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Collection Name DOBRIANSKY, PAULA: FILES

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File Folder ROMANIA - CABLES (1)

FOIA

F1640/3

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions	
186916	REPORT	RE. ROMANIA: MILITARY REORGANIZATION [PARTIAL] PAR 1/9/2017 F1640/3 #186916	1	9/12/1981	B1	B3
186917	MEMO	TO NATIONAL INTELLIGENCE OFFICER FOR ECONOMICS RE. ROMANIAN DEBT-SERVICE OBLIGATIONS [ATTACHED TO ERNST TO BAILEY MEMO] PAR 1/9/2017 F1640/3 #186917	3	1/27/1982	B1	B3
186918	REPORT	RE. ROMANIA [PG. 2 ONLY]	1	2/1/1982	B1	B3
186919	REPORT	D 1/9/2017 F1640/3 #186919	2	ND	B1	B3
186920	CABLE	RE. CANADIAN ASSESSMENT OF ROMANIA'S INDEPENDENT FOREIGN POLICY	1	3/3/1982	B1	
186921	PAPER	RE. ROMANIA'S INDEPENDENT FOREIGN POLICY	11	ND	B1	

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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186922	PAPER	RE. IG MEETING ON ROMANIA [PARTIAL; INCL. WASHFAX, ATTENDEE LIST] PAR 1/9/2017 F1640/3 #186922	7	3/29/1982	B3

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

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ROMANIA

Authority

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BY

RW

NARA DATE

11/9/17

Romania's Debt Problem

Romania is currently experiencing a liquidity squeeze because of its government's financial mismanagement and is more than \$1 billion in arrears on its commercial credits. The GOR has held discussions with nine of its major commercial bank creditors on a rescheduling of these arrears and 1982 maturities. Following these discussions, the Romanians announced a moratorium on debt repayments pending a rescheduling of about \$2.4 billion on the terms they had worked out with their major creditors. Some banks are reportedly upset about the situation so the prospects for a rescheduling are unknown, although the Romanians say they are aiming for a signing in early June.

The GOR's optimism notwithstanding, its prospects for settling with the banks may hinge on a rescheduling with public sector creditors, as neither side wishes to be in the position of "bailing out" the other. For the moment, the U.S.G. has persuaded the French, who chair the Paris Club reschedulings, to stave off an official request for rescheduling from the Romanians. We took the position that it was premature to consider such a request until the Fund reached agreement on a new standby program with Romania.

In going into arrears, the GOR violated one of the conditions of the standby arrangement it had concluded in June 1981. As a consequence, its access to financing under the program was suspended. Since early this year, there have been frequent periodic consultations between the IMF staff and the GOR, which culminated in late March with a visit by Finance Minister Gigea, during which he resolved the remaining differences between them on GOR commitments. The Fund staff is expected to circulate its

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Review for Declassification
4/6/88

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memorandum on the standby shortly; it will probably come to the Board in late May.

The U.S. Government will eventually have to determine its position on rescheduling of Romania's official debt. At one extreme, we have the option of refusing to reschedule and declaring the Romanians in default in the event they were unable to pay us. The Romanians have few assets that we could attach, however, so our chances of recovering our money would be slight. Moreover, we could cause additional financial damage to the Romanians and this alienate them and other Western creditors.

At the other extreme, is the option of strongly supporting rescheduling in the Paris Club the process, which the Romanians, with the aid of the French, will no doubt attempt to expedite, possibly even before the IMF standby is acted upon. With our support, the Romanians would have little problem in negotiating a rescheduling arrangement which would satisfy their other government creditors, assuming the proposed terms were reasonable. An official rescheduling, with a private rescheduling and a new IMF standby program, would solve the Romanians immediate financial problems.

We cannot say what the U.S. position will eventually be. It will depend on a number of factors, including our views on the IMF standby and the rescheduling terms proposed by the Romanians. We may also want to take into account the West European countries' response to our proposal for restraining credit to the Soviet Union, using the Romanian rescheduling as leverage.



BUREAU OF
INTELLIGENCE
AND RESEARCH

CURRENT
ANALYSES

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1169

Romania
Pipes
4/10/87

(LOU) ROMANIA: THE POLITICAL PROBLEMS OF CEAUSESCU'S
"NEW" ECONOMIC COURSE

(C) Summary

One of the cornerstones of President Ceausescu's Romania--rapid industrialization--was criticized recently by Ceausescu himself for having generated economic distortions which have weakened the Romanian standard of living. Because priority industrialization is identified with the President personally, this is the closest he has ever come to admitting a policy error.

Ceausescu's remarks were forced upon him by increasingly grim economic trends: falling growth rates in most economic sectors, serious food shortages, and mounting hard-currency debt. These trends have evoked intermittent restiveness among consumers and workers, a situation that takes on added concern for Ceausescu given developments in Poland.

Despite Ceausescu's relatively candid remarks, there is little evidence that he intends to back up his rhetoric, which called for an "agricultural revolution," with a major reallocation of resources. The signs thus far are that he hopes to boost agricultural output by organizational rearrangements, exhortations, and greater party control--while placing final responsibility for meeting agricultural targets on the back of local authorities. This tactic is unlikely to produce a turnaround.

From a political perspective, Ceausescu is creating more problems for himself. By admitting mistakes but not taking serious corrective actions, he runs the risk of being left with both a stagnating industrial growth rate and an aborted agricultural revolution. He also could touch off a debate within the leadership over agriculture versus industry.

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GDS 4/10/87 (Mautner, M.)

Report 111-CA
April 10, 1987

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- ii -

At the same time, there are signs that Ceausescu's longtime policy of trying to direct trade away from Council for Mutual Economic Assistance (CEMA) members is running out of steam, forcing Bucharest to look more favorably on intra-CEMA cooperation and specialization. (This is particularly ironic given Romania's long and generally successful battle against Soviet plans to have CEMA countries specialize in their major economic activity: Romania's specialization was to be in agriculture.) The result could be to enhance Ceausescu's growing reputation for "hare-brained" domestic schemes--and this would feed popular restiveness.

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Ceausescu Almost Admits a Policy Error

(C) Romania's President Ceausescu--confronting intermittent popular unrest sparked by an economic decline that has included serious food shortages--has been forced in recent months to speak more openly and directly about economic problems. The most startling of Ceausescu's comments came in a February 19 address to the Second Congress of Management Councils of Socialist Agricultural Units. He called for an "agricultural revolution" to undo the damage caused by giving too much emphasis to industrialization:

"In light of the socialist construction experience in our country it becomes obvious that the thesis of priority industrial development to the detriment of agricultural development and modernization was responsible for neglecting the importance of increasing agricultural production. Application of that concept brought about disproportions in the general socio-economic development and had a negative impact on the people's standard of living."

Ceausescu urged that industry and agriculture be considered coequal in importance so that the "people's daily requirements" can be met.

(C) As political discourse goes in Romania, Ceausescu's comments were remarkable. In a few sentences, and for the first time, he implied that his economic development strategy was not working and admitted that the people's welfare had suffered. As a corrective, he asserted that the long-neglected agricultural sector would now undergo a revolution. This is the closest Ceausescu has ever come to admitting that he is fallible.

(U) Although Ceausescu's remarks were startling, they probably were not the watershed that an initial reading might suggest. The Romanian media were quick to soften the impact of his implied self-criticism by indicating that such rethinking was necessitated by the current international energy and food crises, which had taken their toll on Romania. Moreover, despite the prominence that Ceausescu has now bestowed on the once lowly agricultural sector, there was nothing in his speech--or subsequent commentaries on it--to indicate that resources would be diverted from industry to agriculture. Instead, Ceausescu returned to his favored techniques of mobilization: organizational tinkering, exhortations for increased efficiency, and greater party control.

(U) Ceausescu noted, for example, that agricultural failures--highlighted by a 5-percent drop in the value of agricultural production in 1980--were "mainly due to organizational shortcomings in the leadership and organization of the agricultural sectors." This could be rectified by:

"...improving the management of the entire activity, strengthening control, judiciously distributing cadres and all forces active in agriculture, and increasing the responsibility and role of agricultural bodies at all levels."

More particularly, he directed that the local "people's councils must meet the consumer requirements of the citizens in the respective county or locality and must also ensure that the necessary quantities...are delivered to the state fund."

(C) How such local initiative would be melded with greater party control (symbolized by the return of Ceausescu's crony, Emil Bobu, to the party secretariat with responsibility for agriculture) was not made clear. What seems likely, though, is that Ceausescu will devote more attention to agricultural organization, a move that would not bode well for dealing rationally with Romania's agricultural problems.

Agriculture vs. Industry--An Emerging Debate?

(U) Some agricultural technocrats are trying to play on Ceausescu's new policy stance, probably hoping that he can be persuaded to back up his rhetoric with more material resources. They have been careful not to lobby directly for increased investments, stating that there should be "investments of intelligence and innovative thought." But, as several articles in Romania's leading economic journal, Revista Economica (February 27, 1981), indicate, an agricultural "lobby" is pushing ideas aimed at legitimizing a greater role for agriculture in Romanian life. These individuals argue, inter alia, that:

- Romania, with "favorable, natural, agricultural conditions," could nearly double its production of principal crops;
- agriculture is an "essential factor" for improving the quality of Romanian life;
- agricultural work, when mechanized, is a "variant of industrial work"; and
- agricultural exports generate hard currency vital to increasing energy imports, thus giving agriculture the role of "green petrol."

(C) Such ideas apparently are being set forth to sell the political leadership on the virtues of agriculture before the 1981-85 plan is put in final form. (The publication of that plan has been postponed several times; it probably will not appear before mid-year.) There is only a slim chance, however, that Ceausescu can be persuaded to shift substantial resources from industry to agriculture. The Romanian leader, obsessed with his place in history, wants to be remembered as the man who turned a backward, peasant society into an independent, developed one. In Ceausescu's perception, industry is still the key. He thus seems determined to stay the course, although an even steeper economic decline or more serious popular unrest could force his hand.

(C) The mere fact that such a spirited defense of agriculture could appear in the Romanian media is important. It could even contribute to debates within the government and party over the relative importance of agriculture and industry. The chances for factions developing within the leadership over such issues are remote, but less so than before Ceausescu's admission of economic failure.

(C) Romanian Interest in CEMA Growing

The Ceausescu regime, meanwhile, continues to speak more favorably about promoting specialization and cooperation ties with the Council for Mutual Economic Assistance. This positive accent on CEMA was first signaled at the CEMA summit session in June 1980 when Romanian Prime Minister Verdet, in effect, offered to exchange increased Romanian cooperation for greater access to energy and raw material supplies. (Unlike the other CEMA members, Romania has not received Soviet oil supplies at concessional rates. And only in the last two years has it been able to buy limited amounts of Soviet crude--amounting to 10 percent of Romanian oil imports--for hard currency at world prices.) Verdet's offer, however, apparently fell on deaf ears, and Ceausescu subsequently complained that CEMA's policy on energy and raw materials had "negative aspects."

CEMA's share (but not absolute value) of total Romanian trade turnover fell in 1978, 1979, and, according to recently acquired Romanian trade figures, in 1980. (The last published data, for 1979, indicated that CEMA had a 35-percent share of Romanian trade.) Despite this lack of success in expanding its relative access to CEMA markets on the terms it wants, Romania continues to stress its interest in CEMA. A resolution of the March plenum of the Romanian Party's Central Committee, for example, stated that Romania:

"...made an active constructive contribution to the development of the activity within CEMA, worked for the promotion of specialization in production, for an enhanced role of

cooperation in order to meet the requirements for raw materials and energy, materials, highly technical machinery and equipment of the member countries."

Such interest derives from Bucharest's realization that its ability to diversify its trade away from CEMA is declining. The country's total hard-currency debt is approximately \$9 billion, more than \$1.6 billion of it generated in 1980 alone. Squeezed by balance-of-payments problems in its Western trade and skyrocketing OPEC oil bills, Romania has few alternatives but to reexamine its potential relationship with CEMA--short of a major reallocation of domestic economic resources.

The Soviets may take a certain amount of satisfaction from the irony of Romania's current economic predicament. It was the Romanian Communist Party's outspoken opposition in the early 1960s to Khrushchev's scheme for East European economic specialization within CEMA, with Romania assigned specialization in agriculture and raw materials, that launched Romania's policy of rapid industrialization and foreign policy independence. Gheorghiu-Dej and his successor, Ceausescu, argued that to accept such a plan would relegate Romania forever to the status of an underdeveloped society, subservient to the industrialized states (especially the USSR).

The new Romanian approach to CEMA, however, may ultimately prove moot. CEMA economies are confronted with so many problems, and have so many demands on already stretched Soviet resources, that Bucharest may have to struggle just to maintain its previous levels of CEMA trade. The negative ripple effect of the Polish economic crisis further diminishes CEMA's potential to deal with a Romanian push for "equalization" of developmental levels within the socialist world.

(C) Romanian Discontent Continues

Ceausescu's enunciation of an "agricultural revolution" and his new-found interest in CEMA are symptomatic of the erosion besetting Romania's domestic and international economic position, which in turn militates against Bucharest's ability to advance its independent foreign policy. The way in which Ceausescu deals with the economic challenges will have a major bearing on his political standing--in the perception of both the party and the population. Although Romanian worker and consumer discontent has been relatively unorganized and intermittent, it has also been persistent. Recently, for example, handbills circulated in Bucharest calling for the formation of Romanian free trade unions, to be called "Unity," and a general strike in May.

If Ceausescu is to shore up his own political and Romania's international position, he will have to devise an essentially internal solution. The West, China, and wealthy Third World states,

let alone CEMA, are not likely to bail him out. He will have to present a more pragmatic economic policy (with real benefits for consumers and workers), rely more on technocratic expertise, and curb the excesses of his personalized and familial form of political power. This is asking quite a bit of a man who has ruled by fiat for more than 15 years. But to the extent that Ceausescu remains locked into a style of governance with bloated rhetoric, arbitrary leadership "rotations," and use of a pervasive security apparatus, he will be expanding Romania's political and economic morass.

Recent meetings (March 24-26) of the party's Central Committee and the Parliament did not signal any significant change in Ceausescu's policies or style. Romania is still without a final five-year plan; another leadership reshuffle occurred recently; and Ceausescu's personality cult runs unabated. The Romanian leader is thus facing the prospect of a year marked by both industrial stagnation and an aborted "agricultural revolution." The result of this could be a reinforcement of his growing reputation for "hare-brained" domestic schemes, which would feed new discontent.

Prepared by R. Farlow
x28538

Approved by M. Mautner
x29536

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186916	REPORT RE. ROMANIA: MILITARY REORGANIZATION [PARTIAL]	1	9/12/1981	B1 B3

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~~Top Secret~~

ROMANIA: Military Reorganization

[redacted] Romania is continuing a re-organization of its ground forces as part of a long-term plan apparently designed to enhance Bucharest's ability to resist any invasion by other Warsaw Pact members. [redacted]

The Romanians may be breaking up some of their divisions into independent brigades in order to decentralize command further and provide greater deployment flexibility.

[redacted]

Bucharest's overall defense policy provides for continued participation in Pact planning against NATO. The Romanians, however, also appear to be developing the capability for a "people's war" strategy--an in-depth defense by conventional and partisan forces--to raise the cost of any invasion of Romania. The Romanians have not specified a Soviet intervention as the rationale for these changes, but Bucharest has implied in the past that its main security threat is the East, not the West. [redacted]

Romania adopted this concept following the Soviet invasion of Czechoslovakia, but it did little for 10 years to implement it. A deterioration of relations with the USSR in late 1978, caused by disagreements over defense spending and proposals to increase Soviet authority over Pact forces in peacetime, probably led the Romanians to take action in reorganizing their forces. [redacted]

[redacted]

Moscow's reaction to the reorganization has been muted. The Soviets probably believe that the Romanians have not diminished their ground forces' ability to carry out their Pact role--which Moscow probably views as minor, given Bucharest's questionable reliability and major manpower, training, and equipment deficiencies. [redacted]

Moscow may also believe that Bucharest's concern with economic problems and the possibility of Polish-style unrest will restrain Romania from new moves away from the USSR. [redacted]

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12 September 1981

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

27 January 1982

National Intelligence Officers

MEMORANDUM FOR: Dr. Norman A. Bailey
National Security Council

FROM: Maurice C. Ernst
National Intelligence Officer for Economics, CIA

SUBJECT: Romania's Balance of Payments and Debt Problems

As per your request, attached is some material on Romania's balance of payments and debt problems. Romania clearly is unable to meet its financial obligations. To do so would require cuts in imports so severe as to force substantial declines in industrial production, such as occurred in Poland. The Romanians have already squeezed all the consumer goods they can out of the economy, and this has occasioned some sporadic unrest.

The receipt of a \$65 million CCC credit would fill only a small part of the balance of payments gap. They would probably use such a credit to free up foreign exchange with which to pay interest on debt and perhaps repay those creditors they cannot put off.

The prospects of such a credit being repaid would be poor. There is little chance that the Romanian economy will substantially turn around in the next two or three years, and next to no chance it will generate large new sources of foreign exchange earnings. Their oil fields, traditionally a large source of hard currency earnings, are at a late stage of development and declines in production are probably inevitable. Romania hopes to further diversify its hard currency exports, but has had little success to date.


Maurice C. Ernst

Attachment,
As stated

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NO DISSEMINATION

12

27 January 1982

DECLASSIFIED
Authority E1640/3#186917a
BY RW DATE 1/9/17

MEMORANDUM FOR: National Intelligence Officer for Economics

STAT

FROM: EURA/EE/SE

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, \$.6 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.

NO DISSEMINATION

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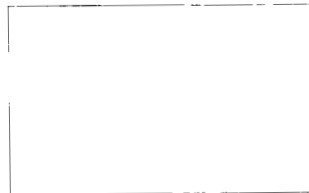
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**SUBJECT: Romanian Difficulties in Meeting
Debt-Service Obligations**

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.

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186922	PAPER RE. IG MEETING ON ROMANIA [PARTIAL; INCL. WASHFAX, ATTENDEE LIST]	7	3/29/1982	B3

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 FROM: R.W. Becker EUR/EE 23298 5219 NB
 (Officer name) (Office symbol) (Extension) (Room number)
MESSAGE DESCRIPTION I.G. Meeting on Romania - Agenda

<u>To: (Agency)</u>	<u>DELIVER TO:</u>	<u>Extension</u>	<u>Room No.</u>
<u>DOD/ISP</u>	<u>Byron Morton</u> D	<u>695-2406</u>	<u>1 E814 Pentagon</u>
<u>JCS/J-5, EUR</u>	<u>LTC D. Englund</u>	<u>694-4622</u>	<u>2D956 Pentagon</u>
<u>TREASURY</u>	<u>Harvey Shapiro</u> K	<u>566-5637</u>	<u>4450 Main Treasury</u>
<u>NSC</u>	<u>Richard Pipes</u> C	<u>395-5646</u>	<u>368 OE08</u>
<u>NSC</u>	<u>Paula Dobriansky</u>	<u>395-3912</u>	<u>369 OE08</u>
<u>CIA</u>			<u>7E62 Hqs.</u>
<u>COMMERCE</u>	<u>Susanne Lotarski</u>	<u>377-2645</u>	<u>4325</u>
<u>ICA</u>	<u>R.J. Gilbert</u>	<u>724-9332</u>	<u>822</u>

 REMARKS: For IG Meeting, Thursday, April 1, 1982 at 3:00 p.m.,
EUR Conference Room (6226 NS)
S/S Officer: CM

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 BY RW 1/9/87



DEPARTMENT OF STATE

Washington, D.C. 20520

March 29, 1982

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TO: See Distribution List

FROM: EUR/EE - Robert W. Becker

SUBJECT: I.G. Meeting on Romania -- April 1,
3:00 p.m. -- EUR Conference Room (6226 NS)

The Deputy Secretary has approved the convening of an Interagency Group Meeting on Romania. He also approved a Terms of Reference paper to be used as a basis of discussion of U.S. policy objectives towards Romania.

The first meeting of the I.G. will be held April 1 in the EUR Conference Room (6226 NS) under the chairmanship of Deputy Assistant Secretary of State for Europe John D. Scanlan.

Attached is the proposed agenda for discussion at the I.G. meeting.

Attachment:

1. Agenda

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I.G. Meeting

Thursday, April 1, 1982

EUR Conference Room (6226 NS)

3:00 p.m.

DOD/ISP - Byron Morton
JCS/J-5, EUR - LTC D. Englund
Commerce - Susanne Lotarski
Treasury - Harvey Shapiro
NSC - Richard Pipes
NSC - Paula Dobrianski
OES - Sam Thomsen
ICA - R.J. Gilbert
INR/SEE - Robert Baraz
EB/EWT - Don Kursch
EB/IFD - Bill Milam
CIA -
S/P - Steve Sestanovich
PM - Jeremy Azrael
EUR/RPM - Steve Klemp
EUR - George Ward
EUR/RPE - Sharon Mercurio
AID/AA/NE - Brad Langmaid
HA - Hugh Simon

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AGENDA FOR APRIL 1 INTERAGENCY DISCUSSION
OF TERMS OF REFERENCE FOR ROMANIA

- I. Current situation with respect to
U.S. policy towards Romania STATE
- II. Points for Discussion
 - Terms of Reference Paper for
Romania STATE
 - Recognizing Complexity in Eastern
Europe: A Case for a Policy of
Differentiation Among Communist
States by Dan Nelson STATE

Attachments:

- 1. Terms of Reference
- 2. Nelson Paper

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TERMS OF REFERENCE

REVIEW OF POLICY TOWARDS ROMANIA

1. What are the United States basic interests in Romania?
2. What are the basic objectives of U.S. policy toward Romania?
3. What are the basic premises governing U.S.-Romanian relations? That is, to what degree can we have an impact on Romanian policy decisions? What are the constants?
4. Why do we treat Romania differently than the other countries of Eastern Europe? *fun /*
5. What, in concrete terms, has Romania done which coincides with our national interests?
6. Given Romania's severe economic difficulties, in particular its inability to remain current on debt repayments, what should our policy be with respect to declaring default and/or supporting rescheduling? What are the consequences of either choice?
7. How are we to justify outward signs of support for Ceausescu's regime when internal repression in Romania is equal to or greater than elsewhere in Eastern Europe and the U.S.S.R?
8. Would a change in Romanian leadership bring change in domestic or foreign policy, particularly with regard to relations with the U.S. and the U.S.S.R? Would a change in leadership prove more or less beneficial to the U.S.? In which direction might it go?

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**RECOGNIZING COMPLEXITY IN EASTERN EUROPE;
A CASE FOR A POLICY OF DIFFERENTIATION AMONG COMMUNIST STATES**

(Text being sent by regular distribution)

**Daniel N. Nelson
Department of Political Science
University of Kentucky
Lexington, Kentucky**

Prepared for the U.S. Department of State; submitted 1 March 1982

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RECOGNIZING COMPLEXITY IN EASTERN EUROPE:
A CASE FOR A POLICY OF DIFFERENTIATION AMONG COMMUNIST STATES

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Daniel N. Nelson
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Prepared for the U.S. Department of State; submitted 1 March 1982

SUMMARY

This paper presents an argument regarding American policy towards Eastern Europe, with specific reference to Romania. Data are presented which demonstrate the dispersion of political, economic and military behavior among East European states, with Romania being consistent in its relatively great distance from Soviet norms. While such dispersion and resulting political, economic and military problems for the USSR cannot be said to have been "caused" by U.S. policy, American actions can encourage the onset of, or support once begun, decreased CMEA/WTO cohesion. If the United States seeks to mitigate Soviet assurance about Eastern Europe--and would prefer a less cohesive communist Europe--then our policy towards the region must differentiate between and among Warsaw Pact members.

American relations with communist East Europe have emerged from a time when political life in these states was seen as entirely manipulated by the Soviet Union. While we continue to proceed from the recognition that Moscow's security interests, institutionalized via the Warsaw Pact, define the "limits" of foreign policy behavior and domestic "liberalization" in Eastern Europe, the understanding also exists that a uniform treatment of communist Europe is counterproductive. Differentiating between and among these states and their party leaders follows from the rudimentary observation that there are many communisms, not one.

A policy of differential relations with communist Europe is a policy of sensitivity to complexity--to the differences between, for example, the role of Romania vis-a-vis the GDR in the Warsaw Pact. A "finely tuned" foreign policy requires such sensitivity to avoid broad and erroneous categorizations that portray American international views as irretrievably simple. Were we to distance ourselves as far from Bucharest as from Moscow, we would be ignoring the qualities that led to visits by Presidents Nixon and Ford to Bucharest and which encouraged MFN status for Romania. A policy which distinguishes among communist states and leaders denies the simplistic view that Soviet manipulation is total, and rejects the dichotomy that East Europeans are either puppets or national patriots with no choice between. The political worlds of leaders and citizens in these states are much more complex, and we require a policy premised on such complexity.

EVIDENCE OF DIVERSITY

There are many indicators of differences within both the CMEA and WTO. Most of these data point to one central finding: Eastern Europe has been less than a sychophant to Soviet leadership. Among East European states, Romania has been notable for the degree to which it has diverged from Soviet norms. Romania has not been alone in its divergence, but it has been the most persistently disaffected member of both CMEA and the WTO.

American policy can, by its flexible application of positive measures (e.g., MFN) and negative actions (e.g., limitations on technology transfers, credit or cultural relations), assert important leverage within Eastern Europe. Although we cannot establish a causal link, there has been a coincidence of expanded Western contact with non-Soviet WTO/CMEA members and the latter's policy differences with the USSR.

Relevant data help to elaborate this linkage while highlighting the Romanian case. As long ago as the mid to late 1960s, the foreign relations of European communist states lacked cohesion. CMEA/WTO members "interacted" (e.g., signed agreements, sent or received delegations or envoys, etc., insofar as public acknowledgements were made) with each other, with the USSR, and with the West in very different ways. Romania, Poland and (interestingly) Bulgaria interacted more frequently with the West than with other East European states and the USSR. The GDR, then diplomatically isolated, was at the other extreme, while Czechoslovakia and Hungary also dealt more with their Eastern neighbors and the Soviets than with the West. (See Table I)

TABLE I ABOUT HERE

These data, which begin at a point prior to policies of "Ostpolitik" or "detente", suggest that differences among the communist party regimes have been

evident in their foreign relations for some time. Had we data from the late 1950s, the policy cohesion of WTO/CMEA members would be, no doubt, much greater; in November 1957, after Soviet troops had bloodied Hungary, the USSR could assert its predominance at the Moscow meeting of all ruling communist parties. But the ensuing decade clearly wrought considerable changes regarding the international activities of the USSR's East European allies.

Dependency on intra-CMEA trade, however, remained into the early 1970s. CMEA members, as a group, shifted significantly away from reliance on each other and the Soviets and towards more trade with developed market economy states in 1973 and 1974. (See Table II)

TABLE II ABOUT HERE

Trade is the most evident, and perhaps best, "barometer reflecting... the East-West political scene" (Wilczynski, 1969: 23). Trade suggests the permeability of the WTO and at least short-term dependencies on non-communist markets or suppliers. As illustrated in Table II, trade among East European states and the USSR accounted for 63 percent of all imports and exports of these systems as late as 1972. The next five years, however, indicate a sizeable drop (as low as 53 percent in 1974) in the proportion of all trade that was confined within the "bloc". The developed market economy states (primarily North America, Western Europe and Japan) were the principal beneficiaries of increased trade, as the percentage in that column increased parallel to the decline in intra-bloc trade.

Other statistics enable one to see the reduced emphasis on economic interaction within CMEA in a different light. In Table III, for example, one sees the dramatic decline in annual average growth rates of Soviet trade with Eastern Europe. In the decade before detente, Soviet exports had risen on an average of 9.5 percent per year to members of the Council for Mutual Economic Assistance (CMEA). That slowed to 5.2 percent annually during 1971-74, and less than 1 percent in 1975-76. Soviet imports from Eastern Europe also declined but somewhat less precipitously. The discrepancy between rates of trade growth for Soviet exports to, vis-a-vis imports from, CMEA members may be explained quite simply; East Europeans were more anxious to end their dependency on the USSR than they were to end sales to the Soviets.

TABLE III ABOUT HERE

Such comparative findings underscore the distinctions among East European governments and their foreign policies. The same data point to Romania as a case warranting more scrutiny. Aside from the conventional wisdom that Romania has been a "maverick" within the Warsaw Pact, empirical reference points can tell us the extent to which Bucharest has diverged from a WTO "norm". Several different studies have found that Romania has been, by a wide margin, the "most different" WTO state regarding foreign policy beginning in the 1960s through the 1970s. (Kintner & Klaiber, 1971 and Linden, 1979)¹ Romania is furthest from the "typical" pattern of East European international behavior in the extent to which it interacts with West Germany, the U.S., Israel, the People's Republic of China, and other Western states.

Within aggregate CMEA trade data, the extent of Romanian divergence is obscured. Alone among CMEA states, Romania trades more with non-communist states than with other communist systems by the mid-1970s. (Nelson, 1981: 204-205) A recent estimate suggested that intra-CMEA trade, which of course excludes a few

communist states, accounts for about 75 percent of Bulgarian imports and exports, two-thirds for Czechoslovakia and the GDR, half for Hungary and Poland, and a third for Romania. (Bornstein, 1979).

Empirical comparisons of East European states thus reinforce an image of complexity in the region; these regimes have not tended to behave politically or economically with the unanimity sometimes ascribed to the "bloc". Romania in particular has differed dramatically in some respects which contributes to the dispersion of policy within the Warsaw Pact and CMEA.

That neither CMEA or the WTO are as cohesive as the Soviets might prefer is a circumstance the United States has reason to support and encourage. Lessened military and economic reliability and heightened burdens on the Soviets can be construed as advantageous outcomes for the U.S. But policies which would focus on the presumed similarities among communist party regimes and manipulation by Moscow, rather than the differences described above, attribute to the USSR an omnipotence they do not possess. As these data indicate, it would be erroneous to credit Moscow with capacity to enforce WTO cohesion, short of direct intervention. Were the U.S. to presume the uniformity of communisms and the policy conformity of these systems to Soviet interests, we risk mitigating the very advantages we derive from their differences. Were Bucharest to be indistinguishable in the eyes of U.S. foreign policy from other states in communist Europe, for example, we would contribute to conditions in which Romania would likely become less distinguishable.

Evidence of diversity within Eastern Europe is not confined to political and economic realms, however. Other important policy differences became evident during the 1960s and 1970s, particularly regarding defense expenditures.

As a percent of gross national product and state budget, military expenditures of Warsaw Pact members vary greatly. (See Table IV) Over the past decade and a half, in fact, the military expenditures of East European WTO members exhibited a general trend downward when gauged as a proportion of GNP and state budget. Enthusiasm for Soviet demands for raising military spending (e.g., at the November 1978 WTO Political Consultative Committee in Moscow) was minimal; that only the GDR substantially increased the proportion of state expenditures devoted to the military in 1979 suggests the reluctant cooperation Moscow receives.

TABLE IV ABOUT HERE

There is, moreover, some evidence to suggest that the defense expenditures of East European WTO members have been less similar during the 1970s, implying a decline in alliance cohesion. In the Northern Tier, for example, military expenditures in 1969 accounted for 5 percent of GNP in Poland, 5.6 percent of GNP in Czechoslovakia and 5.9 percent of GNP in the GDR. The "spread" of less than 1 percent in 1969 contrasts sharply with a 3.7 percent difference in 1979 between the GDR and Poland (6.3 percent and 2.4 percent, respectively). (For 1969, Johnson, et.al., 1980: 197; for 1979, IISS, 1980-81: 96.) The East German effort to direct higher proportions of GNP into defense has not been matched by their Northern Tier partners, Czechoslovakia and Poland. Meanwhile, "Southern Tier" military allocations continue to be markedly lower than the more socioeconomically advanced states in the alliance. Romania, Hungary and Bulgaria have lower absolute levels of military expenditures, lower proportions of state budgets devoted to military allocations, lower military expenditures per capita and lower military expenditures per effective. (IISS, 1979-80 and 1980-81)

Romania is again noteworthy because of the degree and nature of its differences regarding defense spending. With Poland, Romania was most consistent in its reduction of military expenditures in percentage terms (percent state budget and percent GNP) during the 1970s. From spending 5.4 percent of their state budget on defense in 1970, the Romanians cut back to 3.5 percent by 1979; in GNP terms, the 1970 figure was 2.1 percent vs. 1.4 percent in 1979. By adopting a "people's war" doctrine for national defense, the Ceaurescu regime has been able to maintain what some analysts believe to be a credible fighting capacity on a low-cost, low-technology base. (Jones, 1981; Alexiev, 1980; Bacon, 1981)

The transfer of a "people's war" strategy from the Yugoslav model to the Romanian case may or may not be credible in objective measures of resistance capacity. Nevertheless, the Soviets must view resistance as likely were intervention to occur. Romania's focus on national defense and training of paramilitary forces (over 700,000) to effect that defense, rather than alliance participation, undermines the Soviets' assurance about the Pact and complicates their Southern Tier planning.

Budgetary data tell only part of the story, however, regarding the differences among the Soviet Union's principal allies. Warsaw Pact integration can be measured in a number of ways; most indicators suggest large differences between Northern and Southern "tiers" as to frequency of training with the USSR, weapons modernization, and location of Pact exercises. (Nelson, 1982) These distinctions are, of course, associated with the lower budgets of Bulgaria, Romania and Hungary devoted to defense as well as to the greater likelihood of initial East-West hostilities in the European theatre taking place in and around the North German Plain and Fulda Gap.

Maneuvers with the Soviet Union, as an indicator of a state's Pact integration, are tabulated below (Table V). Although these data can be viewed as an approximation only (due to the limitations of open sources), we can presume that the relative differences reflect accurately the extent of Soviet training with specific WTO members. By one interpretation of these data, the USSR differentiates among its own allies regarding their participation in joint exercises, regarding some as more crucial, and from whom Moscow no doubt desires assured military performance. Alternatively, one could attribute differences in maneuver participation to opposition from East European capitals to such exercises (as is the case with Romania). In either case, the Soviets' planning is complicated.

TABLE V ABOUT HERE

Weapons modernization is another measure of some importance. The proportion of major weapons systems of the most recent vintage can be gauged readily since tanks or interceptor fighters, for example, have a common supplier (USSR). It is therefore indicative that only Romania and Bulgaria still (as of 1980) retained sizeable numbers of T-34 tanks in combat units (both about 200, constituting about 12 percent of Romania's tanks and 10 percent of Bulgaria's), while the highest concentration of T-72 tanks (the Soviet's newest main battle tank) in Eastern European armaments was in the GDR. Likewise, Mig-23 interceptors (the principal system in Soviet inventory as of 1980) were not in the Romanian air force, a few were in Bulgaria, two squadrons (20 aircraft) in Hungary, and a dozen each in Czechoslovakia and the GDR, (IISS, Military Balance, 1980-81, pp. 15-17). In the Romanian case, decisions to produce arms via cooperative agreements with China (for missile boats), France (for Alovette III helicopters), Yugoslavia (for a jet fighter) and the British and West Germans for transport aircraft were meant to decrease reliance on Soviet weapons (Alexiev, 1979).

The location of major Warsaw Pact maneuvers or exercises from 1961-1979 has, like the frequency of participation, been skewed heavily towards Northern Tier states. (See Table VIa) The most frequent location, Czechoslovakia, is followed closely by Poland and the GDR. Significantly fewer exercises have been held in Hungary and Bulgaria, while Romania is last (only 13 percent of all joint exercises since 1961). The GDR's forces, which participate most frequently in joint maneuvers with Soviet units, conduct such exercises on their own soil slightly less often than their Northern Tier neighbors. The forces of the GDR, in other words, have been viewed by the Soviets as most "mobile" within the Pact--implying the assurance with which Moscow regards East German units. Polish troops have also participated proportionately more in maneuvers outside their own country. Bulgaria, a state which infrequently participates in joint exercises, nevertheless equals Hungary and exceeds Czechoslovakia in the mobility of its forces. One might plausibly conclude from such data that the Soviets see the Bulgarian forces as reliable, but less important to their overall security planning. By contrast, Czechoslovak forces, sufficiently important because of their central position to train often with the Soviets, rarely engaged in maneuvers elsewhere.

TABLE VIa ABOUT HERE

Romanian forces, however, have been very infrequent participants (Table VIa) and have very rarely ventured far from home. (See Table VIb) Indeed, most of the instances when Romanian forces participated in exercises elsewhere took place over a decade and a half ago. Romania, alone in Eastern Europe, both minimizes participation in Pact exercises and keeps its forces within its own borders.

TABLE VIb ABOUT HERE

A composite portrait of East European communist states begins to emerge from the empirical reference points mentioned above. Although the predominance of Soviet power in the region will be ignored by no serious observer, the political, economic and military circumstances of Eastern Europe cannot be characterized as uniform. These states and their party rulers interact with "the world" in quite different ways, with the directions of their diplomacy and trade spread over a wide continuum. Perhaps most important, as Soviet "allies" they have not followed Moscow's lead in defense spending in proportional terms and, among themselves, diverge greatly regarding such expenditures. The USSR has not placed an equal degree of confidence in the reliability of each WTO ally, and emphasizes training, equipping and planning with states which reinforce Soviet interests.

Along the entire spectrum of policy discussed thus far, Romania continues to warrant American attention." It retains the distinction of being the "most different case" in ways that are problematic from the Soviet perspective; Bucharest interacts more with the West and less with the CMEA/WTO states, trades more with the West than with other communist systems, and remains a non-integrated member of the Warsaw Pact. As I will suggest below, these conditions of communist East Europe, and of Romania specifically, have positive and negative consequences for the United States. The only means by which to further our interests (i.e., deriving more positive than negative consequences) from the diversity and complexity of Eastern Europe is to maintain a policy of differentiation towards the region by which our relations with Moscow are not seen as an adequate model for policies towards Bucharest (or, for that matter, Warsaw, Budapest, etc.).

ADVANTAGES AND DISADVANTAGES: A BALANCE SHEET

In the foregoing pages, I have not treated the "causes" of diversity in

Eastern Europe because they are beyond the scope of this paper. Precisely why Romanian foreign and military policies differ so strikingly from the GDR in terms of measures cited above cannot be answered without reference to the gap of socio-economic levels between the Balkans and the "Northern Tier". Nationalism, and its roots in each East European country, also requires elaboration. Historical and cultural traits could be developed at great length as well. In Romania's case, energy self-sufficiency during past decades reduced dependency on Moscow in a way unavailable to other East European states. That an explanation for regional distinctions would be elusive should not lead one to conclude that American policy can have no effect on variations among the behaviors of East European regimes. We have a capacity, with our allies, to exacerbate or mitigate the processes underway in Eastern Europe that "cause" the diversity seen via empirical data. Economic "weapons" or "enticements", information by broadcast media, and diplomatic attention are among the means that can be applied in differential ways.

Indeed, one of the principal lessons which foregoing data should convey is that the West's increasing contacts with communist Europe during the 1960s and 1970s, whether called Ostpolitik or detente, were coextensive with trends in the Soviet "bloc" advantageous to the West. The Soviet Union itself continued to increase military outlays and continued to assert its "right" to direct the economic and political lives of East Europeans (evident in the Brezhnev "Doctrine" as well as the outcry against Solidarity and PUWP inaction). While the USSR retained the posture of sovereign over Eastern Europe, the policies of states in that region reflected increasing distance from the Soviets and diversity among themselves. By the late 1960s, states such as Romania and Poland had turned their diplomatic attention West (Table I), while a substantial trade shift towards Western suppliers and markets took place in the early 1970s (Table II), and interest in trade with the Soviets plummeted (Table III). Even the institutional cornerstone of Soviet control in Eastern Europe, the Warsaw Pact, exhibited trends which saw defense spending as a proportion of state budgets and GNP peak in the late 1960s for most East European states and decline through the late 1970s--while Moscow continued its massive buildup. Integration of East European militaries into the WTO, if it began as uniform in the 1950s, has certainly not been during the 1960s and 1970s, the Northern Tier forces training far more with Soviet units and having better equipment.

The relationship between Western, and specifically American, policy and such intra-bloc diversity is arguable, and the causal linkage cannot be tested with available data. Nevertheless, the cases in which diplomatic, economic and military expenditure data appear most favorable for U.S. interests (i.e., reducing Soviet assuredness about its control in Eastern Europe) are those in which U.S. policy has been applied with flexibility. The option of MFN, by which the substantial tariffs applied to U.S. imports from Eastern Europe are removed, was applied to Poland in 1960 and Romania in 1975. The impact of such a step, if one compares the volume of U.S.-Polish and U.S.-Romanian trade to that of their neighbors, was substantial (IMF, 1978). Diplomatic attention, of course, was also accorded both Warsaw and Bucharest by presidential visits. These specific measures, and the broader efforts by American administration and West European governments over the past two decades to enhance our contacts with Eastern Europeans, have been coincident with and supportive of trends revealed by data presented earlier.

Romania's divergent behavior, in the context of a diverse region, merits continued special attention. Bucharest's international behavior within the past ten years continues to work to the advantage of the United States. The Romanian regime's strenuous efforts implicitly to "dis-align" itself from the Pact, and to

gain international recognition among the non-aligned and developing world, involved Ceausescu's travel to 37 African, Asian and Latin American states between 1970 and 1977. (Nelson, 1982) Pursuing such recognition also led to Romania's request to be an "invited guest" at the 1976 Colombo meeting of non-aligned states and Bucharest's entry into the U.N. Group of 77 in 1976.

Many advantages accrue to Romania as a result of its self-classification as a "developing state", several of which benefit the United States as well. Since the concept of "developed socialism" (razvityi sotsializm) emanated from Leonid Brezhnev in the late 1960s particularly at the 24th Congress of the CPSU, the degree to which Romania demurs from being similarly categorized can be viewed as part of an overall effort to maintain independence from the Soviets. To be "developing" as opposed to "developed" helps to rationalize Romania's defense expenditure's vis-a-vis WTO norms documented above. Romania's divergent trade pattern, exhibiting proportionately greater exports to and imports from non-CMEA countries than any other East European state, is also defended in light of the developing status of Romania's economy.

From the perspective of Washington, then, the intense devotion of Romania to an identity as a "developing state" to the point of seeking integration with the Third World has added a centrifugal "factor" to the USSR's control within Eastern Europe. Ceausescu should not, of course, be credited with a master plan of creative insights. Ceausescu's greatest problems, his regime's legitimacy and the country's economic performance, had a similar solution: to get out from under Soviet hegemony. Communist regimes in Eastern Europe, with the exception of Tito, lacked the legitimacy of a revolutionary past. The regime's legitimacy and their ability to assure willing obedience of citizens therefore rested on the promises for greater economic performance and a more equitable distribution of wealth. None of the communist states has accomplished the latter, (Nelson, 1982c), and most are still struggling to create and maintain a modern industrial base. For Ceausescu in the 1960s, the path to legitimacy was a very old one--nationalism. Most obviously in 1968, but also in recent years, Ceausescu has sought to link his stature and the regime's raison d'etre to the Soviet threat. The Soviets, it was implied in 1964², threatened Romania's economic development; the Soviets, Ceausescu subsequently has argued, must not be allowed to hinder the independent political development of other socialist states.

As the Romanian regime seeks its own legitimacy via anti-Soviet nationalism and economic development that avoids dependence on Moscow or the CMEA, tangible benefits accrue to American interests.

Some of these advantages were evident in the late 1960s, when Romania failed to break with Israel after the June War and criticized vehemently the Soviet-led invasion of Czechoslovakia. Particularly in the latter case, Romania's voice was an important addition to the negative response the U.S. sought to mount in reaction to the Pact invasion. Romania's 1972 IMF and World Bank membership suggested, as well, the inadequacy of prospects for developmental assistance via CMEA alone.

Certain long-term themes of Romanian foreign policy, however, have been more valuable than one or two specific events. Throughout the past two decades, Bucharest has emphasized a position on the full and equal participation of all states outside military alliances in international negotiations. At the Conference on Security and Cooperation in Europe, at Vienna Mutual (Balanced) Force Reduction talks, and the U.N. Disarmament Committee, and elsewhere, Romanian delegates have stressed that all states, not just those in alliances led by super-powers, should consider arms reductions. The arms race, argue Romanians, is not due to the "aggressive imperialist circles" blamed by Moscow, but rather is due to

"the structuring of European security in the old and noxious policy of the use and/or threat of force...and in the so-called 'balance of Euro-strategic forces'..." (Moraru, 1979: 524)

The Soviets allege, of course, that disarmament is stalled due to the "intransigence of Western states". Romania does not affix blame on the West, but regards both sides as caught in the bind of outmoded concepts. (Dolgu, 1979: 20-21) Soviet response has been predictably cold to the Romanian position, undermining as it does their own innocence. Soviet U.N. delegate Troyanovsky complained, for example, about "assertions, particularly in this Organization" which attribute "equal responsibility of the great powers for the arms race" (U.N., 1980). Troyanovsky had reason to be vexed; the Romanians, again alone among WTO members, voted for all 22 disarmament resolutions at the 33rd Session of the UN General Assembly in 1978-79, while the Soviets abstained or voted no 11 times because the wording was broad enough to find the USSR culpable as well. Such disagreement continued in the 34th Session (1979-80), as the Romanians and Soviets voted together only 11 times, disagreeing 8 times. (U.N. Disarmament Yearbook, Vol. 3 and 4; 1978 and 1979)

Occasionally, the Romanian position at an international conference is held widely and the USSR has little choice but to accept or lose face badly. Romanian support at the Helsinki CSCE for CBM (Confidence Building Measures), for example, was important to the inclusion of one such item in the Final Document; the so-called "prior notification clause", whereby maneuvers of 25,000 or more troops within 250 km of frontiers would be announced, received strong endorsement from Bucharest. The exchange of senior defense officials was also endorsed by Bucharest, and the Romanians have participated in such exchanges more than any WTO member. (Arms Control Today, 1980: 3)

In recent years, the Romanians have played a crucial role in maintaining Chinese presence in Eastern Europe, symbolized by the August 1978 visit of then-CCP Chairman Hua. A few months later, at the November 22-23, 1978 Moscow Warsaw Pact PCC meeting, Ceausescu refused to condemn Camp David and China and/or to increase military spending--a refusal made public through three major speeches when he returned to Romania. (Ceausescu, 1978) To this, the Soviet reaction was angry, with Brezhnev criticizing those whose "demagogic arguments" could lead "to the weakening of our defenses in the face of the growing military might of imperialism". (Survival, 1979: 80) The Romanians, alone in Eastern Europe, questioned implicitly Moscow's invasion of Afghanistan and called for an end to foreign interference. At the U.N., the Romanians were the sole communist state to not vote against a resolution condemning Soviet intervention, abstaining in protest. Then, in October 1981, Ceausescu gave an interview to the Frankfurter Rundschau on the eve of President Karl Carstens visit to Romania in which the Romanian leader urged the withdrawal of Soviet theatre nuclear missiles (SS-20s) to areas where their range would be insufficient to reach Western Europe.

These events are but several recent examples of Romanian foreign policy behavior that has served to blunt Soviet claims of Warsaw Pact cohesion and to complicate Moscow's diplomacy. Bucharest's policies are the principal examples of diversity within Eastern Europe that minimizes the degree to which Soviet strength is reinforced by their "allies".

Americans would be ill advised, however, to see divergence and a lack of cohesion within WTO and CMEA as positive without qualification. In the Romanian case, a marked economic slowdown in 1980 and 1981 has left that country with a staggering hard-currency debt (almost \$11 billion), a not insignificant portion

held by the U.S. That CMEA members turn to the West as a creditor, supplier of technology and market, then, is not a benign development. Part of Romania's economic slump is, I would argue, due to the increasing alienation of workers from the Romanian Communist Party's internal policies. (Nelson, 1981b) Not only among workers but intellectuals as well, repression continues. Put simply, Bucharest is not a regime to commend in humanitarian terms. From all appearances, the Ceausescu regime will not soon change from being among the most repressive communist party states (Triska and Johnson, 1975: 255).

Most important, Americans would be ill-advised to think that motivations for deviations by the Ceausescu regime (or others in Eastern Europe) from Soviet norms are, in any sense, "converging" with those of the United States. Romania's differences from Moscow are for the survival of the regime in Bucharest; that Ceausescu's policies are coincident with American aims to limit Soviet hegemony should not obscure fundamentally different motives. We can remind ourselves of those motivational contrasts by reviewing the domestic political environment in Romania.

But the "balance sheet" suggests strongly the importance of East European diversity, the most notable case of which has been Romania. A Romania fully integrated in the Warsaw Pact and firmly aligned with Moscow on all international issues would strengthen the Soviets' hand in the Balkans enormously (certainly weakening Yugoslav autonomy), and altering greatly the military problems of NATO. Much beyond the Balkans, the Soviets could approach resolutely the dismantling of others, more modest, "heresies" in Eastern Europe, perhaps including pressure on the Hungarians to step back from its "socialism with a bourgeois face". In the broader context of East-West relations, a subservient Romania would no longer be a voice of occasional consternation to Moscow--refusing and revealing the Soviets' demands at Warsaw Pact meetings, calling for Soviet missile withdrawals, receiving PRC leaders, etc.

Once we recognize the diverse political, economic and military behavior of East European communist states, the utility of such variations can be maximized by a policy meant to address complexities of the region. The blunt instrument of a policy which fails to distinguish carefully among communisms will, by contrast, reinforce Soviet strength--providing Moscow by default with the means to enforce conformity.

FOOTNOTES

1. Linden, for example, found that Romania's interactions deviated negatively (i.e., more than average interactions with the U.S., FRG and other Western states and less than average interactions with WTO/CMEA states) to an extent several times the magnitude of Poland. Linden takes the reader through a number of statistical steps to reach his conclusion, which is based on "z-scores"-the number of standard deviations by which Romanian interactions deviated from the mean interactions for all WTO members for a particular "target" (e.g., the U.S.). See Linden (1979) especially Chapter Two, p. 48-49.
2. In April 1964, the Romanian Workers' Party, predecessor to the Romanian Communist Party, issued its so-called "declaration of independence" from Moscow, "Declarație cu privire la poziția Partidului Muncitoresc Român în problemele mișcării comuniste și muncitorești internaționale adoptate de Plenara largită a CC al PMR din aprilie 1964" (Bucharest: Editura Politică, 1964).

TABLE I
PERCENTAGE¹ OF EAST EUROPEAN INTERNATIONAL INTERACTIONS
BY PARTNER, 1965-1969

	With West ²	With U.S.	With FRG	With USSR	With EE
Bulgaria	28.2	1.4	1.5	12.0	16.1
Romania	37.8	3.8	5.1	6.8	16.1
Hungary	19.3	2.0	.4	20.4	31.6
Poland	38.9	2.9	1.8	9.2	21.7
Czechoslovakia	20.2	2.0	4.7	23.9	23.9
GDR	0	.4	1.1	23.2	40.5

1 = as a % of all interactions.

2 = Western Europe, Canada, Central & South America, Japan, Australia, New Zealand, Pakistan, Singapore, Indonesia, and non-national actors such as EEC, EFTA, GATT, IMF and Vatican.

SOURCE: Adapted by author from Ronald Linden, Bear and Foxes (Boulder: East European Monographs, 1979).

TABLE II

GEOGRAPHIC DISTRIBUTION OF WTO MEMBERS' TRADE
(PERCENTAGE OF VALUE OF IMPORTS AND EXPORTS)

Year	Intra-bloc	Developed MES*	Rest of World
1953	64	15	21
1954	63	16	21
1955	60	19	21
1956	59	20	21
1957	62	20	18
1958	61	19	20
1959	62	18	20
1960	60	19	21
1961	64	19	17
1962	63	18	19
1963	66	17	17
1964	64	19	17
1965	62	21	17
1966	62	22	16
1967	63	22	16
1968	64	21	15
1969	63	21	16
1970	63	22	15
1971	63	23	14
1972	63	23	15
1973	58	28	14
1974	53	32	15
1975	55	30	15
1976	54	31	15
1977	55	29	16

*MES = Market Economy States

SOURCE: Eleftherios N. Botas, "Patterns of Trade," in Stephen Fischer-Galati, Eastern Europe in the 1980s (Boulder: Westview, 1981), p. 87. His original sources was the United Nations Yearbook of International Trade Statistics, various years.

TABLE III

ANNUAL AVERAGE GROWTH RATES OF SOVIET TRADE WITH CMEA

	<u>Exports</u>	<u>Imports</u>
1961-70	9.5%	7.8%
1971-74	5.2%	5.9%
1975-76	0.9%	3.7%

SOURCE: Raimund Dietz, "Price Changes in Soviet Trade with CMEA and the Rest of the World Since 1975", in Joint Economic Committee, Soviet Economy in a Time of Change, Vol. 1 (Washington, D.C.: Government Printing Office, 1979), p. 283, footnote 26.

TABLE IV

WARSAW PACT MILITARY EXPENDITURES* 1975, 1979

	Percent of State Budget			Percent of GNP		
	1975	1979	Change 1975-79	1975	1979	Change 1975-79
Bulgaria	6.0	6.0	0	2.7	2.1	-0.6
Czechoslovakia	7.3	7.1	-0.2	3.8	2.8	-1.0
GDR	7.9	8.8	+0.9	5.5	6.3	+0.8
Hungary	3.5	3.6	+0.1	2.4	2.1	-0.3
Poland	7.0	6.1	-0.9	3.1	2.4	-0.7
Romania	3.7	3.5	-0.2	1.7	1.4	-0.3
Soviet Union	n.a.	n.a.		11-13%		

SOURCE: Adapted by author from IISS, The Military Balance 1980-81 (London, 1980), p. 96.

*NOTE: These percentages incorporate many estimates made by Western analysts. GNP, of course, is not a statistic used in the CMEA and must be extrapolated. Published military budgets must also be seen as estimates given the problems inherent to modelling such expenditures in non-market economies and the hidden military outlays within other budgetary categories. Differences in estimating techniques yield different results.

TABLE V

DISTRIBUTION OF INVOLVEMENT IN MAJOR WTO MANEUVERS
OR JOINT EXERCISES WITH SOVIET FORCES, 1961 THROUGH MID-1979

<u>Soviet Forces With Units of*:</u>	<u>Number of Joint Exercises</u>	<u>As Proportion of All Maneuvers** Involving Soviet & East Europeans</u>
East Germany	35	.50
Poland	35	.50
Czechoslovakia	31	.44
Hungary	23	.33
Bulgaria	19	.27
Romania	11	.16

*Ground, Air or Naval

**Based on 70 known major joint exercises

SOURCES: Tabulated by author from Christopher Jones, Soviet Influence in Eastern Europe (New York: Praeger, 1981), pp. 301-309. Additional references included. Graham H. Turbiville, Jr., "Soviet Bloc Maneuvers: Recent Exercise Patterns and Their Implications for European Security", Military Review 58 (August 1978), pp. 22-23 and Thomas W. Wolfe, Soviet Power and Europe 1945-1970 (Baltimore: Johns Hopkins University Press, 1970), pp. 478-480.

TABLE VIa

LOCATION OF MAJOR WTO EXERCISES 1961-1979

	<u>N</u>	<u>Proportion of Total**</u>	<u>Rank</u>
East Germany	23	.33	3
Poland	24	.34	2
Czechoslovakia	27*	.39	1
Hungary	16	.23	4
Bulgaria	12	.17	5.5
Romania	9	.13	7
USSR	12	.17	5.5
Baltic/Norwegian Sea/Barents Sea	8	.11	8
Black Sea	2	.03	9

*One involved Soviet troops only

**Calculated on basis of 70 maneuvers; see Table V

SOURCE: See Table V

INDEX OF FORCE MOBILITY FOR WTO MANEUVERS, 1961-1979

	<u>Index*</u>	<u>Rank</u>
East Germany	17	1
Poland	16	2
Czechoslovakia	5	5
Hungary	10	3.5
Bulgaria	10	3.5
Romania	3	6

*Difference between proportion of all maneuvers in which a state's forces participated and the proportion of joint WTO maneuvers held in that state.

SOURCE: Author's calculations based on Jones, 1981.

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