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Memorandum of Conversation .

DATE: October 14, 1965 TIME: 8:00 p.m.

PLACE: Department of State

SUBJECT: Rumanian-US Relations

James Madison Room

Assistant Secretary John Leddy Ambassador-Designate Richard H. Davis

Raymond E. Lisle, Director of the Office of Eastern European Affairs

Foreign Minister Corneliu Manescu Deputy Foreign Minister Mircea Malita Ambassador Petre Balaceanu Ion Baschiru, Counselor, Rumanian Embass Sergiu Celac, interpreter

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The Secretary noted that there had been one negative development in our relations which we regret -- the Firestone case. We have recently taken action in another case to mobilize the Government against pressures of the type leveled against the Firestone Company.

The US is attempting, through the issuance of export licenses, to increase trade as much as possible within the limits of American legislation. The President appointed a committee of distinguished citizens (the Miller Committee) to study problems of East-West trade. We hope that legislation will be enacted next year which will be in accord with the Committee's recommendations. We know that MFN is most important, but it has become involved in the international atmosphere and the Vietnam problem. We hope, however, to move in January or February to obtain this legislation. Meanwhile we are trying, within the limits of the law, to make progress toward the development of East-West trade.

Mr. Manescu commented that a trade development delegation from the US had traveled to Rumania late in September of this year, and had been received by the Vice Chairman of the Council of Ministers. The members of the delegation apparently were interested in what they had seen. He then emphasized that the Rumanian Government has taken no action to disturb the 1964 agreement, and that there is no desire to worsen relations with the US in any way. However, the problem of South Vietnam has cast a shadow on our bilateral relations.

The Foreign Minister singled out the field of exchanges as an area in which he believed there had been substantial development. He said that he had had

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extremely frank and friendly talks with many American citizens during his own trip in 1964. The Rumanian Minister of Health recently came to a meeting in the US and was entertained in Washington. In addition, a member of the Rumanian Academy of Science is now making a trip through the US, and an exhibit of Rumanian tapestry has been opened at the Smithsonian Institute.

The Secretary said that agricultural exchanges deserve particular attention. There is a common interest in the war against hunger. We have no secrets in the agricultural field, and are fully prepared to make available the results of the very latest research in the production of food.

In response to a question about a pending US-Rumanian consular convention, the Foreign Minister said there were still a few difficult points deriving from differing legislation in the two countries. He did not know, at the moment, how a solution could be found. Rumania has suggested an interval in which it can review outstanding issues. He thought that a general survey of progress to date, and possible future steps, could be made when Ambassador Davis arrives in Bucharest.

The Secretary asked whether the Senate's failure to ratify the US-Soviet consular convention was a factor in the Rumanian decision to defer further negotiations. The Foreign Minister said that this was not the case.

Secretary Rusk commented that a member of the US Congress had expressed appreciation for Rumanian progress in facilitating the emigration of Rumanians to the US. There is great appreciation in this country for the steps which have been taken to reunite several hundred families. The Foreign Minister noted that there were "many hundreds". Rumanians who want to come to the US are free to do so. The Rumanian Government makes no note of their desire and does not discriminate against them in any way.

The Secretary asked that the Foreign Minister transmit his personal greetings to Chairman of the Council of Ministers Maurer. He noted that there are certain general international questions on which we cannot now agree. These issues are not, from our point of view, fundamental to our bilateral relations. There is no country with which we can always agree. If we can have frank and friendly discussions we can discover areas of genuine common interest and determine how to build friendship between our peoples.

The Foreign Minister requested that Secretary Rusk inform the President that Rumania wishes him good health and a quick resumption of his extraordinary responsibilities. Rumania desires better relations, which can be developed on the basis of mutual respect and understanding. Although the discussion had centered on the one problem of greatest importance (Vietnam), the problems of Chinese representation in the United Nations, the Indo-Pakistan dispute, or Germany could also have been mentioned. These are problems on which it would be possible for both sides to understand each other more readily. Rumania cannot see a military solution of the Southeast Asia problem. A lasting solution will become more difficult to achieve as time passes.