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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name DOBRIANSKY, PAULA: FILES

Withdrawer

RBW 1/24/2017

File Folder ROMANIA - EE [EASTERN EUROPE] MEMORANDA (2)

FOIA

F1640/3

Box Number 006

HERSHBERG

58

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
187870	MEMO	NORMAN BAILEY TO WILLIAM CLARK RE. CCC LOAN [W/NOTATION; SAME TEXT AS DOC. 187836; PARTIAL] PAR 1/24/2017 NLR-145-6-1-6-7 #187870	1	1/21/1982	B1
187871	REPORT	[COPY OF DOC. 187844] D 1/24/2017 NLR-145-6-1-6-7 #187871	1	1/19/1982	B1 B3
187872	MEMO	WILLIAM CLARK TO SECRETARIES OF STATE, TREASURY, DEFENSE, ET AL, RE. CCC CREDIT FOR ROMANIA [COPY OF DOC. 187847, W/MARK; PARTIAL] PAR 1/24/2017 NLR-145-6-1-6-7 #187872	1	ND	B1 B3
188302	MEMO	DRAFT WILLIAM CLARK TO SECTS. OF STATE, TREASURY, DEFENSE, ET AL, RE. CCC LOAN [W/NOTATIONS]	1	ND	B1 B3
188305	MEMO	DRAFT WILLIAM CLARK TO SECTS. OF STATE, TREASURY, DEFENSE, ET AL, RE. CCC LOAN [SAME TEXT AS DOC. 188302]	1	ND	B1 B3
188308	MEMO	DRAFT WILLIAM CLARK TO SECTS. OF STATE, TREASURY, DEFENSE, ET AL, RE. CCC LOAN [W/EDITS]	1	ND	B1 B3

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

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188310	PAPER	RE. CCC LOAN	1	ND	B1	B3
188314	MEMO	TO NORMAN BAILEY RE. ROMANIA	1	1/27/1982	B1	B3
188317	MEMO	TO NATIONAL INTEL. OFFICER RE. ROMANIA [PARTIAL; COPY OF DOC. 187865]	2	1/27/1982	B1	B3
		PAR 1/27/2017 NLR-145-6-1-7-6 #188317				
213530	PAPER	U.S.-ROMANIAN RELATIONS	2	ND	B1	
188355	MEMO	PAUL BREMER TO NANCY BEARG-DYKE RE. VP MEETING W/FOREIGN MINISTER ANDREI [PARTIAL]	1	6/23/1982	B1	B3
		PAR 1/27/2017 NLR-145-6-2-10-1 #188355				
188358	REPORT		1	2/2/1982	B1	B3
		D 1/27/2017 NLR-145-6-2-10-1 #188358				
188359	REPORT		2	4/1/1982	B1	B3
		D 1/27/2017 NLR-145-6-2-10-1 #188359				

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
188361	REPORT		1	2/2/1982	B1 B3
		<i>D 1/27/2017 NLR-145-6-2-10-1 #188361</i>			

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THE WHITE HOUSE

WASHINGTON

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February 17, 1982

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF AGRICULTURE
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

SUBJECT: Romania's Request for CCC Loan

Issue: Should the Government of Romania be granted a \$65 million loan to be guaranteed by the Commodity Credit Corporation?

Discussion: The requested guarantee and loan would allow purchase in the United States of corn and soybean meal. The Departments of Agriculture and State strongly favor the loan. However, the Department of the Treasury and the Office of Management and Budget conclude and advise that Romania, based on its present economic conditions, probably would be unable to repay the loan on schedule. If Romania failed to repay, our government would be required to pay the banks which made the loans in accordance with the guarantee arrangements. We are in a similar situation now with respect to the Polish CCC credit guarantees. At a time when CCC is requesting replenishment due in part to substantial arrearages by debtor countries, new guarantees to countries whose ability to pay is doubtful appears less than prudent.

Decision: The President, having been apprised of all relevant facts, and having considered opposing arguments, concludes that Romania's application for the loan must be denied. Should the circumstances leading to this decision change, the President wishes to be promptly informed.

FOR THE PRESIDENT:



William P. Clark

NATIONAL SECURITY COUNCIL DISTRIBUTION RECORD

Log Number: 0324

Date: 17 FEB 1982

Subject: ROMANIA'S REQUEST FOR CCC LOAN

CLASSIFICATION: ☐ TOP SECRET ☐ SECRET ☐ CONFIDENTIAL ☒ UNCLASSIFIED

INTERNAL DISTRIBUTION

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<input type="checkbox"/> Mr. McFarlane	<input type="checkbox"/> Mr. Feith	<input type="checkbox"/> Mr. McGaffigan	<input type="checkbox"/> Maj. Shoemaker
<input type="checkbox"/> Adm. Nance	<input type="checkbox"/> Mr. Fontaine	<input type="checkbox"/> Mr. Morris	<input type="checkbox"/> Mr. Stearman
<input type="checkbox"/> Adm. Poindexter	<input type="checkbox"/> Ms. Gold	<input type="checkbox"/> Lt. Myer	<input type="checkbox"/> Mr. Tanter
<input checked="" type="checkbox"/> 1 Mr. Bailey	<input type="checkbox"/> Mr. Gregg	<input type="checkbox"/> Mr. North	<input type="checkbox"/> Mr. Tyson
<input type="checkbox"/> Col. Berta	<input type="checkbox"/> Mr. Guhin	<input type="checkbox"/> Mr. Nau	<input type="checkbox"/> Mr. Weiss
<input type="checkbox"/> Cmdr. Blair	<input type="checkbox"/> Mr. Jennings	<input type="checkbox"/> Mr. O'Leary	<input checked="" type="checkbox"/> 1 Mr. Wettering
<input type="checkbox"/> Col. Childress	<input type="checkbox"/> Mr. Kemp	<input type="checkbox"/> Mr. Pipes	<input checked="" type="checkbox"/> 1 Col. Wheeler
<input type="checkbox"/> Ms. Colson	<input type="checkbox"/> Maj. Kimmitt	<input type="checkbox"/> Mr. Reed	<input type="checkbox"/> NSC Secretariat
<input type="checkbox"/> Mr. De Graffenreid	<input type="checkbox"/> Mr. Kraemer	<input type="checkbox"/> Ms. Reger	<input type="checkbox"/> Sit Room
	<input type="checkbox"/> Mr. Levine	<input type="checkbox"/> Mr. Rentschler	<input type="checkbox"/> Admin. Office

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The Pentagon	1			
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Room 5933/Dept of State				
DIRECTOR CIA				
Langley, VA/or Pickup				
CHAIRMAN, JCS				
The Pentagon				
THE SECRETARY OF THE TREASURY				
Main Bldg/Room 3422	1			
THE SECRETARY OF COMMERCE				
14th & Const. Ave. NW, Room 3422				
DIRECTOR, OMB				
Room 252 OEOP	1			
DIRECTOR AID				
Room 5942 New State				
THE SECRETARY OF ENERGY				
GA257, Forrestal Bldg				
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U.S. REPRESENTATIVE TO UNITED NATIONS				
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THE ATTORNEY GENERAL				
10TH/Const. NW, Room 5119				
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The Pentagon				
DIRECTOR OSTP				
Room 360, OEOP				
DIRECTOR, INTL COMMUNICATIONS AGENCY (ICA)				
1750 Penna. NW				
THE SECRETARY OF INTERIOR				
18th & E. Street NW				
THE SECRETARY OF AGRICULTURE				
Independence & 14th SW	1			
THE SECRETARY OF LABOR				
100 Const Ave NW				
THE SECRETARY OF IHS				
100 Independence Avenue, NW				
THE SECRETARY OF HUD				
251 7th Street SW				

NATIONAL SECURITY COUNCIL
THE WHITE HOUSE

Package # 0324

82

2-23-23

	<u>TO</u>	<u>SEEN</u>
JANET COLSON	<u>✓</u>	<u>✓</u>
BUD NANCE	<u>✓</u>	<u>Bud</u>
JOHN POINDEXTER	<u> </u>	<u> </u>
JACQUE HILL	<u> </u>	<u> </u>
JUDGE CLARK	<u>✓</u>	<u>✓</u>
JANET COLSON	<u>✓</u>	<u>✓</u>

DISTRIBUTION

CY TO VP	<u> </u>	SHOW CC	<u> </u>
CY TO MEESE	<u> </u>	SHOW CC	<u> </u>
CY TO BAKER	<u> </u>	SHOW CC	<u> </u>
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OTHER	<u> </u>		

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187870	MEMO NORMAN BAILEY TO WILLIAM CLARK RE. CCC LOAN [W/NOTATION; SAME TEXT AS DOC. 187836; PARTIAL]	1	1/21/1982	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

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~~CONFIDENTIAL~~

187870
324
agf
4

MEMORANDUM

NATIONAL SECURITY COUNCIL

January 21, 1982

~~CONFIDENTIAL~~

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: NORMAN A. BAILEY *NAB*

SUBJECT: Proposed CCC Loan to Romania (C)

DECLASSIFIED IN PART

NLR 145-6-1-67#187870

BY *RWJ* DATE *1/24/17*

13526

E.O. 12958

As amended

Sec. 3.36(c)

The Commodity Credit Corporation proposes to lend Romania \$65 million to purchase corn and soybean meal. Because of interagency disagreement, the matter has been postponed several times. It must be expeditiously resolved. (C)

USDA is in favor of making the loan because they want to sell the products. They claim that they are satisfied with Romania's creditworthiness. State wants the loan made because of Romania's partially independent foreign policy stance which they wish to encourage. (C)

Treasury and OMB are opposed because they do not believe Romania can repay the loan and the CCC is already in difficulty because the Poles are defaulting on their CCC loans.

RECOMMENDATION:

That you authorize me to call a meeting of USDA, State, Treasury, OMB and CIA to try to resolve the question.

Approve _____ Disapprove _____

That you indicate to me your own preference.

make the loan _____ do not make the loan ☒

cc: Richard Pipes
William Stearman
Paula Dobriansky

*let's discuss issue - know
background from State
Wray*

Attachment
Tab I

~~CONFIDENTIAL~~

Review January 21, 1988

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187871	REPORT [COPY OF DOC. 187844]	1	1/19/1982	B1 B3

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187872	MEMO WILLIAM CLARK TO SECRETARIES OF STATE, TREASURY, DEFENSE, ET AL, RE. CCC CREDIT FOR ROMANIA [COPY OF DOC. 187847, W/MARK; PARTIAL]	1	ND	B1 B3

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THE WHITE HOUSE
WASHINGTON

324

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MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF AGRICULTURE
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: CCC Credit for Romania

The Commodity Credit Corporation has under consideration a \$65,000,000 loan to Romania for the purchase of corn and soybean meal.

Although it is true that Romania has exhibited some degree of foreign policy independence from the Soviet Union, it is internally one of the most repressive of Soviet Bloc governments. Thus, granting this loan at this time would not only be bad business but would also send the wrong signals to the USSR and to other countries with reference to our current posture vis-a-vis the Soviet Bloc.

FOR THE PRESIDENT:

William P. Clark

~~CONFIDENTIAL~~

Review January 27, 1988

IN PART
NLR-145-6-1-7-6#187872
RW 1/24/17

National Security Council
The White House

Package # 324

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	_____	_____	_____
Bud McFarlane	_____	_____	_____
Jacque Hill	_____	_____	_____
Judge Clark	1	_____	_____
John Poindexter	2	_____	_____
Staff Secretary	3	_____	D
Sit Room	_____	_____	_____

I-Information A-Action R-Retain D-Dispatch **SIGNED**

DISTRIBUTION

CY To VP	_____	Show CC	_____
CY To Meese	✓	Show CC	_____
CY To Baker	✓	Show CC	_____
CY To Deaver	_____	Show CC	_____

Other Bailey _____

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188302	MEMO DRAFT WILLIAM CLARK TO SECTS. OF STATE, TREASURY, DEFENSE, ET AL, RE. CCC LOAN [W/NOTATIONS]	1	ND	B1 B3

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188305	MEMO DRAFT WILLIAM CLARK TO SECTS. OF STATE, TREASURY, DEFENSE, ET AL, RE. CCC LOAN [SAME TEXT AS DOC. 188302]	1	ND	B1 B3

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188308	MEMO DRAFT WILLIAM CLARK TO SECTS. OF STATE, TREASURY, DEFENSE, ET AL, RE. CCC LOAN [W/EDITS]	1	ND	B1 B3

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~~CONFIDENTIAL~~

MEMORANDUM

324

NATIONAL SECURITY COUNCIL

January 27, 1982

~~CONFIDENTIAL~~

SIGNED

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: NORMAN A. BAILEY *NB*
SUBJECT: CCC Credit for Romania

In accordance with your instructions, I have prepared a memorandum (Tab I) from you to the appropriate department heads opposing the granting of CCC credits to Romania on grounds that Romania cannot pay (Tab II -- CIA report) and that, in any case, granting the loan at this time would send the wrong signals.

RECOMMENDATION:

That you sign the memorandum to the department heads at Tab I.

Approve _____ Disapprove _____

cc: Richard Pipes
William Stearman
Paula Dobriansky
Henry Nau

Attachments

Tab I Memo to Department Heads for Your Signature
Tab II CIA Report

~~CONFIDENTIAL~~

Review January 27, 1988

~~CONFIDENTIAL~~

NSC waiver 8/6/10
RW
AD 1/27/17
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WITHDRAWAL SHEET

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ROMANIA - EE [EASTERN EUROPE] MEMORANDA (2)

FOIA

F1640/3
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58

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
188314	MEMO TO NORMAN BAILEY RE. ROMANIA	1	1/27/1982	B1 B3

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

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188317	MEMO TO NATIONAL INTEL. OFFICER RE. ROMANIA [PARTIAL; COPY OF DOC. 187865]	2	1/27/1982	B1 B3

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
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- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
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- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

DECLASSIFIED IN PART

NLR-145-6-1-7-6 #184317

BY RW NARA DATE 1/27/17

27 January 1982

14

MEMORANDUM FOR: National Intelligence Officer for Economics

FROM: [REDACTED] EURA/EE/SE

STAT

SUBJECT: Romanian Difficulties in Meeting
Debt-Service Obligations

1. Romania will continue to have difficulties in meeting debt service obligations on its estimated hard currency debt of \$10 billion. Bucharest has placed its needs for 1982 at \$4.5 billion, including \$2 billion in principal on medium- and long-term debts, a \$.5 billion current account deficit, \$.5 billion for short-term credits, \$.3 for building up reserves and extending credits, and \$1.2 billion in arrearages from 1981. Projected sources of finance fall far short of needs. Bucharest hopes to secure approximately \$2.45 billion, consisting of \$.75 from the IMF and World Bank, \$1.2 billion in supplier credits, and \$.5 billion from "other sources" (probably a balance of payments loan from Arab financial institutions). The financial gap could prove to be even larger than the \$2.05 billion presented by Bucharest. Holding the current account deficit to just \$.5 billion will be difficult as Bucharest encountered serious domestic problems in slashing the 1980 current account deficit of \$2.4 billion by \$1 billion last year. Furthermore, supplier credits may not be as readily available until the arrearages are cleared up.

2. Rescheduling is currently under way with Western bankers, but reaching an agreement will be difficult. Bankers so far have offered to reschedule only \$1.5 billion of the amounts due this year with the condition that government debts be rescheduled too. Bucharest desires to reschedule everything due this year--including the arrearages--plus debts due through 1984.

3. Romania faces hard times even if rescheduling takes place. Its principal hard currency exports are hindered by the soft world market for petroleum products and by a second consecutive poor performance in the agricultural sector.

STAT

15

SUBJECT: Romanian Difficulties in Meeting
Debt-Service Obligations

Bucharest continues to push food exports despite the severe shortages at home. ~~Most nonessential imports have been cut and~~ import reductions are now affecting needed raw materials. Further cuts in imports will have negative repercussions for domestic growth and already low living standards.



STAT

~~CONFIDENTIAL~~
~~SECRET~~

mw

10

MEMORANDUM

1428

NATIONAL SECURITY COUNCIL

March 5, 1982

3/8

rw
1/27/17

LIMITED OFFICIAL USE

*Mentioned
to President.*

INFORMATION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: NORMAN A. BAILEY *NAB*

SUBJECT: The Romanian Financial Situation

JF

The Romanian government on Tuesday suspended payments on its debt to the private banks after trying to shift its funds in the U.S. to a bank where it has no debt exposure. These instructions were refused by several banks.

Last weekend some European banks refused to accept the rescheduling agreement worked out in Bucharest by nine Western banks. On Monday at a meeting in New York, several U.S. banks also refused to accept the agreement.

Romania in the meantime made a payment of \$5.6 million to several U.S. banks acting as agents for the CCC. These banks forwarded only \$1.2 million to the CCC, keeping the rest to cover their Romanian exposure. Eximbank was subsequently paid by Romania. Any payments to U.S. Government agencies made after March 2, 1982 will be contested by the banks as violating the pari-passu rule. At least one bank has diverted Romanian funds without authorization to cover its exposure, and it is reliably reported that on March 8, 1982 Chemical Bank intends to do the same.

It would thus appear that the first in a series of shaky dominoes may be falling. A Romanian default (or moratorium) would probably be followed by Poland declaring a moratorium or being declared in default. The result of all this would be a complete cessation of private bank lending to Eastern Europe (without home government guarantee).

That, in turn, would probably lead to default at least in Hungary, Yugoslavia and East Germany. We must assume West Germany would try to bail out East Germany. I presume we, along with others, would try to launch a rescue effort for Yugoslavia, perhaps costing us upwards of \$1 billion.

It is quite conceivable that a scenario such as the above might lead to a substantial cutoff of credit flow to the Soviet bloc for years to come and a much greater willingness of the allies to cooperate with us in controlling official credit flows.

mw

17

MEMORANDUM

1428

NATIONAL SECURITY COUNCIL

March 5, 1982

fw
1/27/17

LIMITED OFFICIAL USE

INFORMATION

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FROM: NORMAN A. BAILEY MB

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It is quite conceivable that a scenario such as the above might lead to a substantial cutoff of credit flow to the Soviet bloc for years to come and a much greater willingness of the allies to cooperate with us in controlling official credit flows.

It is equally possible that it could lead to a contraction of international bank lending worldwide, which coupled with a much lower OPEC oil surplus to recycle and an unprecedented concentration of international debt maturities in the first half of the year, as well as recession throughout the Western world, might result in an international financial crisis of unmanageable proportions.

The Romanians have asked our permission to send a high-level mission to the U.S. to discuss the situation urgently. In connection with this, it should be noted that Marc Leland of Treasury and I will be away March 13-20 as part of the Buckley mission.

cc: Gus Weiss
Henry Nau
Richard Pipes
Tom Reed
Don Gregg

UNCLASSIFIED

LIMITED OFFICIAL USE

fw
11/21/17

10

CLASSIFICATION

CIRCLE ONE BELOW

MODE

PAGES 02

IMMEDIATE

DACOM # 90

RELEASER J.W.

PRIORITY

DEX #

DTG 261953Z MAR 82
1952 L 6 53

ROUTINE

TTY #

FROM/LOCATION/

1. THE SITUATION ROOM / THE WHITE HOUSE

TO/LOCATION/TIME OF RECEIPT

1. RADM. JOHN POINDEXTER / SANTA BARBARA CALIFORNIA

2. TOP: 062014Z MAR 82

3.

4.

INFORMATION ADDRESSEES/LOCATION/TIME OF RECEIPT

1.

2.

SPECIAL INSTRUCTIONS/REMARKS:

82N 6 P 3:22

SECRET

UNCLASSIFIED

LIMITED OFFICIAL USE

CLASSIFICATION

Dobriansky
file Romania

20

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

February 26, 1982

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

BY NAME RW DATE 11/27/17

FROM: PAULA DOBRIANSKY *PD*

SUBJECT: Proposed Meeting with Romanian Deputy Foreign Minister Maria Groza

During Secretary of State Haig's visit to Romania, it was announced that Romanian Deputy Foreign Minister Maria Groza will be visiting Washington on March 8-9 and will be meeting with several high officials at State and on the Hill. She would like to pay you a courtesy call and meet with appropriate NSC staff members on March 8. (C)

According to the State Department, Romanian Foreign Minister Stefan Andrei had specifically requested a meeting be arranged between you and the Deputy Foreign Minister. Such a meeting is not expected to entail any lengthy discussion of outstanding bilateral issues but rather would focus briefly on the general tenor of our political-economic relations. To the Romanians, this proposed meeting would be a manifestation of the value which the United States attaches to its bilateral relations with Romania. (C)

I recommend that: (a) I escort the Deputy Foreign Minister to your office for a 5-10 minute courtesy call, and (b) that Richard Pipes, Norman Bailey, William Stearman and Paula Dobriansky meet with the Deputy Foreign Minister to discuss issues of mutual concern. The State Department will apprise the Romanian Embassy that the meeting between you and Deputy Foreign Minister Groza will be merely a courtesy call. (C)

Richard *RP* Pipes concurs.

RECOMMENDATION

That you approve a courtesy call on March 8.

Approve _____ Disapprove ☒

Date and Time _____

That you approve a follow-up meeting for the Deputy Foreign Minister with Richard Pipes, Norman Bailey, William Stearman and Paula Dobriansky. *3/8 2pm*

Approve ☒ Disapprove _____

cc: Norman Bailey, William Stearman

~~CONFIDENTIAL~~

Review February 26, 1988.

Rm. 308
2:00

2 or 3 o'clock
Monday
March 8

42.

1346

21

32-44 AC. 49

ACTION

1

2

3

9

A-Action

D-Dispatch

COMMENTS
Jacques, I don't think he will be
back in time for 8 Mar. John

11 Mar 82
 Dec 10 1981
 22

National Security Council
 The White House

Package # 1685

02 MAR 82 15:04

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>[initials]</u>	
Bud McFarlane	<u>2</u>		
Jacque Hill	<u>3</u>	<u>[initials]</u>	
Judge Clark	<u>4</u>	<u>[initials]</u>	<u>I</u>
John Poindexter			
Staff Secretary			
Sit Room			

I-Information A-Action R-Retain D-Dispatch

DISTRIBUTION

CY To VP		Show CC	
CY To Meese		Show CC	
CY To Baker		Show CC	
CY To Deaver		Show CC	

Other _____

COMMENTS

MEMORANDUM

NATIONAL SECURITY COUNCIL

March 11, 1982 23

~~CONFIDENTIAL~~INFORMATION

MEMORANDUM FOR WILLIAM P. CLARK ✓

FROM:

PAULA DOBRIANSKY 77

SUBJECT:

Meeting with Romanian Deputy Foreign Minister
Maria Groza

On Monday, March 8, Richard Pipes, William Stearman, Norman Bailey and I met with Romanian Deputy Foreign Minister Maria Groza. Attached (Tab I) for your review is a memorandum of conversation. The Deputy Foreign Minister highlighted the following points in the course of the meeting:

- Indicated that Romanian officials seek more direct contact with the National Security Council and the White House.
- Sought principally a reaffirmation of the policy of differentiation and of Romania's special position vis-a-vis the U.S. Concern was expressed that the Administration has not clarified its policies toward Eastern Europe and hence, it appears as if the Administration has tempered its relations toward Romania.
- Mentioned that the President has a standing invitation to visit Romania.
- Asserted that measures have been taken by the Romanian Government to alleviate domestic economic problems. These measures are designed to balance the consumer priced goods, increase agricultural production, pay off Romania's debts and reduce imports of crude oil. As a result, Romania's rate of growth has increased significantly and there is a positive balance of trade.
- Commented that the Romanian Government is disturbed by the imposition of martial law in Poland but deemed it to be the best solution.
- Indicated that the Romanian Government seeks to acquire MFN multi-year status but will accept an annual MFN review for 1982. (C)

Richard Pipes, Norman Bailey and William Stearman concur. ✕ 77 ✕

Attachment

Tab I Memorandum of Conversation

~~CONFIDENTIAL~~

Review March 12, 1988

DECLASSIFIED
 AUTHORITY NSC Waiver 8/6/10
 BY RW DATE 1/27/17

MEMORANDUM OF CONVERSATION

24

SUBJECT: Meeting with Deputy Foreign Minister of
Romania Maria Groza

PARTICIPANTS: Maria Groza, Deputy Foreign Minister of Romania
Nicholae Ionescu, Romanian Ambassador to the
United States
Ion Bestiliu, Romanian Ministry of Foreign
Affairs
Boris Ranghet, Counselor, Romanian Embassy
Todd Becker, Romanian Desk Officer, Department
of State
Richard Pipes (NSC staff member)
Norman Bailey " " "
William L. Stearman " " "
Paula Dobriansky, Notetaker " " "

DATE, TIME

AND PLACE:

Monday, March 8, 1982, 2:00 p.m., Room 368/OEOB

After welcoming remarks were exchanged, Deputy Foreign Minister Groza mentioned that one reason for her trip to Washington was to establish more direct contact with the National Security Council and the White House. She said relations between the United States and Romania are good, and hence, the Romanian Government seeks to develop this relationship further. She pointed out that the written exchanges between Presidents Reagan and Ceausescu are deemed very important; this is a privileged channel which the Romanians would like to maintain. In her opening remarks, the Deputy Foreign Minister also indicated the President has a standing invitation to visit Romania. (C)

Richard Pipes responded to her comments by reaffirming the Administration's pursuit of a policy of differentiation. He pointed out that we clearly recognize the distinctions (language, culture, domestic/international policies) among the Eastern Bloc countries. (C)

The Deputy Foreign Minister replied that she was pleased there is and will be a continuation of a policy of differentiation. She hoped special consideration would be given to Romania. (C)

Richard Pipes stated that even though we pursue a policy of differentiation, differences exist as to what criteria should be assessed. We extend preferential treatment to those countries that either pursue an independent foreign policy distinct from Moscow or maintain a relatively liberalized domestic system. He went on to assert that the U.S. is concerned about the current state of Romania's domestic situation. (C)

~~CONFIDENTIAL~~

Review March 8, 1988.

DECLASSIFIED

Authority NSC Waiver 8/6/10
BY *fw* DATE 1/27/17

25
Deputy Foreign Minister Groza asked him to clarify his last comment. (C)

In response, Richard Pipes cited Romania's current economic ills, its rigid system and its human rights violations. (C)

At this point, Norman Bailey added that Romania's financial difficulties are attributable mostly to the inflexibility of the economic system and the inability of the Romanian economy to respond to market forces. He noted that the Romanian Government needs to be more forthcoming with foreign companies and banks. (C)

The Deputy Foreign Minister observed that different social and economic systems can co-exist. She attributed Romania's economic problems not to its domestic policies but rather to the world recession. Since Romania is a developing country it is more affected by current international economic conditions than other European countries. Also, some of Romania's difficulties stem from the high price of crude oil. Romania had to import approximately 40-50 percent of its crude oil and other raw materials. Clearly, these developments affected the economy. Thus, the Romanian Government implemented various measures designed to: balance the consumer priced goods, increase agricultural production, pay off its debts, and reduce imports of crude oil. The Deputy Foreign Minister noted that this year Romania's rate of growth increased significantly and even had a positive effect on the balance of trade. (C)

Paula Dobriansky inquired as to the status of Romania's economic stabilization program, undertaken to rectify the internal economic problems. (C)

The Deputy Foreign Minister stated that these measures were taken to improve Romania's balance of payments and have been effective. (C)

Richard Pipes asked if they intended to follow the Hungarian model. (C)

In response, the Deputy Foreign Minister said no. She stated that Romania has its own solutions which are tailored to Romania's specific political/economic concerns. She asserted that we cannot borrow economic solutions from other countries. (C)

William Stearman inquired as to whether Romania is increasing its oil production. He went on to ask if Romania was buying oil from the Arab countries. (C)

The Deputy Foreign Minister replied yes, but contended that the quantity of oil importation differs from country to country. Romania imported considerable quantities of oil each year. However, with the increased price of crude oil, these imports have been reduced and now, there is greater use of natural gas in Romania. Moreover, the Romanians expect to increase their off-shore oil production.

William Stearman noted that Romania used to export oil as a means of earning foreign exchange.

Amb. Ionescu responded that Romania never exported crude oil but only kept petro-chemical products.

Richard Pipes queried the Deputy Foreign Minister as to why the Romanian Government has taken a benign view of the Polish Government's imposition of martial law. (C)

The Deputy Foreign Minister explained that the Romanian Government was not pleased that martial law was imposed in a socialist country. According to her, this state of affairs is unnatural. However, given the circumstances, martial law was the best solution. That is, the Romanian Government preferred to see the imposition of martial law in Poland rather than foreign intervention or civil war. She added that Poland needs assistance and should be helped. (C)

Richard Pipes asked if the Romanians had any evidence of the Jaruzelski Government facilitating liberalization. (C)

The Deputy Foreign Minister replied that the Polish Government has striven to solve some of its internal problems. She emphasized that restrictive measures and sanctions endorsed by other countries only exacerbated the Polish situation. (C)

Richard Pipes also asked if her assessment was still the same even after Prime Minister Jaruzelski had visited Moscow? (C)

The Deputy Foreign Minister responded yes. She then focused again on U.S.-Romanian relations. She asserted that the Administration needed to clarify its position toward Romania. Presently, there is a sense that the Administration has tempered its relations with Romania. One indication was the President's recent decision to deny \$65 million worth of CCC credits to Romania; another example was the ExImbank's postponed financing of the GE project. (C)

Norman Bailey answered by stating that the ExImbank did not extend a loan because Romania's credit ratings had deteriorated. (C)

Richard Pipes added that these decisions were made not on political but rather on economic grounds. (C)

The Deputy Foreign Minister retorted that the two are linked. (C)

Richard Pipes conceded, but went on to assert that one example of U.S. concern for Romania was the recent visit of the Secretary of State to Bucharest. The visit manifested the United States' constructive attitude toward relations with Romania. (C)

The Deputy Foreign Minister stated that the Romanian Government was extremely pleased that the Secretary had visited Romania.

At this point, Norman Bailey asked if the Deputy Foreign Minister deemed rapid industrialization to be a mistake. (C)

In response, the Deputy Foreign Minister asserted that this project was a necessity. (C)

Richard Pipes asked if there was any danger that the Romanians would come to rely more extensively on Soviet assistance. (C)

The Deputy Foreign Minister said she did not think so. (C)

Norman Bailey then emphasized the importance of distinguishing among the various institutions in the U.S. and their roles and functions. Moreover, he stated that there is a need for the release of timely information to these institutions. In turn, this would engender a climate of greater confidence and more forthcoming assistance. (C)

Paula Dobriansky asked about the state of the ongoing negotiations between the IMF and Romania. (C)

The Deputy Foreign Minister replied that these talks are still ensuing and a resolution has not been reached yet.

At this time, Richard Pipes raised the issue of Jewish emigration from Romania and MFN renewal. He indicated that this is an issue which is of concern not only to the Administration but to many Congressmen and domestic Jewish organizations. (C)

The Deputy Foreign Minister said that after World War II there were 400,000 Jews in Romania, and now there are only 35,000. She contended that a significant number have already left the country. Moreover, she added that the Romanian Government has established good relations with the Jewish organizations in the U.S., has sought to process applications quickly, and has resolved many pending cases. She mentioned that there are no significant pending cases left. Lastly, she contended that Jewish emigration should not be linked to MFN. (C)

Richard Pipes commented that those opponents of MFN status for Romania in the U.S. can use the issue of Jewish emigration and human rights violations as a very powerful argument. (C)

In response, the Deputy Foreign Minister asserted that each case was being handled carefully. (C)

Richard Pipes inquired also about the status of German emigration from Romania. (C)

The Deputy Foreign Minister replied that the German community comprises only 0.8 percent of all Romanians, and each year approximately 10,000 Germans leave Romania. (C)

The Deputy Foreign Minister went on to emphasize that MFN was a serious issue to the Romanian Government. She mentioned that it was raised in President Ceausescu's recent talks with Secretary Haig in Bucharest. Romania seeks a multi-year MFN status -- specifically three years. However, she indicated that the Romanians will accept the annual review for 1982, but hoped the possibility of realizing a multi-year MFN would be considered. Clearly, she said, this would simplify the process. (C)

Lastly, the Deputy Foreign Minister expressed concern about the recent human rights country report on Romania. According to her, this report was cited by the press -- specifically, the persecution of nationalities in Romania and the absence of religious freedom. She hoped the Administration could influence the release and substance of such reports. (C)

The meeting ended at 3:00 p.m.

Romania

29

National Security Council
The White House

Package # 1941

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>OK</u>	<u></u>
Bud McFarlane	<u>2</u>	<u>in</u>	<u>A</u>
Jacque Hill	<u></u>	<u></u>	<u></u>
Judge Clark	<u></u>	<u></u>	<u></u>
John Poindexter	<u></u>	<u></u>	<u></u>
Staff Secretary	<u></u>	<u></u>	<u></u>
Sit Room	<u></u>	<u></u>	<u></u>

I-Information A-Action R-Retain D-Dispatch

DISTRIBUTION

CY To VP	<u></u>	Show CC	<u></u>
CY To Meese	<u></u>	Show CC	<u></u>
CY To Baker	<u></u>	Show CC	<u></u>
CY To Deaver	<u></u>	Show CC	<u></u>

Other

COMMENTS

Looks like a good idea. State
should be informed.

Date informed 3/25
Poindexter also 3/25

3pm 3/3/82
1110 12, WS, 22
JL

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

March 24, 1982

30

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM:

PAULA DOBRIANSKY *PD*

SUBJECT:

Proposed Meeting with Ambassador Bogdan
of Romania

The Political Counselor at the Romanian Embassy, Boris Ranghet, called me late Tuesday afternoon and asked if the appropriate NSC staff members (Pipes, Dobriansky, Bailey and Stearman) could meet early next week with Ambassador Corneliu Bogdan, former Romanian Ambassador to the United States during the Nixon and Ford Administrations, and possibly Ion Totu, Chairman of Romania's Supreme Economic and Social Committee. Clearly, this request is part of the current Romanian effort to establish better communications with the White House and reaffirm its special bilateral relations with the United States. Counselor Ranghet mentioned that he needs to be informed by Thursday, March 25, if this meeting can be scheduled. (C)

RECOMMENDATION

That the meeting with Ambassador Bogdan and NSC staff members be scheduled.

Approve

RCM
for

Disapprove

cc: Norman Bailey
Richard Pipes
William Stearman

~~CONFIDENTIAL~~

Review March 24, 1988.

DECLASSIFIED
Sec 3.1(h), E.O. 13526, as amended
White House Guidelines, Sept. 11, 2008
BY NARA *82* DATE *1/27/17*

TO

CLARK

FROM DOBRIANSKY

DOCDATE 24 MAR 82

RECEIVED 24 MAR 82 16

1941

Romania

KEYWORDS: ROMANIA

BOGDAN, CORNELIU

TOTU, ION

SUBJECT: REQUEST FOR NSC STAFF MEMBERS TO MEET W/ BOGDAN AND POSSIBLY TOTU

ACTION: FOR DECISION

DUE: 25 MAR 82 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

COMMENTS ** NOTE NEED FOR RESPONSE BY 25 MAR **

REF# LOG NSCIFID (N /)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

1/21/82 assigned on 2/24/82
1/21/82 assigned on 2/24/82
PD to NSC/S 3/31 no further action required

DISPATCH W/ATTCH FILE (C)

1941

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

March 24, 1982

32

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: PAULA DOBRIANSKY *PD*

SUBJECT: Proposed Meeting with Ambassador Bogdan
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RECOMMENDATION

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Approve *[Signature]* Disapprove

cc: Norman Bailey
Richard Pipes
William Stearman

~~CONFIDENTIAL~~

Review March 24, 1988.

DECLASSIFIED
Sec 3.1(b) (1) Exempted
WHISKEY 10/11/2008
BY NARA *RW* DATE *1/6/17*

National Security Council
The White House

Package # 1941

33

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>✓</u>	
Bud McFarlane	<u>2</u>	<u>✓</u>	<u>A</u>
Jacque Hill			
Judge Clark			
John Poindexter			
Staff Secretary			
Sit Room			

I-Information A-Action R-Retain D-Dispatch

DISTRIBUTION

CY To VP		Show CC	
CY To Meese		Show CC	
CY To Baker		Show CC	
CY To Deaver		Show CC	

Other _____

COMMENTS

*Looks like a good idea. State
should be informed.*

*Date informed 3/25
Poindexter also 3/25*

*3pm 3/31/72
110-2050*

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

April 7, 1982

INFORMATION

MEMORANDUM FOR WILLIAM P. CLARK

FROM:

PAULA DOBRIANSKY *PD*

SUBJECT:

Meeting with Ambassador Bogdan and Other Romanian Officials

34
DECLASSIFIED
Authority *NSL Waiver 8/6/10*
BY *RW* NARA DATE *1/27/17*

On March 31, Richard Pipes, Norman Bailey, Bill Stearman and I met with Ambassador Corneliu Bogdan (former Romanian Ambassador to the United States), Ion Totu (Director General, Central Institute for Economic Research), Catalin Munteanu (Director, Directorate for the Americas, Ministry of Foreign Trade), and Boris Ranghet (Political Counselor). This meeting clearly constituted part of the current Romanian effort to: (1) reaffirm our policy of differentiation, (2) establish greater contact with the White House, and (3) clarify Romania's domestic problems and its economic program. Highlights of this meeting included:

Economy: Ambassador Bogdan emphasized that the economic situation in Romania cannot be compared to that of other socialist countries. He maintained that various measures have been taken already by the government to alleviate domestic economic problems. Some of these measures are designed to increase agricultural production and pay off Romania's debts. When asked if Romania's rapid industrialization program was a mistake, Ambassador Bogdan replied that it was a necessity. He asserted that the government is restructuring its industrial programs according to international market needs. (C)

Energy: The Ambassador asserted that Romania is attempting to meet its energy needs and has devised an energy program. Presently, it is making more use of coke and natural gas. Already, Romania's imports of crude oil have diminished to 12.5 million tons a year. (C)

Soviet Union: Ambassador Bogdan mentioned that the current primary Soviet objective in Eastern Europe is to maintain the status quo. He did not speculate on who would be Brezhnev's successor, but he contended that the change in leadership would be a slow process. The Ambassador strongly encouraged dialogue between Washington and Moscow. (C)

Human Rights: The Ambassador expressed his concern that two issues: (1) Transylvania (discrimination of the Hungarian community residing in Transylvania, Romania), and (2) religious freedom, are both misunderstood and misrepresented in the United States. He commented that he had no news of the Andre Coler emigration case. (This case has been of great concern to the Vice President.) (C)

~~CONFIDENTIAL~~

**National Security Council
The White House**

Package # 24041

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1P</u>	<u>[initials]</u>	
Bud McFarlane	<u>2</u>	<u>[initials]</u>	
Jacque Hill	<u>3</u>		
Judge Clark	<u>4</u>	<u>[initials]</u>	<u>I</u>
John Poindexter			
Staff Secretary			
Sit Room			

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cc: VP Meese Baker Deaver

Other _____

COMMENTS

MEMORANDUM

FILE -
ROMANIA

3704

Dobriansky

> (Hung.-Transylvania)

NATIONAL SECURITY COUNCIL

June 9, 1982

36

MEMORANDUM FOR RONALD K. PETERSON

FROM: MICHAEL O. WHEELER

SUBJECT: State's Proposed Report on H.Res. 397 Concerning
"Observance by the Government of Romania of the
Human Rights of the Hungarians in Transylvania,
Especially the Right of Self-determination."

We have reviewed and concur in State's proposed report on
H.Res. 397.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

May 21, 1982

3704

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer-
National Security Council

SUBJECT: State's proposed report on H.Res. 397
concerning "observance by the Government of
Romania of the human rights of the Hungarians
in Transylvania, especially the right of
self-determination."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than MONDAY, JUNE 14, 1982.

Questions should be referred to Tracey Lawler (395-4710),
the legislative analyst in this office,

Ronald K. Peterson
RONALD K. PETERSON FOR
Assistant Director for
Legislative Reference

Enclosures



DEPARTMENT OF STATE

Washington, D.C. 20520

MAY 17 1960

Dear Mr. Stockman:

In accordance with established procedure, there is transmitted herewith a proposed report on House Resolution 397 concerning observance by the Government of Romania of the human rights of the Hungarians in Transylvania, especially the right of self-determination.

Please inform the Department whether there is any objection to the submission of this report.

With cordial regards,

Sincerely,

Powell A. Moore
Assistant Secretary for
Congressional Relations

Enclosure:

Six Copies of
Proposed Report.

The Honorable
David A. Stockman, Director,
Office of Management and Budget.

PROPOSED REPORT ON HOUSE RESOLUTION 397

Several contentions in draft House Resolution 397 concerning the observance by the Government of Romania of human rights of ethnic Hungarians in Transylvania are subject to dispute and varying interpretations. The Committee may wish to take these factors into consideration prior to taking further action on the draft resolution.

The part of Romania known as Transylvania has been inhabited jointly by ethnic Hungarians, Romanians and Germans for at least 800 years. . Even the question of which ethnic group was the first to settle the area, the Hungarians or the Dacians, the ancestors of the Romanian people, is a matter of intense dispute between the ethnic communities. The first Germans to enter Transylvania came in the 13th century. Relations between the ethnic groups over the centuries has been marked by periodic tensions and animosity.

Sovereignty in Transylvania has changed numerous times throughout history. Since the 16th century the region has been at various times autonomous or part of the Hapsburg Empire, Hungary, and Romania. It was included in the territory awarded to Romania by the Treaty of Trianon in 1919. A portion of it was returned to Hungary during the course of World War II. The present western boundaries of Romania were set following World War II. As a consequence the major portion of the area of Transylvania is currently a part of Romania.

It would be inappropriate for the Department to seek to judge which ethnic group might have the longer standing claim to habitation in the region. It would be equally inappropriate for the Department to make judgements about historical disputes between the various ethnic groups in Transylvania regarding the treatment of one group by another, or to second guess or seek to redress certain historical events which might affect the present status of ethnic Hungarians in Romania.

The Romanian 1980 census stated that the population of the districts into which the historic province of Transylvania is divided totaled approximately 7.6 million. If one accepts the figure of 2.5 million Hungarians mentioned in the draft (which is higher than published Romanian Government census figures) and the generally accepted figure of 300,000 ethnic Germans, it would follow that the Romanian majority in Transylvania would total very roughly 4.8 million people.

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The heavy inflow of ethnic Romanians into Transylvania is in part due to increased industrialization in the region and the creation of industrial employment which has required, we understand, the importation of large numbers of workers. This industrialization has brought some economic benefits to Transylvania in addition to changing the pre-World War II ethnic balance in the population.

The Department assumes that the term "ethnocide" used in the draft resolution means the act of a majority group culturally destroying a minority and absorbing it into the majority population. There is no question that the Romanian Government is a repressive regime which does not treat its citizens in accordance with the norms of internationally established human rights. In attempting to determine Romanian motivations and attitudes with respect to the Hungarian minority, however, one is faced with conflicting evidence.

On the one hand, it remains true that an appropriate proportion of Hungarians are found in positions throughout the Communist Party and Romanian Government; Hungarian language education is available, even at the university level in some disciplines; and Hungarian publications and broadcasts are provided for. On the other hand it is indisputable that most if not all of these activities have been reduced from their former levels and that many institutions such as theaters, which were formerly solely ethnic Hungarian in character, have been reduced in size, eliminated or merged with Romanian institutions.

To ethnic Hungarians, increasingly surrounded by Romanians with whom they share centuries of animosity, these trends may approximate "ethnocide."

Other observers, including a Congressional staff study mission which visited Transylvania in the spring of 1980, do not share this conclusion. They see what has happened in Transylvania as the workings of a repressive and parsimonious regime, but not one bent on eliminating Hungarian culture and language. They also see many of the Hungarians' difficulties as those inevitably attendant on minority status, exacerbated by the changes brought about by Romania's policy of rapid industrialization which has caused disruptions to established patterns all over the nation, and not just in the areas primarily inhabited by the ethnic Hungarian and German minorities.

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The draft resolution in its conclusion asks the Executive Branch to discuss the human rights of Transylvania's Hungarians with the Romanian Government. The Executive Branch has already been doing so for many years and will continue to raise individual and generic human rights questions related to the ethnic Hungarian minority in Romania.

The draft resolution also states that the United States should urge that the Hungarians in Transylvania be granted "the right of national self-determination." As indicated above, the Department of State is prepared to continue to raise human rights violations involving the ethnic Hungarian minority in Romania, and is prepared to work with other nations including within the CSCE and United Nations contexts to support minority rights for the ethnic Hungarians in Romania. Support for the free expression of cultural and national identities is a tenet of U.S. foreign policy. The Department cannot support, however, a call for "national self-determination" for the ethnic Hungarian minority which lives interspersed with ethnic Romanians and Germans in Transylvania. This would run counter to the U.S. policy of supporting the territorial integrity of Romania.

The degree of religious freedom accorded individuals and churches in Romania is less than that accorded in the United States. This applies to all denominations. The Department of State is familiar with reports of difficulties experienced by numerous individuals because of their religious beliefs. Ethnic Hungarians belong, by and large, to the Unitarian, Lutheran, Calvinist and Roman Catholic Churches. These churches, while subject to far more government regulation than they would have in the West, are not singled out for special discrimination by the Romanian Government. Allegations the Department has received about individual cases of discrimination against members of these denominations have not demonstrated discrimination on the basis of ethnic group membership.

Officers of the Department of State, American Embassy in Bucharest, have on many occasions discussed problems of religious teaching in Romania with representatives of various religious denominations recognized by the Government of Romania. Reports of obstacles to religious education are not uncommon. Senior officials of the German Evangelical Church informed one Department officer during a recent visit to Romania, however, that that denomination encounters few if any problems in carrying out its educational program.

80-

The Department cannot judge whether there is a policy of conscious dispersion of the Hungarian intelligentsia in the ethnic areas of Romania. To the extent that educated Hungarians are able to pursue voluntarily professional or personal interests in parts of Romania which are predominantly ethnic Romanian, without fear of discrimination, this would be a positive development. To the extent that ethnic Hungarians are forced to leave the area of their birth this would be viewed as an undesirable event.

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B1

U.S.-ROMANIAN RELATIONS

Freedom of Information Act - [5 U.S.C. 552(b)]

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Paula,

Attached is a copy of the Andrei papers just received. Would appreciate your thoughts. My reactions are:

1. I do not think that the sole purpose of the visit is to "reassure Andrei." We need to stress, as the President did on HFN, that the Romanians need to clean up their act, both on economics and on human rights.

2. It seems like we should have more to talk about than differentiating emigration, and Ceausescu's invitation. Other candidates occur to me:

- Poland: President's cautions on sanctions
- Middle East.
- Race movement, miscegenation and disarmament issues.

What do you think?

Philip

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188355	MEMO PAUL BREMER TO NANCY BEARG-DYKE RE. VP MEETING W/FOREIGN MINISTER ANDREI [PARTIAL]	1	6/23/1982	B1 B3

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DEPARTMENT OF STATE

Washington, D.C. 20520

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June 23, 1982

MEMORANDUM FOR MRS. NANCY BEARG-DYKE
THE WHITE HOUSE

Subject: The Vice President's Meeting with Romanian
Foreign Minister Andrei, Friday, June 25, at
5 p.m.

Attached are the briefing paper, list of
participants, schedule of activities, [redacted]
[redacted] for the Vice President's meeting with
Romanian Foreign Minister Andrei.

25X1
25X

Attachments:
As stated.

L. Paul Bremer, III
L. Paul Bremer, III
Executive Secretary

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(With Secret Attachment)

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F1640/3 #188355
BY *RW* DATE: 1/27/17

DEPARTMENT OF STATE
BRIEFING PAPER

~~SECRET~~ 47

Visit of Romanian Foreign Minister Stefan Andrei, June 22

I. SETTING AND OBJECTIVES

Andrei is concerned about US attitudes towards Eastern Europe in general and Romania in particular. The President's strongly worded reservations when recommending renewal of Romania's Most Favored Nation (MFN) trade status is the latest in a series of developments which has given Romania pause. We were hesitant in agreeing to an International Monetary Fund (IMF) stand-by loan program (finally approved June 21), denied Commodity Credit Corporation (CCC) guarantees, were reluctant in joining in discussions of official debt rescheduling and have refused to agree to release a \$128 million EXIM Bank loan on which Romania's fledgling nuclear power program hinges. As a result Romania is looking to South Africa and the Far East for agricultural commodities and has approached the Soviet Union for possible assistance in developing a nuclear power program.

Romania's record on human rights and emigration has left much to be desired. The arrest of 15 evangelical bible smugglers and Romanian failure to expedite Jewish emigration to Israel have stimulated strong Congressional criticism of maintaining Most Favored Nation (MFN) trade status for Romania.

The purpose of your meeting is to reassure Andrei of continuing top level US Government concern for good US-Romanian relations at a time when some signals suggest our policy might be changing. You should also inquire about the emigration case of Andrei Coler, a relative by marriage to ex-Governor Shapp, who asked your assistance in the case.

1. Assure Andrei that we continue to seek good relations.
2. Stress negative impact which Romania's record on human rights and emigration have on our bilateral relations.
3. Ask about the status of the Andrei Coler emigration case.
4. Express appreciation for President Ceausescu's invitation to visit Romania and regret at not being able to do so in the near future.

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BY RW DATE 1/27/17

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II. ISSUES

1. Assure Andrei we continue to seek good relations with Romania. Romania is facing its worst economic crisis since World War II. For nearly two decades it has sought to establish greater political and economic independence from the Soviet Union. We have supported that goal since the late 1960's. Romania is concerned that our unwillingness to respond positively to its requests for concrete economic assistance over the past 12 months may indicate a change in U.S. policy. Andrei will want evidence that we continue to differentiate our foreign policy in Eastern Europe and that we do not give them the same treatment as the Soviets. You can only offer him assurances that once Romania completes its debt rescheduling we will be able to look more favorably on requests for economic assistance. You can make no concrete promises of aid or credits.

Talking Points

-- We continue to support Romania's efforts to develop an independent foreign policy and autonomy in its economic dealings.

-- We continue to differentiate our policies towards the countries of Eastern Europe and recognize their individuality.

-- We know Romania has been going through severe financial difficulties. You have taken major steps forward to resolving your economic difficulties. This progress will have a positive impact on Western thinking about Romania's future creditworthiness.

2. Stress the negative impact which Romania's record on human rights and emigration have on our bilateral relations. Concerned human rights and religious interest groups have lost their patience with Romania. They have grown tired of what they see to be Romania's minimal compliance on human rights and emigration. In fact, Romania's human rights and emigration performance this year is hardly changed from last year. However, the mood in the U.S., and particularly in Congress has changed, largely because of events in Poland and because of the growing feeling of confrontation with the East over financial issues. Jewish and Christian critics are using the annual Most Favored Nation (MFN) trade status hearings to vent their frustration against Romania, and have considerable Congressional support.

Talking Points

-- MFN renewal is under considerable attack in Congress because of reported mistreatment of some Christians and because of unfulfilled expectations about Jewish emigration to Israel.

-- We strongly support MFN renewal, but unless these human rights and emigration issues are resolved, we will have a hard time convincing the Congress and the public that our relations are sound.

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3. Ask about the Andrei Coler emigration case. You have raised the case of Andrei Coler with the Romanians on behalf of former Governor Shapp who is related to Coler through marriage. Because Coler's father-in-law is one of the "grand old men" of the Romanian Communist Party, Romania has been unwilling to grant Coler permission to emigrate.

Talking Point

-- I continue to be interested in Andrei Coler's emigration case. Can you tell me how things stand?

4. Express regret at not being able to visit Romania in the near future. You were invited by President Ceausescu in May to visit Romania at your next convenience. You have responded by letter to President Ceausescu on May 24 that you have no plans to travel to Europe for the remainder of the year and, therefore, will not be able to accept his invitation at this time. Your letter may not have been received in Bucharest prior to Andrei's departure for the United States, and it is possible he will renew President Ceausescu's invitation to you.

Talking Points

I sincerely appreciate President Ceausescu's kind invitation to visit Romania. I would welcome the opportunity to visit your country and hold discussions. At the moment, however I have no plans to travel to Europe. Would you assure your president, however, that I will give every consideration to his invitation as my future plans develop.

~~SECRET~~

~~SECRET~~

50

Schedule of Foreign Minister Andrei's Activities

Monday June 21: Arrive New York from Washington

Tuesday, June 22: Address United Nations Special Session on Disarmament

Wednesday, June 23: Travel to Washington from New York

Thursday, June 24: Meetings with Secretary of State Haig and Congressional leaders.

Friday, June 25: Possible further meetings with Congressional leaders

Meeting with Vice President Bush

Friday night or Saturday: Return to New York and Depart for Romania

Authority NLR-145-6-2-10-1
BY RW DATE 1/27/17

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51

LIST OF PARTICIPANTS

ROMANIAN

Stefan ANDREI, Foreign Minister
Mircea MALITZA, Romanian Ambassador to the United States
Corneliu BOGDAN, Director for the Americas, Foreign Ministry
Boris RANGHET, Counselor of the Romanian Embassy, Washington

U.S.

THE VICE PRESIDENT
David B. FUNDERBURK, United States Ambassador to Romania
John D. SCANLAN, Deputy Assistant Secretary of State for
Eastern Europe and the Soviet Union

~~SECRET~~

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188358	REPORT	1	2/2/1982	B1 B3

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188361	REPORT	1	2/2/1982	B1 B3

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Your meeting with Romanian Foreign Minister Stefan Andrei on Friday, June 25, 1982 comes at a time when the Romanians are particularly concerned about U.S.-Romanian relations. In the last six months: the U.S. has rejected ~~the-Romanian-~~ their request for \$65 million in CCC credits; The President, in transmitting the MFN waiver to Congress, used harsh language to describe Romanian emigration procedures. He warned that if they do not improve ~~their~~ significantly the rate of Jewish emigration to Israel, MFN renewal will be jeopardized in 1983. Moreover, we ~~denied~~ rejected the reslease of a \$128 million EXIM bank loan To Romania. These events have been interpreted to signify the relative downgrading of U.S.-Romanian relations. Given this background, the following issues are most likely to be raised in your discussions:

Bilateral (U.S. Romanian relations): Foreign Minister Andrei will seek reassurances that the U.S. continues to value highly its special relationship with Romania and will strive to clarify our perceptions of the direction of our future relations.

Economic: Romanian economic performance has been poor in the last several years and they are relying heavily on the massive infusion of Western economic aid to bolster their economy. They are particularly concerned about the extent to which the Polsih crisis has affected credit extension to Eastern Europe. Andrei will press you on the ^{extent of the} U.S.'s willingness to furnish economic aid to Romania bilaterally and in cooperation with other allies.

MFN: The Foreign Minister will express his concern about the President's recent strong statement to Congress which maintains , "unless a noticeable improvement in its emigration procedures takes place and the rate of Jewish emigration to Israel increases signigicantly, Romania's MFN renewal for 1983 will be in serious jeopardy."

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 Authority: ~~NSC 6400~~
 BY ~~PN~~ NARA DATE 11/21/17

Poland: Andrei will attempt to ascertain your views on potential developments in Poland and the extent to which we are prepared to resume economic aid, if martial law is either relaxed or lifted.

Middle East: Romania has always been keenly interested in and involved with Middle Eastern Affairs, playing a remarkably moderate role for an Eastern bloc nation. On June 19, an oral message was delivered from President Ceausescu to President Reagan. Specifically, he urges the President to do all that he can "to continue the peace process begun with the peace agreement between Egypt and Israel."

His message expresses profound concern about the new outbreak of fighting in the Middle East and expresses hope that the U.S. can exercise its considerable influence in the region. ~~and-persuade~~

Arms Control: Traditionally, the Romanians have been mavericks with the Eastern Bloc on this issue. Foreign Minister Andrei can be expected to express his hope that both the START and INF talks would yield genuinely positive results.

Talking Points:

- Affirm our continuing interest in having a special relationship with Romaina.
- Comment favorably on the independent character of Romania's foreign policies.
- Indicate our genuine willingness to assist Romania with creidts, but only if they are more forthcoming. Emphasize that the extension of such aid is contingent upon the Romanians ~~being-more-fertheoming-in-prev~~ providing more relevant economic data and devising a credible plan for the revitalization of their econo-my.
- Underscore the extent of congressional and ^{Jewish} public indigantion over Romania's ecomigration policy and the drop in Jewish emgiartion to Israel.
- Stress that while we have not estaslibhe any target emigration figure without a subetantial increase in Jewish emigration to Israel this Adminstration would find it politically difficult to renew MFN in 1983.
- Menition our profoudn concern-~~over-the~~about the contintuin repressions of the martial law regime in Poland. REstate the three conditions established byt he U.S. and emphasize we will not lift the sanctions imposed until these three conditions are met.
- State that our position includes the withdrawal of all foreign troops from Lebanaon and the restoration of effective Lebanese sovereignty.
- Underscore the seriousness with which we attache to the arms control initiatives.

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 BY RW NARA DATE 1/27/17

Your meeting with Romanian Foreign Minister Stefan Andrei on Friday, June 25, 1982 comes at a time when U.S.-Romanian relations are clouded by considerable uncertainty. In the last two months the U.S. has turned down the Romanian request for 65 million in CCC credits; the President has ~~issued a~~==== used harsh language to describe the Romanian emigration policies --warning that if they do not improve their emigration procedures the MFN renewal will be jeopardized in 1983. Both of these events have been interpreted to signify the relative downgrading of U.S.-Romanian relations. The Romanians have demonstrated considerable concern about this alleged change. Several Romanian officials including the Deputy Foreign Minister Maria Groza have not only sought ~~not~~ reassurances but have sought to establish contact. have emphasized the importance of maintaining open communications with the White House. The following issues are most likely to be raised in the course of your discussions. Bilateral (U.S.-Romanian Rel.)

Bilateral; Andrei will seek reassurances that the U.S. continues to value highly its special relationship with Romania. and will seek to clarify our perception of the direction of U.S.-Romanian relations in the future.

Economic: The Romanian economy ~~has been running~~ performance has been lackluster in the last several years and they are heavily counting on the massive infusion of Western economic aid to shore up their economy. The Romanians are also concerned about the potentially unfavorable affect which the Polish situation has on the extension of credit to Eastern Europe. In light of these circumstances it is likely to press the U.S. on the extent of its willingness to furnish economic aid (render economic assistance to Romania.), both bilaterally and in cooperation

ASL Waiver 8/14/82
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with other allies.

MFN: The foreign minister is likely to express his concern about the President's recent statement to Congress which,, , mentions that unless a clearly identifiable improvement in Romania's migration policies takes place, the MFN renewal will be potentially jeopardized.

Poland: Stefan Andrei will strive to ascertain our views on potential developments in Poland and the extent to which we are prepared to resume economic aid to Poland. relaxed and/or lifted . of-tje--- if the martial law is lifted and

Middle East: President Ceausescu had an oral message on the Middle Eastern Crisis delivered to President Reagan.

Romania has always been keenly interested and involved in Middle Eastern affairs, playing a remarkably moderate role for an Eastern bloc nation. The letter expresses profound concern about the new outbreak of fighting in the Middle East expresses hope that the U.S. can exercise its considerable influence in the region and persuade the Israelis to moderate their stance in the Lebanese crisis.

Arms Control (start); Traditionally, the Romanians have been mavericks within the Eastern bloc. FM Andrei will express his hope that both the START and INF talks would yield positive results.

Talking points:

-- Affirm our continuing interest in special relationship with Romanians.

-- Comment favorably on the independent character of Romanian autonomous foreign policy.

--Indicate our genuine willingness to assist Romania with credits, both bilaterally and in cooperation with other Western allies. ~~Yet-7-be-nonememital~~ Indicate to the Romanians that they need to be more forthcoming on the
Emphasize that the extension of such aid is contingent on upon the Romanians being more forthcoming in providing the relevant economic data and devising a credible plan for the revitalization of their economy.

--MFN: underscore the extent of congressional and public indignation over the Romanian policy on Jewish emigration to Israel. Stress that while we have not established any target emigration figure without a substantial increase in the Jewish emigration to Israel this administration would find it politically difficult to renew MFN in 1983 (jeopardized)

--Poland; Indicate our profound concern over the continuing repression of the martial law regime in Poland.

Restate the three conditions established by the U.S. and indicate we will not lift the sanctions until these conditions are met.

--M.East: State that our position includes the withdrawal of all foreign troops from Lebanon and the restoration of effective Lebanese sovereignty.

--Underscore the seriousness with which we attach to the arms control initiative

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On Friday, June 25, 1982 you will meet with Romanian Foreign Minister Stephan Andrei. The following issues are most likely to be raised in the course of your discussions:

Bilateral (U.S.-Romanian relations):

Political - FM Andrei will seek reassurances that the u.s. continues to value highly its special relationship with Romania. He is likely to indicate a substantial ~~congruence~~ congruence of our respective foreign policy views.