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Report of Interrogation: No. 5743 of

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Rank : Ambassador at large Unit : Foreign Office, Berlin

Captd : 7 May 1945 - Garmisch-Partenkirchen

6 September 1945 I/O: Capt. HALLE

Veracity: Believed reliable.

Report : Hitler's Intervention in the Dispute between Hungary and Roumania.

While Hitler was still occupied with events which followed the armistice in France, the first signs of crisis in Eastern Europe appeared. As early as June 1940, Russia undertook the military occupation of Lithuania, Latvia, and Estonia, and organized local politics so efficiently in these countries that by the beginning of August they asked Russia's "permission" to enter the Soviet Union. Since Ribbentrop had dissassociated the German Foreign Office from the fate of the Baltic republics in 1939, these events by themselves would not have affected Germany further, but in June 1940 Russia put pressure on Roumania, finally presenting an ultimatum which forced the possession of Bessarabia and part of Bucovina for the purpose of establishing a Moldavian Soviet Republic. Thereby Russia regained back control over the mouth of the Danube which she had exercised up to the end of World War I. Bulgaria capitalized on Roumania's plight by renewing its demand for the decession of southern Dobruja; Germany acted as mediator in the controversy to prevent a more serious conflict from arising between the two countries. At this point, however, Hungary further complicated the situation with an attack upon and the fercible seizure from weakened Roumania of Siebenbuergen (Transglvania), which Hungary had to cede in 1920. Thus danger of a serious conflagration in south-eastern Europe, which the axis powers had hoped to avoid became acute, first because of the extreme importance of Roumanian oil to the presecution of the war, second because of ignacrance of Russian policy on the matter. Hitler and Ribbentrop, therefore, resolved to intervene in the disputes, whereupon Hungary took great pains to convince the German government of the justice of its demands, and King Carol of Roumania resorted a personal letter to Adolf Hitler following the breakdown of the direct negotiations between Roumania and Hungary at Tarn-Severin. Germany and Italy jointly invited Roumania and Hungary tea conference in Vienna, which resulted in the Vienna Settlement on Siebenbuergen on 30 August 1940.

It had not been the original intent of the gxis powers to make a territorial—award at this conference. Ribbentrop came to the conclusion finally however, that this was the only way in which a quick settlement of the dispute could be forced; when the Roumanians and the Hungarians arrived in Vienna, therefore, they were first confronted by a demand by Ribbentrop and Ciano that they subject themselves to arbitration by Germany and Italy. The settlement stipulated that Roumania cede the northern part of Siebenbuergen to Hungary, essentially in accordance with a boundary—line which Hitler had marked out with his finger on a map a few days earlier, remarking thereby that the line could not last long.

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When this award of territory was announced, Manuilescu, the Rumanian foreign minister was severely shaken; the first reaction of the Hungarians, on the other hand was unrestrained cheering. In Bucharest moreover, King Carol set up General Antonescu as dictator and abdicated his threns.

The most important factor affecting the further general political development of this dispute was Hitler's guarantee of the future severeignty of Rumania, which was announced to the Rumanian foreign minister by Ribbentrop at the time of the announcement of the territorial award. Thereby Germany took under its special protection a state in which Russia war particularly interested, and which formed the land bridge between Russia and the Balkan peninsula. This political step of Germany into the Black Sea area was the first serious sign of a political storm between Berlin and Moscow to arise since the conclusion of the Moscow agreements by Ribbentrop in August and September 1939. The German ambassador to Moscow attempted to explain the German step in its true light to the Russians; nonetheless, a situation had arisen which made immediate further clarification necessary.