRETARY: I desire to acknowledge your letter of February 16, 1949 enclosing a copy of the January 1949 Policy Statement on Rumania and requesting comment and recommendations on the contents of the Statement.

The Statement leaves little to be desired in the scope of the subject matter covered or in the comprehensive treatment given the various facets of our relations with and interest in Rumania. If there is any cause to take exception to the Statement it might be in the interpretation of the character of the Rumanian society and institutions and the occasional seeming failure to evaluate the practical possibilities of accomplishment or application of our stated objectives.

I must confess in reading portions of the Statement to a certain feeling of unreality in the objectives expressed and of a sense of lofty

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1 The transmittal letter under reference here is not printed. The Policy Statement on Romania is printed on p. 521.
idealism unrelated to the practical prospects of attainment. While, for example, it may be our sincere desire to provide for the people of Rumania conditions conducive to the establishment of a true democracy with all its attendant advantages, it must be remembered that democracy in the accepted Western sense has never existed in Rumania nor are the people presently capable of accepting in a full sense its advantages and obligations. It seems to me therefore that our objectives should reflect these limitations and that we should concern ourselves with the more practical objective of providing a regime in Rumania, however faulty in its attainments of practical democracy, which will at least provide the basic human rights and freedoms and permit the people of Rumania to live in peace.

Where we may desire to promote such desirable objectives as the encouragement of passive resistance among the Rumanian people or the opposition to further Communist encroachment, we should qualify such aims to the extent of our capacity to bring them to successful fruition. Otherwise the statements take on the character of pious hopes and dilute the force of other elements of policy.

The Statement refers at various points to a reliance upon the peasant as the broad base upon which a truly democratic government in Rumania may be founded. I fear this overrates the peasants' concept of or interest in democratic government. The best that might be hoped for is that the peasantry could be brought to form the mass support of leaders with democratic intentions.

There appears a tendency in the mental approach to the discussion of certain problems to consider Rumania as a component of a group of more or less identical satellites and to analyze these problems from a "satellite" viewpoint. It should be borne in mind in any grouping of treatment that the peculiar geographic position of Rumania, isolated as it is from the West, makes it possible for the present government to resist Western pressure much more effectually than certain other satellites and, without fear of effective reprisal, to conduct its affairs with almost complete disregard of Western interests.

In the matter of presentation I find the Statement somewhat diffuse and, in places, repetitious. Similarities of thought and interest occur between statements under the headings of Objectives, Policy Issues and Policy Evaluation which, though perhaps unavoidable in some instances, could better serve clarity and comprehension if consolidated. The value of the Statement could be distinctly enhanced by a more succinct expression of our policy and problems, and by a better grouping of related ideas.

There arises the question of the audience for which this document is designed. If it is designed for those reasonably familiar with the Rumanian scene much of the present explanatory matter could be left out and the Statement drawn down to perhaps three or four pages.
If, on the other hand, it is designed to familiarize persons with Romanian problems then, in parts at least and particularly in the Political Section, it might be desirable to reinstate in the discussion of the various objectives and issues terse statements of the backgrounds and reasons for these conclusions.

Specific comments on the various sections of the Policy Statement are treated in the enclosure.

Respectfully yours,

C. Montagu Pigott

[Enclosure]

Memorandum Prepared by the Legation in Romania

[Extracts]

SECRET

[Bucharest, undated.]

COMMENTS ON POLICY STATEMENT ON RUMANIA

A. Objectives

1. Long Range Objectives. The Department’s listing of the long range objectives of American policy appears all inclusive and too generalized and visionary to be presently practicable. It might be well to keep in mind that never in Rumanian history have such goals been obtained and they represent a system which by Rumanian standards would be little short of Utopian. Our prime long range objective would appear to be to restore the Government to the people and worry about its form and policies later.

2. Short Term Objectives.

(1) “Protection so far as possible in the circumstances of American interests in Rumania and the defense of United States prestige against a systematic attempt on the part of the present Rumanian authorities to undermine it”.

No one can argue with this aim and it has been the consistent policy of the Legation to endeavor to carry out the principles expressed. However, the Legation has little, if any, confidence in its ability to “protect American interests” vis-à-vis the present Rumanian Government and it must be thoroughly understood that our chances of according effective protection are practically nil. The installation of an illegal Communist regime in Rumania has taken the matter out of our hands and our efforts, at best, are merely for the record.

(2) “An effort within the limits of practicability to obtain implementation of the Treaty of Peace”.

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*The memorandum was prepared by C. Montagu Pigott, Chargé in Romania, and by C. Vaughan Ferguson and Robert C. Creel, Second Secretaries of the Legation.*
Since the drafting of the policy statement there have been further developments in this field and the Legation's position was stated in its telegrams Nos. 136 of February 20, 159 of March 2 and 168 of March 5, 1949. Briefly, we feel despite meager prospects of obtaining either Soviet or Rumanian cooperation in the matter, we should press for treaty observance of the political, military, and economic clauses and failing to obtain satisfaction here, should refer all phases of the question to a world organization. We can hardly justify branding Rumania as a treaty violator if we have not made every conceivable attempt with the machinery supposedly available to us to force compliance.

(3) "Removal of the justification for retaining Soviet forces in Rumania by the earliest possible conclusion of an Austrian settlement."

While the conclusion of an Austrian settlement 5 entailing an obligation on the part of the Soviet Union to remove the troops it now has in Rumania purportedly to maintain "its lines of communication" might be salutory here, the Legation has little reason to suppose the Soviets would in fact remove all of their military personnel. The secret military protocol to the Rumanian-Soviet Mutual Assistance Treaty, envisages the presence of Soviet Military personnel and it seems almost certain that the Rumanian Government would request the Soviets to maintain forces here if they felt it desirable from the point of view of internal security. The Legation is inclined to believe that the present regime would, in fact, make such a request. Once the Rumanian army is sufficiently infiltrated with Soviet agents and commanded by only trusted internationally minded Communists, the uniformed Soviet troops might be permitted to depart.

(4) "Support the morale of the preponderant majority of the Rumanian people by keeping alive their faith in the values of western civilization, et cetera."

The Legation agrees with the aims expressed here but feels that in the long run with no material improvement in the present situation here, our efforts may become increasingly less valuable as opposition gives way to resignation and resignation eventually to acceptance. Our aim at the moment should be to express constantly to the Rumanians our interest in their welfare over the Voice of America and continue our efforts to show them they have not been forgotten. It must be made clear, however, that the Rumanians must work for their own

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5 Neither printed.  
4 For documentation on the efforts of the United States to assure fulfillment of the human rights articles of the Treaties of Peace with Bulgaria, Hungary, and Romania, see pp. 223 ff.  
6 For documentation on the continuing negotiations for an Austrian peace settlement, see vol. III, pp. 1068 ff.
deliverance and that liberation will not be handed them on a silver platter without effort on their part.

(5) "Encouragement of passive (but not abortively overt) resistance by the Rumanian people to the totalitarian system and to the Communist ideology which is being imposed upon them."

Without being exactly sure what the Department has in mind on this point, the Legation is inclined to believe we should proceed cautiously in the encouragement of any resistance, passive or otherwise. It is important we start nothing we are unwilling to back up and carry all the way through. In a police state such as Rumania has become with both the state apparatus and the many organizations of the Rumanian Workers (Communist) Party controlling each and every activity of the entire population, it is not very easy for the people to offer even passive resistance and what resistance is left will not, as mentioned above, last forever. If, as mentioned in point (4) above, we continue to point out to the Rumanians the advantages of democracy over dictatorship and to show them the criminal nature of the present regime here, we would seem to have gone about as far as is presently possible in encouraging passive resistance. Any embroilment in Rumanian politics at the present time on the part of the United States Government would only make matters worse unless we are prepared to offer material assistance to the resistance.

(6) "Development of such trade between Rumania and the West as can be adequately controlled to serve the interests of European recovery et cetera."

The Legation concurs in this principle but feels an increase in Rumania’s trade with the West will have no effect on the "stranglehold upon Rumania of the USSR". Rumania is at the moment ruled by Communists who are fully trusted agents of the Kremlin and whose policy is the development of international Communism, not the recovery of Rumanian prosperity. They are interested in Rumania’s economy only insofar as it promotes their political ends and the prosperity of the Soviet Union and economic considerations are most unlikely to make them relax their grasp. The present rulers of Rumania will trade only when it suits them and not in the commonly accepted sense of international trade.

B. Policy Issues

The six broad policy objectives appear to cover the situation although they appear to be little more than pious hopes, vaguely expressed.

1. Political.

The Department’s short summary of the political situation here accurately reflects the shape of things in Rumania although for per-
sons not fully acquainted with the situation it appears to lack details of the manner in which Soviet control was established.

In discussing the attitude of the Rumanian Government toward United States officials in Rumania, it might be well to point out that the Rumanian Government obviously desires to hamper the Legation with its endless restrictions and to keep its personnel small by withholding visas and declaring persons *personaæ non gratae* on the flimsiest of pretexts. The Rumanian Government apparently is not at this time prepared to take the initiative in breaking off relations with the United States but it is determined to make sure that such representation as it permits the United States to have in Rumania is rendered ineffective.

In the paragraphs dealing with the actions taken by the United States to cope with the situation, the Legation agrees that the United States should from time to time let the Rumanian Government know exactly where we stand and what we think of its conduct. While the constant sending of diplomatic notes which bring no visible results may tend temporarily to lower our prestige vis-à-vis the Rumanian people, the Legation feels it is important not to let the Rumanian Government violate any of its international commitments without protest, act towards United States officials in any manner but that normally prescribed in relations between states, and to make it entirely clear that we intend to implement our protests through any machinery that may conceivably be available. In dealing with an organization such as the Rumanian Government, the Legation believes that "dignified vigor" is usually appropriate but that, if necessary, dignity might on occasion be dropped in favor of a more forthright if less palatable manner of driving our points home.

Without wishing to make any recommendation that the United States break off relations with the present Rumanian Government, the Legation feels certain of the considerations listed by the Department as prompting the maintenance of relations are a bit ephemeral: The following are the Legation's comments on the individual points raised:

1. Protection of American interests: Even with a diplomatic representation in Bucharest, the Rumanian Government has to date been successful in totally destroying American economic interests in Rumania. While settlement of the matter may drag on for many years, the presence of a diplomatic mission in Bucharest is not an essential in continuing our efforts for compensation. Our protection is at best a paper protection and our efforts consist of protests for the record rather than effective action capable of obtaining immediate redress.

2. Implementation of the Peace Treaty. The Legation agrees that no thought should be given to any rupture in relations until all possible steps have been taken in Rumania to compel compliance or at least to document our position. Once the matter has been removed from the Bucharest scene and thrown into the machinery of the United Nations, this consideration would no longer apply.
(3) Information. The intelligence activities of the Legation and of other United States Government agencies represented in Bucharest have declined markedly in the past year and this trend has been accelerated since the passage by the Rumanian Government in January, 1949 of a law providing capital punishment for persons conveying state secrets to foreign powers. . . .

(4) The avoidance of formalizing an open separation between East and West. The Legation agrees that the United States should not be the one to instigate a break and realizes the unfortunate repercussions this might have in the overall world picture and the possibility that a break in relations with one Iron Curtain country might start a chain reaction leading to a break with all.

(5) Contacts with the Rumanian people. There appear to be two sides to this question, both deserving of consideration: (a) A break in relations would remove the pitifully few remaining contacts we have with the Rumanian people and might make the Rumanians feel we had lost interest in them and had thrown in the towel. Our continued presence in Rumania would show we were continuing our attempt to bring about an improvement in the situation and to make the present Rumanian Government live up to its international commitments, and (b) It is possible a rupture in diplomatic relations might show the Rumanian people we were no longer willing to stand for repeated insults, we were withdrawing recognition from a detested tyranny, and we would be permitted to aid the Rumanian people in manners not possible while we still accord recognition to the present Government.

The Legation feels both considerations should be taken into account whenever the Department periodically reviews the problem of continuing diplomatic relations with Rumania. While there might be some temporary loss of prestige with the democratically inclined mass of the Rumanian people, if we break relations, in the long run if, over the Voice of America and by our actions in the United Nations and elsewhere, we show the Rumanians we have not lost interest, we would suffer no permanent damage from the point of view of prestige.

The above views have been cited not to indicate the Legation believes the time has come for a break in diplomatic relations with Rumania but to point out that in the Legation's opinion, there are few compelling reasons against an eventual break if it should be felt advisable for reasons of high policy to make it. To recapitulate, the Legation believes (1) no consideration should be given to terminating our recognition of the present Rumanian Government until we have exhausted all hopes of compelling Rumanian compliance with the Peace Treaty with the means available to us locally; (2) intelligence available in Rumania is small at the present and is decreasing all the time and (3) that a break would have both favorable and unfavorable repercussions vis-à-vis Rumanian public opinion.

The points discussed in the remainder of the chapter on political matters, the Peace Treaty, the Voice of America, the encouragement of passive resistance, and the gathering of intelligence have been covered in the various points already raised.
D. Policy Evaluation

The Legation is inclined to the belief that the statement "there may well be local elements (such as the anti-Soviet feeling of the bulk of the Rumanian people) which will afford possibilities for retarding the communization of Rumania and for eventually undermining the Soviet subjugation of that country" minimizes the rapid progress already made towards communization and the fact that a regime imposed by force can only be removed thereby. It does not seem possible, as seen by the case of Russia, to retard the progress of Communism once it has seized power merely by adverse public opinion. The United States may conceivably be able to improve the Rumanian situation by the use of the United Nations and other international agencies but there is little hope of effecting improvement through purely Rumanian agencies.

The Legation's comments on the Department's numbered "problems of prime concern to the further development of United States policy" follow seriatim:

(1) The recent creation of the Council of Mutual Economic Assistance indicates some sort of Eastern Federation will come into existence in fact, if not in name. The Legation does not believe any federation can spring from the peasants of the Balkans who without exception are too restricted in viewpoint, suspicious, nationalistic, and uneducated.

The rumors of impending absorption of Rumania into the Soviet Union have been quiescent for some time and the Legation does not feel it is probable in the immediate future.

(2) The establishment of a violent and repressive rightist counter-revolution would seemingly only be possible if the overthrow of the present regime was caused by purely internal factors. The Legation does not believe it is possible for the present Communist regime to be overthrown by Rumanians alone unless there should be an unforeseen relaxing in the Soviet grip on Rumania and believes external assistance to be essential. In the event of a war such a regime might emerge in the confusion but it could hardly hope long to survive in either a free or a Communist world. Moreover the Legation doubts that the future of Rumania rests with the peasants and feels rather that it depends on leaders who can use the peasants as mass support.

(3) Rumanian anti-Semitism is a real and tangible thing and must be taken into consideration in any long range plans for the future. Should the present regime be miraculously overthrown, it is hard to see how a pogrom could be averted.

(4) The Legation does not take quite such a gloomy view of possible future leadership of a democratic Rumania as does the Department. After years of Hitler, Schumacher and others emerged in post-

* Kurt Schumacher, Chairman of the German Social Democratic Party.
war Germany and de Gasperi 7 and his associates in Italy followed the even longer dictatorship of Mussolini. A skeleton organization of the National Peasant Party is known to exist, and the National Liberal and Independent Socialist Parties have never been formally suppressed although they are lying dormant at the moment. While the regime may eventually “liquidate” vast numbers of political prisoners the fact that only a handful of fiery Communists are loyal to it makes it seem unlikely all possible future leaders could be disposed of in this manner.

The Legation agrees with the Department’s remark that although King Mihai was popular in Rumania, there is no assurance that the Rumanian people would necessarily desire the return of the House of Hohenzollern Sigmaringen once the present regime is overthrown. An unconfirmed report has recently reached the Legation that Iuliu Maniu from prison has indicated his opposition to any reinstallation of the monarchy. However, if King Mihai should by his words and deeds while in exile demonstrate to the Rumanian people that he is doing everything in his power to effect their liberation, he might be able to regain his throne if he acted quickly once the liberation came.

The Legation agrees with the Department’s opinion of the present political figures among Rumanian refugees abroad and does not feel they offer much hope of future leadership of a democratic Rumania which will have to come from persons now within Rumania.

7 Alcide de Gasperi, Italian Prime Minister and leader of the Christian Democratic Party.

124.71/11–1249: Telegram

The Secretary of State to the Legation in Romania

CONFIDENTIAL  WASHINGTON, November 21, 1949—7 p.m.

397. In conversation Nov 21 with Magheru 1 at Dept’s initiative (urtel 765 Nov 12 and previous 2) Asst Sec Perkins 3 (1) reviewed official visa situation, (2) reaffirmed position that each Govt shld determine personnel needs its Missions and pointed out we do not regulate size of Missions here, (3) emphasized we unwilling engage trading

1 Mihail Magheru, the new Romanian Minister in the United States, who presented his credentials to President Truman on September 26, 1949.

2 The Department of State had for some time been contemplating a conversation with Minister Magheru on the question of visas for official American personnel assigned as replacements to the Legation in Bucharest. The Romanian Government had for many months delayed acting on the requests for the visas for these officials. Department of State officials discussed the visa questions with Romanian Legation representatives on June 28 (telegram 225, June 24, 1949, to Bucharest: 811.111 Dipio. 71/6–1549). Minister Rudolf Schoenfeld had a “lengthy and rugged conversation” on the matter with Romanian Acting Foreign Minister Grigore Preoteasa and Ana Toma, Secretary General of the Romanian Foreign Ministry, on July 28 (telegram 539, July 21, from Bucharest: 871.111/7–2149). Schoenfeld discussed the issue with Romanian Foreign Minister Ana Panker on August 31 (telegram 643, August 31, from Bucharest: 124.71/8–3149). None of these conversations resulted in any development in the visa question. In the telegram under reference here, Schoenfeld renewed an earlier suggestion that the matter be raised in Washington with Minister-designate Magheru (124.71/11–1249).

3 George W. Perkins, Assistant Secretary of State for European Affairs.
numbers of visas, (4) stated that, while recognizing right of each Govt object to a particular person, we desire prompt action on pending and future applications of assigned personnel, and (5) stressed that Dept takes serious view this situation created by Rum Govt's failure conform to internatl practice in normal relations between two states.

Magheru said he was acquainted general lines his Govt's position which he stated as follows: A year ago Rums informed you they consider Mission staff unnecessarily large especially as compared staff Rum Leg here. Rums disposed grant visas for replacements chosen by us "within measure." They also do not wish trade visas and stopped issuance because, after granting four last spring, we issued none. They too take serious view situation as affecting Rum Leg here.

Perkins indicated precedence in postponement visa action just the reverse, that some of our applications pending since Oct 1948, that during 1947-48 Rums had delayed action on some cases up to six months or more, that after their authorization several visas early this year we had issued visas to Magherus and their personal servants and that, while we did not consider these by way of a trade, Rums had not subsequently acted on other applications.

Re Rum statement US staff too large, Magheru was told pending applications were for replacements of staff previously withdrawn or scheduled for transfer, but reminded also of our position that number of persons assigned to US Leg Bucharest matter for determination US rather than Rum Govt.

Attaché situation was specially mentioned, alluding to Rum assurances re acceptance of replacements but with no such agréments forthcoming and no action on visas for such replacements.

Magheru stated he would report conversation to his Govt and we expt expect reply through him or AmLeg Bucharest. He was asked in particular to report Dept's serious view visa situation. Memo conversation pouch.