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**Intelligence Note, Polish Embassy in Bucharest,
'Concerning the Course and Results of the Visit of
US President G. Ford in Romania'**

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Summary:

Detailed analysis of the visit of President Gerald Ford to Bucharest on August 2-3, 1975. In addition to the formal analysis of the official materials, the authors of the report tried to find other sources of information, which resulted in the statement that "we have information that Ceaușescu was an advocate rapid normalization of US-Cuban relations." Much attention was also devoted to the Romanian leader's attempts of mediation in various places around the world, including the Middle East. The report also contains rumors, which, according to the authors of the report, were "'leaked' by American diplomats around here" that Ceaușescu stressed the importance of the future of Yugoslavia after Tito's death, which he expected soon (in fact, he died in 1980, five years after the meeting)

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Intelligence Note

concerning the course and results of the visit of U.S. President G. Ford in Romania

During the twenty-five-hour visit, the presidents N.Ceaușescu and G.Ford raised in talks a wide range of political and economic issues at the bilateral level as well as internationally.

Attention of the two leaders, with regards to economic issues, was focused mainly on the need to accelerate and enhance the evolution of economic cooperation. Granting MFN status to Romania creates qualitatively new possibilities for extending this cooperation. The Romanian-American trade agreement, already signed, entered into force and, which opens prospects for expansion of Romanian exports to the U.S. market and imports of necessary technology, machinery and equipment to the RSS as well as access to state guaranteed loans.

This is the basis for planning turnover of billion dollars in 1980 as compared to only USD \$ 400 million in 1974.

Under the MFN status, granted to the SRR, much attention was given to the possibilities to create production joint ventures with the participation of American capital. Both sides expressed their interest in this form of cooperation. Industrial production of companies created on these bases will be sold on third markets - mainly in the socialist countries and the countries of the "third world." Private capital invested in this way will be the U.S. government guaranteed. Both the Romanian and American partners raised a number of suggestions in this matter. Romania is interested in creating mixed manufacturing companies, mainly engineering, metallurgical, electronic and chemical. Americans came up with the capital-intensive plan to cooperate in the field of oil exploitation on the Black Sea shelf.

They are also interested in carrying out in the SRR of a joint combustion engine production of different power and purpose - and this is seen as a large scale project. According to the estimates of the local American diplomats, implementation of only these two projects would exceed one billion U.S. dollars of a planned turnover.

The whole package of problems associated with the acceleration and expansion of economic cooperation will be discussed during the next session of the Council on American-Romanian Economic Cooperation. This session is scheduled for October this year in Washington. Both parties will specify the range of goods to be sold on American market and will define Romanian import and credit needs. They will specify conditions and directions of production joined-ventures' development. This also applies to oil production from the Black Sea with the participation of the U.S. technology and capital. During the session several economic agreements will be signed which have already been initiated and their implementation was dependent on granting Romania the status of MFN. Agreements on scientific, technical and industrial cooperation will be signed

Romanian President thanked Mr. Ford for his personal involvement in granting Romania the MFN status and came out with a proposal, the implementation of which would give Romania further benefits and opportunities in economic relations with the

United States. This proposal pertains to recognition of the SRR as the country on the path of economic development. N. Ceaușescu presented G. Ford with arguments which show that Romania is on the path of development. G. Ford, in principle, has raised no objections to the proposal of Romanian leaders and even supported them. Anyway, this issue is reflected in the ratified trade agreement.

Currently, Romanian intention is to extend this principle to all financial and economic areas. This issue is also related to the achievement of some benefits for Romania in the International Development Bank and the International Monetary Fund. According to the opinions of some local American diplomats, the range of problems, related to the recognition of Romania as a country on the path of economic development, was forwarded to the experts and a positive outcome should be expected next year. Romania - due to U.S. legislation - must meet several conditions, including meeting deadlines on passing information on the state of Romanian economy. President Ceaușescu has been notified and has not objected.

When discussing issues related to the recent floods in Romania, President Ford offered American help in the reconstruction of the damage in designated areas that were covered by the flood. Additionally, the U.S. offered to send experts to implement plans for flood protection in the areas most at risk. These issues go along with granting Romania favorable loans to be spent on building an anti-flood system. Special committees will examine these issues and the American side claims that they will be successfully resolved.

As an emergency intervention, President Ford informed N. Ceaușescu, that the U.S. will provide non-repayable aid in the amount of \$ 280,000 in the form of medicines, powdered milk, canned food for babies and children, etc. The costs of shipping these products to Romania will be covered by the US. . For several days special Boeing planes have been landing with these articles. Except for this, the Romanian Government's request to provide seed is being examined. Romanians estimate their demand in this respect for about \$ 1 million. This estimate does not include U.S. assistance under the Red Cross. This aid will be significant.

II

As for political problems, both Presidents noted with satisfaction the strengthening of mutual relations and prospects for further development. A number of issues on international political situation in various regions of the world has also been discussed. The following groups of issues deserve particular attention:

1. The issue of the CSCE. Both sides expressed satisfaction with the document signed in Helsinki. N. Ceaușescu stressed the need to implement the signed document in accordance with the principle of "pacta sunt servanda" He also presented, on this occasion, the well-known Romanian concepts of "new political order" in Europe, based on respect for the sovereignty and independence, not interfering in the internal affairs of another country, not using force or threatening to use it. Apart from that he expressed the need for disarmament - starting with nuclear - dissolving military blocks, withdrawal of foreign troops, elimination of foreign military bases, which he considers to be contrary to the principle of sovereignty. He made a number of critical comments on the progress of disarmament talks in Vienna.

We have a piece of information which implies that one of the problems discussed was the future of Germany.

While discussing European issues, Romanian President informed Ford that his country's diplomatic priority will focus on achieving the following objectives:

a / projects to achieve effective disarmament in Europe and the world;

b / establish a "new order" in the economic sphere, to eliminate the division between rich and poor countries - a topic which will be discussed below.

2. N. Ceaușescu particularly stressed the urgent problem of the Middle East, emphasizing the need to take effective steps in order to find solutions to the conflict. He often returned to this issue, claiming that every day of inactivity of the countries interested in resolving the conflict strengthens the possibility of war. This in turn threatens not only the Middle East countries, but the countries of the Mediterranean and Balkan region; calls into question the implementation of the agreements of the CSCE, threatens the world peace. Ceaușescu urged Ford to take new actions and initiatives to encourage Israel to implement UNSCR 1967 and the establishment of secure and stable borders for all countries in the region. He also expressed the need to address the problem of the Palestinian people with respect to their aspirations and rights to self-determination.

Ceausescu recognizes Arafat, the leader of the PLO, as a moderate politician who strives for political solutions. The above problem is inseparably connected to the exposure of a local representative of the PLO during President Ford's welcome and, mostly, during the farewell ceremony. The presence of the PLO representative at the airport was the result of Romanian operations and initiatives. It has been agreed upon with the President of the United States, but now the Americans are trying to distance themselves from this case. During Ford's departure, to the apparent satisfaction of the head of the Romanian state, the local representative of the PLO turned to the U.S. president with a remark that "without solving the Palestinian problem there cannot be lasting peace in the Middle East. Palestinian nation has a right to independent existence and a sovereign state." The President was to answer, "This is also our desire." This episode, although it is not the subject of both presidents' talks, comes within the framework of what N. Ceaușescu wanted to tell Ford and what he actually said about the Middle East and the Palestinians.

Ford agreed with the danger of armed conflict in the Middle East and the need for further efforts to find a peaceful solution.

3. N. Ceaușescu received a positive response from his American guest to his understanding of the Balkan problems and his initiatives to achieve stability, peace and good-neighborly cooperation between countries in this region of Europe. Romanian President presented President Ford his concepts based on the right of the Balkan countries to cooperate and collaborate with each other without pressures and interference from outside, expressing at the same time his concerns about the future of Yugoslavia after Tito's death. We have some information / it is interesting to note that it was "leaked" by American diplomats around here! / that Ceausescu warned against the possibility of internal disturbances in the process of searching for political and economic concepts in the region after Tito's death. Ceausescu gave G. Ford to understand that the situation " may lead to an outside intervention at the request of certain circles". At the same time he insisted that " the U.S. took a clear position in this regard". Ford, on his part, shared concerns of the Romanian leader.

4. On the occasion of this meeting, Ceausescu consistently carried out his concept of being a mediator. This strategy became particularly evident when problems connected to the Asian continent were discussed. Ceausescu clearly and explicitly urged Ford to engage the United States in the work of unification of Korea. Ceausescu's concepts in this matter did not differ from that of Kim Ir Sen. Ford "slipped" on the subject, expressing the belief that the matter of unification is an internal problem of the Koreans themselves who have signed a specific agreement on the subject. Romanian president also supported the need to regulate US-Vietnamese relations / both governments /. Ceaușescu urged Ford to strengthen U.S.

participation in the financial and economic assistance to Hanoi and Saigon. Ceausescu also raised the problem of China and discussed the causes and consequences of the Sino-Soviet conflict.

We have information that Ceausescu was a spokesman for a quick normalization of US-Cuban relations.

5. Ceausescu dedicated a lot of space to present the problems of countries of the "third world", which are countries on the path of economic development. His assumption was based on the thesis that mankind faces the most urgent task - to develop effective methods and forms of providing assistance to this group of countries to eliminate the development gap, which separates them from the industrialized countries. His initial assumption was that there was an urgent need to create a "new economic order" in the world. Within this new order, rich countries will effectively help the poor to overcome economic underdevelopment and establish justice in the international division of labor and the distribution of world wealth. Ford has supported a number of concepts formulated by Ceausescu. Both leaders agreed on the need to find effective forms of assistance, which will be discussed during the next meeting of the United Nations. Both Romania and the U.S. will support the concept of a "new economic order" at the UN.

III

Ford's visit was highly awaited by the SRR and Ceausescu attached great importance to its results. The talks were held in the royal palace in Sinaia and the official state documents were signed in the throne room of the palace, for the first time in the history of the post-war Romania,

Ford was received warmly and cordially, although the Romanian authorities manipulated the amount of people welcoming Ford and shouting slogans. We believe that this was a thought-out strategy, carried out in such a way so as not to annoy the Soviet Union, some countries of the "third world" and China and other Asian socialist countries. A joint communiqué published after the visit also adopts a number of Romanian theses. Thus, the Romanian side expressed great satisfaction with the visit, highlighting some of the wording from the communiqué:

1. For the first time American President expressed his support for the Palestinian case in an official document. This is the initiative of Romanian diplomacy and its success, especially the success of the head of state.

2. The U.S. has expressed its willingness to create a zone of peace and good-neighborly relations in the Balkans.

3. Full approval of the need for the implementation of the OSCE commitments by all signatories as to the content and character.

4. U.S. support for the principle of helping the countries which are in the way of economic development.

Remarks and conclusions

1. Results of the visit in terms economic provisions and granting Romania the status of the MFN create impetus for the development of bilateral economic and trade cooperation. Given the prospects of this cooperation, it goes beyond economy and enters the realm of politics. There may be some difficulties with the implementation

of bilateral cooperation because of the narrow range of prospective products for the U.S. market

2. On the occasion of the visit, Ceaușescu gained an ally in the United States to continue its independent policy. He tried to secure himself to some extent from any dangers from outside, using his relations with Washington for this purpose. This line of the SRR's policy will continue.

3. On the occasion of the visit, Ceaușescu tried again to prove his positive role in international politics. This applies to the mediation in the conflicts, such as the Middle East conflict, the Palestinian problem, / highly acclaimed by the representatives of the PLO and even by the Syrians / conflicts in Korea, Vietnam, etc. We must admit that, in a sense, this role has been accepted by Ford. This is, of course, the result of American political strategy., but the prestige of Romania - and especially its leader - grew internationally, mainly in the Arab world, in the "third world" as Ceausescu appeared as the defender of those countries.

4. Americans, providing support for the current policy of Romania, including its centrifugal tendencies in the socialist camp, also strive to achieve certain political goals. In this sense, Mr. Ford was able to accomplish many of these goals.

5. The package of economic cooperation projects with the U.S. and the help promised, gives the Romanian society hope for a better life. This is the tone of Ford's recent visit interpretations, which will undoubtedly strengthen the U.S. position in Romania.

First Secretary of the Embassy

Jan Rodak