

INCOMING TELEGRAM

Department of State

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Rec'd: DECEMBER 6, 1956
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FROM: MOSCOW
TO: Secretary of State
NO: 1392, DECEMBER 6, 7 P.M.

SENT DEPARTMENT 1392, REPEATED INFORMATION BUCHAREST
DEPARTMENT REPEAT AS DESIRED.
PASS AGRICULTURE.

IN CONTRAST SOV-POLISH JOINT COMMUNIQUE OCT. 19, TONE AND TEXT
SOV-RUMANIAN COMMUNIQUE INDICATED MINIMUM AMOUNT "BARGAINING"
DURING RECENT RUMANIAN NEGOTIATIONS. IN POLITICAL AFFAIRS SOVS
RECEIVED BLANKET ENDORSEMENT THEIR STANDARD INTERNATIONAL
POSITION: (1) CENSURE ANGLO-FRENCH-ISRAELI AGGRESSION AGAINST
EGYPT, (2) DISARMAMENT AND PROHIBITION NUCLEAR WEAPONS TESTS,
(3) SEATING RED CHINA UN, (4) UNEQUIVOCAL SUPPORT WORKERS-
PEASANTS PARTY HUNGARY AND CENSURE "SLANDEROUS CAMPAIGN"
REACTIONARY CIRCLES DIRECTED AT INTERFERENCE INTERNAL AFFAIRS
HUNGARY, (5) CONTINUANCE SOV FORCES IN RUMANIA IN ACCORDANCE
WARSAW PACT.

IN ADDITION, SOV-RUMANIAN COMMUNIQUE VARIES FROM SOV-POL
AGREEMENT IN THAT IT CONTAINS (1) NO INDICATION OPPOSITION STAT
ING SOV TROOPS IN RUMANIA. NO REFS TO SEPARATE AGREEMENTS DEFIN
"LEGAL STATUS" PRESENCE SOV TROOPS, (2) REF TO COMMUNIST CHINA
RELATIVELY STRONGER (THOUGH STANDARD) IN PARTICULAR STATEMENT
"WITHOUT PARTICIPATION COMMUNIST CHINA IT IS NOT POSSIBLE DECIDE
ON SERIOUS INTERNATIONAL QUESTION AFFECTING PEACE AND SECURITY
PEOPLES," (3) STRONGER ENDORSEMENT SOV LINE TOWARD HUNGARIAN
SITUATION. INTERVENTION SOV TROOPS NOT MENTIONED SOV-POLISH
STATEMENTS. IN SOV-RUMANIAN STATEMENT PRESENCE SOV TROOPS
"INTERNATIONAL DUTY" TO WORKERS OF HUNGARY AND OTHER SOCIALIST
COUNTRIES, (4) ANGLO-FRENCH-ISRAELI ACTION CONDEMNED IN BOTH
STATEMENTS. NO POSITION STATED, HOWEVER, ON FUTURE CONTROL SUEZ
CANAL.

SOV ECONOMIC "ASSISTANCE" SEEMS MODEST. CREDITS APPARENTLY NO
GREATER

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-2-1392, DECEMBER 6, 7 P.M. FROM MOSCOW

GREATER THAN THOSE GRANTED BULGARIA AND EAST GERMANY BEFORE HUNG EVENTS AND MUCH LESS ADVANTAGEOUS THAN RECENT CONCESSIONS TO POLAND. INCREASED SUPPLIES 1957 SOV RAW MATERIALS AND PRODUCTS FOR RUMANIAN METALLURGICAL INDUSTRY AGREED ON PREVIOUSLY, AT LEAST IN PRINCIPLE, (EMB DESPATCH 180 OCT. 1) AND THESE AND SOV DELIVERY 60,000 TONS FORAGE GRAINS TO BE ON COMMERCIAL BASIS. RUMANIA GRANTED CREDIT FOR 450,000 TONS WHEAT (TO BE DELIVERED FIRST HALF 1957) AND FOR SOV EQUIPMENT FOR CONSTRUCTION "CHEMICAL PLANTS" (PROBABLY REFERS PRINCIPALLY TO 50,000 TON CAPACITY SYNTHETIC RUBBER PLANT (SEE DESPATCH). NO PREVIOUS INDICATION SOV LONG-TERM CREDITS RUMANIA, ON WHICH REPAYMENTS POSTPONED PAST 1957-59, WERE OF SIGNIFICANT PROPORTIONS (EMB HAS RECORD OF NONE EXCEPT 10 MILLION DOLLAR CREDIT 1957). ADJUSTMENT OF "FINANCIAL ACCOUNTING" MAY REFER TO PRICE SHIFTS BUT REF TO "MUTUAL ADVANTAGE" ADJUSTMENTS DOES NOT IMPLY GREAT PROFIT TO RUMANIA. NO MENTION MADE OF RECENTLY ANNOUNCED (EMBTTEL 1210) RETURN JOINT SOV-RUMANIAN MINING CONCERN TO RUMANIAN OWNERSHIP.

SOV-RUMANIAN COMMUNIQUE UNDERLINES STATUS RUMANIA AS SATELLITE WHOSE FORMAL RELATIONS WITH SOV UNION ARE PRIMARILY PERFUNCTORY. AT SAME TIME, IT INDICATES MEMBERS SOV BLOC WILL NOT AS MATTER OF COURSE RECEIVE PREFERENTIAL TREATMENT PROFFERED POLES UNLESS IN SOV VIEW SITUATION SO DEMANDS.

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DEC 17 1956

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