



EMBASSY OF THE
UNITED STATES OF AMERICA
Bucharest, Romania

August 8, 1975

~~SECRET~~/NODIS

Lt General Brent Scowcroft, USAF
Deputy Assistant to the President for
National Security Affairs
The White House
Washington

Dear Brent:

I'm enclosing a copy of my verbatim notes of the Presidential conversations. I should correct that by saying that the notes are all verbatim except for the conversation on the train going up to Sinaia on August 3 when neither Celac nor I took notes. There's also a summary of a conversation the Secretary had with President Ceausescu over lunch. I've used a NODIS designation for these conversations (with the exception of one LOU/LIMDIS portion of the former) as well as the one on the Middle East.

I'll be working next week on final editing of the June conversation and as we agreed will send it on to you.

You will see that on both the Korean and PLO matters there is a possibility of further exchanges. Along the lines of what we discussed when I saw you in June, I hope you can keep me posted if things are handled through Bogdan. I don't really need to know the substance of such exchanges if they do not bear that directly on our concerns here but I do think I need to be kept informed previously that such exchanges are about to take place and then that they have actually taken place. You will note at the end of the memo on US-North Korean Relations, and the one on the Middle East that I refer a brief discussion between the Secretary and President Ceausescu. Both subjects were actually mentioned at the same time but for clarity's sake and so as not to complicate NODIS distribution problems I've separated the comments and repeated them verbatim with appropriate substitutions of geographical area at the end of each memorandum.

Best regards,

Harry G. Barnes, Jr.



*18 Copies of the notes
have gone to Hal and
Art also.*

Encl

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DECLASSIFIED
E.O. 12958, SEC. 3.5
STATE DEPT. COMBUSTIBLES, State Review 12/2/03
BY Julia, MARA, DATE 12/14/03

~~SECRET/NODIS~~

MEMORANDUM OF CONVERSATION

August 2-3, 1975

President Ford/Secretary Kissinger/President Ceausescu

Pages 1-11	SECRET/EXDIS GDS	August 2, 1975 7:00 - 8:10 p.m. Council of State
Pages 12-15	CONFIDENTIAL/NODIS XGDS-1	August 3, 1975 9:00 - 10:25 a.m. Bucharest-Sinaia Train
Page 16	LIMITED OFFICIAL USE/ LIMDIS	August 3, 1975 9:00 - 10:25 a.m. Bucharest-Sinaia Train
Pages 17-27	SECRET/NODIS XGDS-1	August 3, 1975 11:45 a.m. - 1:00 p.m. Peles Castle, Sinaia
Page 28	SECRET/NODIS XGDS-1	August 3, 1975 Lunch Peles Castle, Sinaia
Pages 29-34	CONFIDENTIAL/EXDIS GDS	August 3, 1975 4:00 - 4:40 p.m. Sinaia-Bucharest Train

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STATE DEPT. GUIDELINES, State Review 12/2/03
BY lab, NARA, DATE 12/2/03

~~SECRET/NODIS~~

August 2, 1975

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Nicolae Ceausescu, President of Romania
Manea Manescu, Prime Minister
George Macovescu, Foreign Minister
Sergiu Celac, Interpreter

President Gerald R. Ford
Henry A. Kissinger, Secretary of State
Harry G. Barnes, Jr., Ambassador - Interpreter

DATE AND PLACE: August 2, 1975, 7:00 - 8:10 p.m., Council of State

(While the photographers were still taking pictures, President Ford said to President Ceausescu that he hoped President Ceausescu would be able to come to the United States again on an occasion when it wouldn't be necessary just to work but when he would also have time to relax. President Ceausescu replied that he would like very much to be able to do that.)

President Ford: As we said before, we are overjoyed with the opportunity to expand our trade. It is of great benefit for each country and you have been very helpful.

President Ceausescu: I should like to wish you once more a warm welcome to Romania and I consider that the relations between our countries have indeed developed very well and through the entry into force of the commercial accord our trade will increase considerably more. As a matter of fact, we have now a number of agreements, a good legal framework, and a good spirit. I have received tens of telegrams from heads of American firms and for that matter from Members of Congress expressing their satisfaction with the entry into force of the commercial agreement.

Of course the essence of the problem from now on is for Romanian enterprises and American firms to act in such a way as to take advantage of this agreement which provides a good legal base. So far as the

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governments are concerned, a lot has been accomplished. There are, to be sure, some other matters which can be settled in the future. Some as a matter of fact are rather more on the unilateral side as far as the United States is concerned, as for example, the granting of generalized preferences. We can't of course grant such preferences to the United States. Secondly, in principle we have already agreed on a long term economic cooperation agreement.

Then too we should encourage the reaching of agreements in scientific and cultural fields which are already under study or in some cases actually being negotiated.

I want to tell you that in my view we have indeed reached a whole range of agreements and with the entry into force of the trade agreement we have created extremely good conditions, conditions which are very advantageous for us both. As a matter of fact, as I was saying to some of my colleagues today, we've got to the point where we really don't have anything much to ask the United States for now on a bilateral basis.

- President Ford: We only ask for your friendship, Mr. President, and your leadership in helping to carry out the agreements we concluded yesterday in Helsinki.
- Secretary Kissinger: On the matter of the long term agreement, Mr. President, we had held up on this so there would be no confusion in Congress with MFN. Now that it has passed there's no difficulty with the long term economic agreement on which we have agreed in principle.
- President Ceausescu: So we can finish off these bilateral problems, I hope that in the framework of these good relations we can work, taking into account the situation of Romania as a developing country, both in the area to which I have referred as well as that of credits, in the latter respect of course within the framework of existing American legislation.

President Ford: Are you speaking of Ex-Im or other financial institutions?

President Ceausescu: It seems to me that as far as Ex-Im is concerned things have been more or less clarified.

President Ford: Yes.

President Ceausescu: I am really thinking of the American practice, which is not at all a bad one, of granting long term low interest credits.

President Ford: You're speaking then of those for under-developed countries.

Secretary Kissinger: Concessional loans. That is something linked to Romania's stage of development. We have looked into this before and found that it has always been difficult to arrange. There are Members of Congress who would in all likelihood want to deny credits on the grounds that Romania is not at a stage of under-development for which development loans were designed. We can support Romania in the World Bank and can encourage the Ex-Im Bank and can also encourage private investment but that of course is not on concessional terms.

President Ford: Are there any American banks operating in Romania such as Chase?

Secretary Kissinger: We arranged a loan three or four years ago for Romania through David Rockefeller.

President Ceausescu: I think that perhaps we might be able to be successful once more with Congress if this credit question were raised in such a way as to be tied in with some specific objectives, say something in agriculture, land reclamation, prevention of floods, navigation, irrigation, some direct connections, not just general untied loans. Something that would be accomplished through tying to some concrete actions.

Secretary Kissinger: Now that the President has handled Senator

Jackson so successfully, he's ready to take on the Congress again. He really treated you as terribly as he has treated us.

- President Ford: In fact he has said nicer things about you than about me.
- President Ceausescu: I told him with the sort of speeches he was making he could hardly be a successful candidate for President. Perhaps this helped.
- Secretary Kissinger: We can look at the agriculture development aspect.
- President Ford: Are you thinking of agricultural equipment like combines, something to spur production?
- President Ceausescu: Irrigation, land reclamation, drainage, flood control.
- President Ford: This kind of project would seem to be more than anything else likely for the World Bank.
- Secretary Kissinger: We now have in our aid activities a program that seeks to promote agricultural development but we have never considered that for Romania.
- President Ford: We'll look into it.
- President Ceausescu: As for the rest, we'll do everything to have the best possible results so that we can assure extension of our cooperation to the widest possible extent in the economic field.
- Secretary Kissinger: Our general policy, Mr. President, is to keep Romania two steps ahead of other Eastern European countries in our relations. Many Eastern European countries came to us at Helsinki with proposals to improve their relations with us. It is up to you to make suggestions regarding maintaining Romania's relations with us so they stay ahead. You can make suggestions through our excellent ambassador here or yours in Washington. Of course the Foreign Minister may well come to New York this fall and make an anti-

imperialist speech and then he'll probably come around and get in touch with me and make some suggestions for doing something for Romania.

President Ceausescu: But you have spoken in favor of getting rid of the old state of things and instituting a new order.

Secretary Kissinger: That's correct.

President Ford: I probably had more heads of government at Helsinki who talked to me from the East than from the West.

President Ceausescu: This means that you have an advantageous position in the East. In any case it's no reason for you to be annoyed when people start talking in an anti-imperialist way since these are questions which have a larger applicability.

Secretary Kissinger: Having Romania in the United Nations is not our biggest problem.

President Ford: When we are on the train trip tomorrow, which we are looking forward to, we ought to have an opportunity to discuss problems other than those brought up today.

President Ceausescu: Of course. As far as European problems are concerned there was so much talk at Helsinki that any other words now wouldn't have all that much importance. What is important will be to see what can be accomplished, what each country will do to carry out what was declared and signed.

President Ford: I have the impression, though I may be over-optimistic, that there will be honest efforts to live up to these words. After all, in two years there will be the periodic accounting. I think you'll see done what was promised.

President Ceausescu: I'm by nature an optimist but this time I'm not really all that optimistic. The problems which need to be solved are very serious ones and they require solutions, some of

which go beyond by a great deal what was signed in Helsinki. To be sure, if I were to mention economic problems but we can discuss them later. Rather, with regard to some of the other problems concerning Europe, they are really quite serious. Of course I have already had the occasion to touch on some of these with Dr. Kissinger but I would like to use this possibility to share with you a few of my thoughts if you are agreeable.

President Ford: Please.

President Ceausescu: In the first place, 30 years after the war Europe is still living under armistice conditions. The document we signed at Helsinki and for that matter some of the statements made there were intended to say we should continue to live in the spirit of the Potsdam Agreement until peace is concluded. This of course implies that those who were victorious in the war, and this has to do with all the rights regarding Berlin, have the right to intervene in places where there is no peace treaty at any time they feel like it. There are of course certain understandable rights but there are also very great risks. I don't think it's a secret from anyone that there are very few Germans who approve of this state of things or are in any way enthusiastic about this situation. Hitler as you know came to power thanks to the situation which was created for Germany as a result of the first World War.

President Ford: That's right.

President Ceausescu: There is a certain existing situation, there is a certain correlation of forces now on a worldwide scale, but this situation will not be eternal nor in my opinion will even last that long. Of course I'm not saying anything new to Dr. Kissinger. What I'm telling you now is that although there is a very clear situation today where the United States and the Soviet Union both control the major military forces including nuclear armaments,

even that situation is not immutable. Anyway, in order to solve this problem, to do away with this situation, to achieve a peace treaty, requires putting every state involved on an equal footing including Germany. This it seems to me is one of the problems which it will be essential to be solved for the future of Europe. You know in recent years how quickly many situations have changed with what great rapidity.

- President Ford: Would you suggest that these problems be solved on a bilateral or broader basis?
- President Ceausescu: To be sure, in the first instance they need to be solved by the four powers and the Germans themselves because first of all the four powers are tied in by the Potsdam treaty with the situation in Germany proper.
- Secretary Kissinger: Could I ask the President what problems worry you most in Europe. You were saying just now the situation might change.
- President Ceausescu: You know very well some of the changes that have taken place even in Europe in the relative positions of different states. To continue to live under the aegis of the Potsdam treaty means the risk of intervention at any moment. This is the essential problem.
- Secretary Kissinger: You would like a solution to the German problem.
- President Ford: Unification?
- President Ceausescu: Yes. But now a treaty of peace.
- Secretary Kissinger: A peace treaty for Germany?
- President Ceausescu: Getting rid of the Potsdam status and the achievement of a normal state of affairs in Europe which would exclude such a right of intervention in the internal affairs of other states.
- Secretary Kissinger: What about with regard to Berlin?

President Ceausescu: In the context of a peace treaty a solution would have to be found for Berlin. So long as this will depend on the good will of the four powers any one of which could take the initiative to intervene whenever it believed it was entitled to do so. I note that many others as well as you yourself mentioned in their declarations at Helsinki that they agreed with the right of assigning a special status in Germany and Berlin to the four powers.

Secretary Kissinger: We made them.

President Ceausescu: It seems to me others did as well.

President Ford: Yes.

President Ceausescu: Without a doubt preservation of this state of affairs means maintaining a permanent lack of security and constant danger of tension in Europe.

Secretary Kissinger: What terms would be in such a treaty?

President Ceausescu: It's difficult to say now what provisions there might be. In the first place, one has to arrive at the realistic conclusion that it is time to put an end to this sort of situation. The peace treaty should do away with any sort of rights of some states over other states. Granted I'm not talking about the Leninist slogan of no annexations or reparations. That belongs to the past. But a peace, even with reparations and territorial changes, that would still be just.

Secretary Kissinger: In the humanist tradition?

President Ceausescu: I prefer to say the realist tradition.

Secretary Kissinger: I wanted to ask the President what he thinks will happen to Tito. That is if Tito is mortal. I'm not saying this as a fact but as an hypothesis.

President Ceausescu: To be sure, President Tito has given his own answer to this question several months ago. Yugoslavia has enough political strength to assure the necessary continuity.

President Ford: Don't you think there might be foreign intervention?

President Ceausescu: I think that what was signed at Helsinki will exclude any type of intervention.

President Ford: But the Soviets have that habit already.

President Ceausescu: I think that any direct intervention is hardly conceivable. It would meet extremely strong resistance. No one would accept this sort of thing.

Secretary Kissinger: But might not one side ask for outside intervention?

President Ford: Is there a force strong enough to have continuity of a national government?

President Ceausescu: I think that there exists the force to assure this. A trial of strength couldn't succeed and so this can hardly be envisaged. Granted there are different ways of influencing things both economic and political.

Secretary Kissinger: We give great importance to the territorial integrity of Yugoslavia and its independence.

President Ford: I thought that Tito looked extremely well.

Secretary Kissinger: He's 83.

President Ceausescu: Of course I believe that it's necessary that Yugoslavia maintain its independence and unity and that settlement of its problems with its neighbors be assured in order to avoid any kind of tension between them.

President Ford: Do Romania and Yugoslavia have any serious political problems?

President Ceausescu: No, we have extremely good relations. No problems at all. They have some problems with the Italians. It would be indeed very good if they could reach some agreement in order to improve the state of things.

Secretary Kissinger: The Italian army is not really the most terrifying in Europe.

President Ford: I gather, Mr. President, that is I have the impression that you were using the Yugoslav problem or situation as an illustration as to how there might be prevention of intervention from outside forces when internal problems take place.

President Ceausescu: Yes, Yugoslavia and other countries in Europe. But to come back to the German problem, maintaining the present situation can justify any kind of intervention. The Turks, for example, based their intervention in Cyprus on the 1956 agreement through which the situation in Cyprus was supposedly guaranteed. I know that this question (of rights of intervention) is often discussed there in the United States but I believe that a review of your position will bring you to the conclusion that more needs to be done for achieving peace in Europe, that United States interests will not be adversely affected.

President Ford: We would welcome real peace in Europe.

Secretary Kissinger: I think I understand what you are getting at and why you do not favor anything like this for the use of the superpowers. As for us, we will not make use of the right to intervene. Still, it's difficult now to arrange something, speaking frankly, which would not lead to our withdrawal from Europe, whereby the freedom of European countries will not be affected. Many of our arrangements depend on transit rights to East Germany. I understand what you are after but it is hard to arrange.

President Ford: You have raised, Mr. President, as I interpret it, a very serious, very fundamental problem that has broad implications. I would like to talk to the Secretary tonight or tomorrow and maybe continue our discussions because I feel they are extremely important. I would

like to understand this more clearly and get the Secretary's observations before we get another opportunity to talk about this.

President Ceausescu: Of course, I just wanted to mention while raising these questions I didn't have in mind a ready-made solution that would be too hasty. Still, over the next one or two years it is a problem that must find some solution. It's a problem about which we need to think a lot. It could happen that we would be caught by surprise without any solutions or even any ideas.

Secretary Kissinger: That's right. We should not be taken by surprise.

(The group all rose at this point and moved toward the exit.)

President Ford: We need to have as many alternatives as possible.

CONFIDENTIAL/NODIS

August 3, 1975

MEMORANDUM OF CONVERSATION*

PARTICIPANTS: Nicolae Ceausescu, President of Romania
 Manea Manescu, Prime Minister
 George Macovescu, Foreign Minister
 Sergiu Celac, Interpreter

President Gerald R. Ford
 Henry A. Kissinger, Secretary of State
 Harry G. Barnes, Jr., Ambassador - Interpreter

DATE AND PLACE: August 3, 1975, 9:00 - 10:25 a.m., Bucharest-Sinaia Train

President Ceausescu began by saying that after the CSCE conference it was necessary to think about what problems needed to be tackled next. In his opinion, disarmament was such a problem. The President asked what opinion President Ceausescu had about the MBFR talks, President Ceausescu said "not much." The sorts of reductions being discussed, on the order of 20-30,000, were of a kind which could be achieved just as well through more efficient organization of any army. In addition, it wasn't really a question of numbers of soldiers, but rather of armaments, fire power, and in the first instance the US and the USSR. To take an abstract example, even with numbers, it wasn't right for reductions to be applied across the board, with Romania and Holland being subjected say to the same 10% reductions that would apply to the Soviets and Americans. The Secretary asked why this wasn't fair, and President Ceausescu replied that for the US this meant 200,000 troops and for the Soviets 300,000, but it still left their basic strength intact. The Secretary asked what 10% would mean for Romania, to which President Ceausescu replied in the order of 20,000. The element of fire power was what counted anyway. President Ford asked if what really bothered Romania wasn't 10% but what would happen when things got to 50% or 60%. This is exactly right, President Ceausescu said, and then went on to say that what counted, so far as troops were concerned, was not a transfer from say Czechoslovakia to Hungary of a couple thousand men but withdrawals. The Secretary said he wondered whether Romania really

*Notes were not taken by the interpreters during this conversation.

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XGDS-1

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wanted US troop withdrawals given the fact that the continued presence of American troops in Europe was useful for preserving equilibrium on the continent from the standpoint of Romania and in particular Yugoslavia. President Ceausescu said he wasn't talking about US troop withdrawals but about real reductions which should be balanced and under adequate control. What was needed was a mechanism for ensuring both reductions and control. As a matter of fact, he noted, the Chinese have done more than anybody else to bring about troop reductions in Europe by obliging the Soviets to move substantial troops to the Chinese border. The Secretary recalled that there are about 44 Soviet divisions there now and that whenever he mentions their "northern" ally to the Chinese, they tremble, not from fear of course.

Returning to the subject of disarmament, President Ceausescu said that one error that some countries, including the United States, make at times is to ignore the role of small less developed states. So long as the major nuclear powers make no real steps toward nuclear disarmament, the danger exists and will increase that any number of smaller countries will try to acquire nuclear weapons - countries in the Middle East, Asia or even Latin America like Brazil. The Secretary noted that the Indians may be in that category though they are so very moral and pacifistic. They're not all that pacifistic, replied President Ceausescu. In any event, these same countries could also develop chemical or biological weapons which are cheaper and may well be more destructive.

President Ceausescu then brought the conversation back to Europe and remarked that he would be involved before long in what would in effect be a follow-up conference to CSCE - the conference of European communist parties. It could well turn out to be even more important than CSCE itself because at it would be decided whether a communist party in say Italy or France could have its own policies or would have to take orders from outside. The President asked what attitude President Ceausescu thought such parties would take. He replied that the Italian and Spanish parties, from all he knew of their leadership, would not accept outside dictation. With regard to the Portuguese party, President Ceausescu observed it was hard to say, but the military leaders he had met, including President Costa Gomes, were definitely committed to a policy of independence. In response to the Secretary's asking where and when the conference would take place, President Ceausescu said probably in November and probably in Berlin. (After the conversation broke up Ambassador Barnes asked President

Ceausescu whether he really thought agreement could ever be reached on a document to be submitted to the conference. President Ceausescu replied that eventually there would be one on the same consensus basis as used at Geneva for CSCE. In any case, he was not looking forward with any great enthusiasm to this conference but Romania would definitely participate.)

Prior to that will be the CEMA (COMECON) summit conference called to discuss integration. When the Secretary asked what would be Romania's position, President Ceausescu said it was clear - they were against it. What about the other countries in COMECON, asked the Secretary. Some of them have reservations but they'll go along, said President Ceausescu. In fact the Poles are one of the strong supporters of the plan, as are the Bulgarians. The Secretary interposed "Then you'll be isolated." "It won't be for the first time," said President Ceausescu.

The Secretary then remarked how several of the Eastern European countries had talked to US representatives at the Helsinki conference about improving their relations with the United States, and asked what would be President Ceausescu's advice as to how the United States should treat them - in what order for example after Romania of course. President Ceausescu reflected for a while and then said he thought it was worthwhile trying to improve relations with them all. The President recalled that the Bulgarian representative at Helsinki had made a particular effort to be friendly, and President Ceausescu noted the existence of good Romanian-Bulgarian relations. After he mentioned that the US had already made a good start with Poland, the Secretary asked about East Germany in view of the fact that we had maintained a certain reserve with them. President Ceausescu said that in the recent past Romanian relations with East Germany had improved considerably. At the same time what the East Germans could do was obviously limited by the Potsdam treaty and they too would always go along with the Soviets. Ambassador Barnes mentioned that for that matter all the other European countries in COMECON had Soviet troops on their territory save Bulgaria and this could not help but limit their options. The Secretary said that knowing the Germans he could believe they might succeed in uniting in 15 years. They're romantics. They'll probably set themselves up as teachers of communism to the whole world. President Ceausescu responded that he agreed they would reunite though he wasn't so sure it would happen within 15 years. (At about this point the Secretary picked up the map of Romania which had been brought in at the President's request and a geography lesson ensued which concentrated on territories lost by Romania to the Soviets - President Ceausescu talking about the "restitution" to the Soviet Union of Bessarabia

after World War II and the ceding of Northern Bukovina as "damages" for Romania's having held Bessarabia for 20 years. In fact, he noted, Romania in some ways fared better at Hitler's hands because Hitler turned down Molotov's November 1940 ultimatum to give the USSR a free hand in Romania and Bulgaria which would have meant the Soviets taking a still larger slice of northern Romania. In the context of talking about the differences of railway gauge between the USSR and other countries, President Ceausescu noted that the Bulgarians were urging Romania to build a wide gauge (Soviet type) line across Romania, but the Romanians were not interested.)

The Secretary then asked who President Ceausescu thought would succeed Brezhnev. President Ceausescu said it was just hard to say and the Secretary then asked what he thought about post-Brezhnev Soviet policies, would they be tougher or more flexible. President Ceausescu replied "They could hardly be tougher than they are now." "What about Shelepin?" asked President Ford. Saying "We've had fairly good experience with him," President Ceausescu proceeded to recount the story of the Romanian gold bullion and royal treasure sent to Moscow in 1916 for safekeeping but which has never been returned. Lenin apparently signed a decree in 1918 stating that all would be restored after the establishment of a workers' and peasants' government in Romania. In 1960 the Romanians inquired of the Soviets whether they were yet prepared to believe that such a government had been installed in Romania. The initial Soviet reaction was to deny any knowledge of the gold, but Shelepin subsequently was one of those who was in favor of at least taking a serious look at the Romanian request. The Secretary noted that for someone like Shelepin it's hard to make a comeback once you've lost your power base, and that the ranks of the Soviet leadership is no place for choir boys. President Ceausescu said the truth of the matter is that the whole present Soviet leadership is made up of people who got where they are thanks to Stalin, and only with a change to younger people will there be some real changes in policy.

The Secretary then asked whether Brezhnev had firm enough control to be able to make decisions stick. "On little, unimportant things" responded President Ceausescu, "like - MBFR." What did he think of Brezhnev's health? He said he was of course no doctor, but his own personal view was that Brezhnev would finish the same way Pompidou had. When the President wondered whether Brezhnev was aware of this, President Ceausescu said it was hard to say, citing Pompidou as having announced two days prior to his death that he was in good health.

LIMITED OFFICIAL USE/LIMDIS

August 3, 1975

MEMORANDUM OF CONVERSATION*

PARTICIPANTS: Nicolae Ceausescu, President of Romania
 Manea Manescu, Prime Minister
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President Gerald R. Ford
 Henry A. Kissinger, Secretary of State
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DATE AND PLACE: August 3, 1975, 9:00 - 10:25 a.m., Bucharest-Sinaia Train

Flood Aid

At one point in the conversation, the President, noting some signs of flood damage, told President Ceausescu that the United States would provide some reconstruction assistance. To this the Secretary added there would be some assistance in flood control as well. President Ceausescu said he was very appreciative of these offers.

GSP

Prior to arrival in Sinaia, the President said he wanted President Ceausescu to know that in the context of their talks the previous evening, he was prepared to move on GSP for Romania. He then asked the Secretary whether he thought this ought to be announced in the communique. The Secretary said he felt this subject being essentially an internal US one it should not be handled in the communique and Ambassador Barnes said he believed an executive order putting Romania in the potentially eligible category was the next step.

*Notes were not taken by the interpreters during this conversation.

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STATE DEPT. GUIDELINES

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NARA DATE

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August 3, 1975

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Nicolae Ceausescu, President of Romania
Manea Manescu, Prime Minister
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President Gerald R. Ford
Henry A. Kissinger, Secretary of State
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DATE AND PLACE: August 3, 1975, 11:45 a.m. - 1:00 p.m., Peles
Castle, Sinaia

President Ford: You mentioned earlier you wanted to talk about the Middle East. As you know, Secretary Kissinger and myself have been working a great deal on this and have spent a long time on reassessing our policy in the Middle East. I really would appreciate the opportunity to hear your views as to whether a comprehensive solution or only partial measures are possible.

President Ceausescu: Have you reached a conclusion?

President Ford: We're totally undecided. We have worked closely with Egypt and Israel. I was very impressed by President Sadat with whom I had two very good meetings in Salzburg. Of course I've had a meeting too with Prime Minister Rabin. I wish I could say we were at the point of success on the next step but our feeling is that if some progress is not made the possibility of military conflict escalates.

I had hoped it would be possible to arrange a meeting with President Assad on this trip but regrettably I had a commitment to meet with Prime Minister Miki. In fact I get back to Washington about eight hours before I see him.

Secretary Kissinger: You get back around midnight and see him in the morning.

President Ford: So it wasn't possible to have the opportunity to meet President Assad. He plays a key role. It is my hope I will be able to sit down and talk with him as I have with the other leaders in the Middle East.

President Ceausescu: I agree with your conclusion that if some steps are not taken in the next few weeks the situation will become very serious. One has to understand that both President Sadat and President Assad are subject to certain limitations and the maintenance of this present situation cannot continue much longer. They are, in my opinion, both desirous of reaching an understanding in this problem. No president could accept the maintenance of the present situation and if they cannot secure some progress there exists real danger even in these countries of changes taking place which would lead to still more rigid positions.

President Ford: In Syria as well.

President Ceausescu: In Egypt too.

Secretary Kissinger: Especially in Syria.

President Ceausescu: They both have very difficult economic situations and if no progress is made on the political front it is clear that more intransigent circles will win out.

Secretary Kissinger: That's exactly our view. I presume you know that there are those who are interested in that sort of development.

President Ford: Yes.

President Ceausescu: I have talked with the leaders of both these countries as well as with the Israeli Foreign Minister. A new conflict would bring nothing good for any one of the countries involved, rather it could bring about the presence in this zone of American and Soviet troops and I think that this would not bring any benefit to these two countries, not to mention the process of detente and peace.

Secretary Kissinger: We would not accept Soviet troops in the Middle East.

President Ceausescu: I have to tell you that in the final analysis (their presence) would be accepted on both sides.

President Ford: By whom?

Secretary Kissinger: Between the Soviet Union and the United States.

President Ford: You don't think this is a good idea?

President Ceausescu: It's a very bad one.

President Ford: I agree.

Secretary Kissinger: We put our forces on alert in 1973 when we thought the Soviets would send troops.

President Ceausescu: They'll be asked to come help. It'll be on a legal basis.

Secretary Kissinger: I think, Mr. President, we should make it clear that we will not accept Soviet troops in the Middle East regardless of any legal basis. We have no interest in putting in our own troops.

President Ceausescu: In our judgment, and it is my own judgment especially, if things get to the point of a new conflict the presence of Soviet and American troops in the Middle East will be an accomplished fact.

(Prime Minister
Manescu:

(Foreign Minister
Macovescu:

Mine too.

President Ford: It is a problem, a potential problem, but we'd be very firm in meeting any action taken by them.

President Ceausescu: Therefore the problem is how to reach a solution which would prevent a new conflict.

President Ford: That's exactly the point I was going to make. It is more urgent than ever to get some progress toward a solution to avoid war between Israel and the Arabs and a possible conflict between the United States and the Soviet Union.

Secretary Kissinger: I think Romania's Arab friends have to understand one thing. You, Mr. President (to President Ford), are moving at maximum speed toward a better understanding of the Arab position but if the Arabs threaten us with the Soviet Union we have no choice but to side with Israel and we will not permit the Soviet Union to enter anywhere that threatens our oil supplies. They have to understand this. Sadat understands, Assad usually does, but whether Arafat does I'm not so sure.

President Ceausescu: I think that things have to be looked at slightly differently. It's difficult to accuse the Arabs.

Secretary Kissinger: I agree.

President Ceausescu: They have come to the conclusion that they need to secure a peace through which they would recognize the existence of Israel.

Secretary Kissinger: That is very important.

President Ceausescu: It's a unique opportunity.

President Ford: I agree. My meeting with Sadat was very good. He said it and I believe he meant it and I understand from Secretary Kissinger that the same applies to Assad.

President Ceausescu: You know I can't be accused of having an anti-Israeli position.

Secretary Kissinger: That's true. Romania is the only country in Eastern Europe which has diplomatic relations with Israel. All the others broke them.

President Ceausescu: But still Israel is the one which has to understand that its present policy cannot continue.

President Ford: We have stated this very emphatically.

President Ceausescu: I have discussed this situation with tens of leaders of states on all continents including those which today have good relations with Israel and all have told me that they do not support this Israeli policy and will not defend it. You know this yourselves.

Secretary Kissinger: Yes.

President Ceausescu: It's necessary, though, when there exist these conditions, namely that there can be achieved a solution which would guarantee the sovereignty and integrity of Israel, to move toward this solution.

President Ford: We're working very hard in that direction at some political risk to myself in the United States. I may have to call, Mr. President, on those 500,000 Americans of Romanian descent you mentioned to help against the three million Jews in the United States.

Secretary Kissinger: I think it's six million.

President Ford: Yes, six million.

President Ceausescu: I think that if one were to explain things even better to the American people, even those six million would realize that this Israeli policy is not to the advantage of the United States nor of Israel nor of peace.

Secretary Kissinger: But what the President is doing - there has never been a president who has pursued so consistently a policy of evenhandedness between Israel and the Arabs. It is an entirely new political approach.

President Ford: We don't talk much about it but that's what we're carrying out.

Secretary Kissinger: Never in the past was it this way. There was always a separate Israeli man in the White House with access to the President.

This is the first time the President and the Secretary of State are without any other intermediary. This is a major factor for the Arabs. If the Arabs continue to be patient, and I have no complaint on this score, we can turn the situation around in America as you have described.

President Ceausescu: First of all, as far as the Arab countries are concerned for them time is extremely important. They have indeed a time limit because of internal conditions.

President Ford: I recognize this.

President Ceausescu: Even something more in the way of a partial solution would consolidate considerably the possibility of those forces which are for a political solution in Egypt and Syria. On a more general level I think that American and international public opinion is in need of being better informed, having things better explained, why there need to be new changes in policy in the Middle East.

President Ford: May I make a point - there are politicians in the United States who are seeking to advocate policies and urge actions that would handicap a solution. They want to appear strong but if they should prevail in the next elections the possibility of a solution without war would be much much less. I could name names but that would not be appropriate.

President Ceausescu: I want to tell you honestly my frank opinion with regard to this remark you've just made. I think that they all want to present themselves as tough but when it gets right down to it they would not pursue a policy other than the one which you are pursuing now.

Secretary Kissinger: Exactly.

President Ford: In order to achieve what we want, it does require some reasonable flexibility on the Arab side so we can make headway. I want headway on a fair basis.

President Ceausescu: I think they are even more flexible.

Secretary Kissinger: I agree with President Ceausescu. People who claim they have alternatives will be driven back to his (President Ford's) policy by reality. But in the interim they can do so much damage so that a situation such as you described could happen. I agree if there is another war the Soviets will send troops and we will have to. That's why we want to prevent a war.

The only issue is whether the President's policy will prevail without war or with war if his opponents win.

President Ceausescu: You see, I think, that for this very reason things have to be spelled out more clearly so that public opinion will understand what the consequences will be. Granted this may bring about a certain shock, a psychological one, but the situation would then be understood fairly quickly and in any case this is better than a military shock.

I believe too now that the United States needs to take its own actions with help from international public opinion and help from other countries through diplomatic and political action. Bearing in mind that I think I have fairly good relations with Dr. Kissinger, I would like to tell him that this last spring one of the reasons which led to the failure of his negotiations was that this support from other countries was neglected as a factor and it could have helped a great deal.

President Ford: I would agree with you, Mr. President. May I offer a word of reasonable caution. Violent actions, incidents which inflame public opinion, are not helpful. Some moderation in this area is of vital importance.

President Ceausescu: I'm for moderation. That's why I'm upholding the necessity to mobilize public opinion to help on this. Public opinion has to understand what's happening.

President Ford: I agree. That's my problem. As Secretary Kissinger knows, we are making maximum efforts to achieve moderation.

President Ceausescu: In 1970 I was in the United States. It was still the period when the Vietnam war was in full swing and it wasn't exactly easy to speak out in the United States against this war even to Dr. Kissinger. I had a discussion at an international club, the Foreign Policy Association in New York, and I talked as is my habit very openly - on this occasion against this war which I said ought to be ended and I got a lot of applause. So, if you tell the American public the truth it understands. It's not the way it is in some other places.

President Ford: Mr. President, I would be dishonest to sit here and not say that I was more hawkish than Secretary Kissinger. He was a dove compared to me. In the future I feel strongly that strength is the way to deter wars.

President Ceausescu: What sort of a dove was he?

Secretary Kissinger: I think you are right, our public opinion can be turned around but we have to bring into phase our public opinion with the Congress. If not they will do something very similar to what they did to Turkey and make it impossible to make progress. We are very sympathetic to the moderate Arabs and recognize they have shown great patience. We hope to make some limited steps in the near future. We have to manage public opinion - others can help - to come to bear on Congress. Otherwise it's an insoluble problem.

President Ceausescu: I think too it would be necessary to provide a more active role for other countries' political and diplomatic efforts precisely in the area of supporting the actions undertaken by the United States.

President Ford: It would be helpful.

President Ceausescu: I've already told you that a permanent overall solution needs to be considered but an interim solution is possible. In fact it is perhaps even more compellingly necessary, because I realize that it will take a certain period of time in Israel to get to a state of understanding the situation and this is probably the case in the United States as well. But this interim solution is essential in order to create the conditions in the Arab countries to continue these negotiations.

President Ford: We agree.

President Ceausescu: A second problem is that of the Palestinians. I think that it's a mistaken and outworn concept, the idea that they would be opposed in some way or other to detente or consolidation of peace in the Middle East. I think in the first place the United States needs to talk to the Palestinians more directly. They, as far as I know, are interested in this themselves and you also ought to advise the Israelis to enter into contact with the Palestinians. Whether they like it or not they live and will live there together, both of them, and they have to get to the point of understanding this.

President Ford: You mean the Israelis should talk with Arafat?

President Ceausescu: Of course.

Secretary Kissinger: You think they would talk directly with the Israelis?

President Ceausescu: Yes.

Secretary Kissinger: Quite frankly, our problem with the Palestinians - there is something in the air of Palestine that makes people talk. If they could keep secrets but they have no facility for that. Somebody will make it public. It would lead to an explosion at home.

President Ceausescu: Eventually they need to be accepted and some understanding and clarification has to be arrived at.

Secretary Kissinger: There's no question of that. The question is how to have really secret contacts. If that could be arranged, there's no objection in principle.

President Ceausescu: I think that's not impossible.

Foreign Minister
Macovescu: Look at the Vietnamese.

President Ceausescu: They talk less.

Secretary Kissinger: The Vietnamese do keep secrets. They just don't keep their word.

President Ceausescu: They do to some extent.

Secretary Kissinger: But they do keep their secrets.

President Ceausescu: Contacts could be worked out and be kept secret for some period of time.

President Ford: As the Secretary says, such contacts could be constructive but to have them known in the United States would undermine many other efforts.

Secretary Kissinger: We will not refuse to accept a message through a third party.

President Ceausescu: We will of course try to discuss all this some more with Arafat and will let you know what our thoughts are.

Secretary Kissinger: We will be interested.

President Ford: This could be very useful.

President Ceausescu: All my discussions with him have never been made public.

Anyway, I think from the standpoint of public opinion, it would be useful if Israel itself could come forward and make some statement giving some assurances about their willingness to have peaceful coexistence with the Palestinians.

President Ford: This has to be, but there's a lot of ground that would have to be covered before that moment could be achieved.

President Ceausescu: That's true. Perhaps the United States could be more active in this regard in the sense of recognizing the right of the Palestinian people to organize their own future without affecting the integrity of Israel. This wouldn't be criticized by anybody.

President Ford: The integrity of Israel is a major concern, a major commitment as far as the United States is concerned, and that does take into account the legitimate rights of the Palestinians and we do.

(Rising) Why don't we have our discussions on international economic matters on the train?

President Ceausescu: I agree.

Secretary Kissinger: You were thinking of having some staff time.

President Ford: No, I want to see about this matter too.

(Just before the train stopped in Bucharest, President Ceausescu took the Secretary aside and, returning to the question of secret contacts with the Palestinians, suggested that the Secretary let him know when the United States was prepared to move further. The Secretary asked what channel should be used to which President Ceausescu replied whatever channel seemed appropriate, the important thing being to convey the message that the United States side was ready for such contacts. Then, he said, the Romanian side would either send somebody to Washington or the American side send somebody to Bucharest. The Secretary agreed with this suggestion.)

SECRET/NODIS

August 3, 1975

MEMORANDUM OF CONVERSATION *

SUBJECT: US-North Korean Relations

PARTICIPANTS: Nicolae Ceausescu, President of Romania
 Henry A. Kissinger, Secretary of State
 Harry G. Barnes, Jr., Ambassador - Interpreter

DATE AND PLACE: August 3, 1975, lunch, Peles Castle, Sinaia

Over lunch the Secretary asked President Ceausescu his impression of Kim Il-Sung. President Ceausescu replied that his impressions were good and he said he thought it would be to the advantage of the United States to have talks with the North Koreans although he realized we already had some contacts. The Secretary replied that they really were not of any substantive nature. During Kim Il-Sung's visit, President Ceausescu said he had indicated that he was not seeking a military solution to the Korean problem but rather a peaceful solution. The Secretary said that we'd be prepared to receive a secret message from the North Koreans but it would really have to be secret.

President Ceausescu remarked that one thing that was clear about the North Koreans was that they were pursuing an independent policy. They are much worse off than Romania, he said, in that they have four big powers to contend with - the Soviets, the Chinese, the Japanese and the Americans, thanks to American troops in South Korea. The Secretary said he really wondered whether it wasn't better to have more than one big power on your borders. If Romania was in North Korea's situation, President Ceausescu would play the big powers off against one another so successfully they never would know what hit them.

Just before the train stopped in Bucharest, President Ceausescu took the Secretary aside and returning to the question of secret contacts with the North Koreans suggested that the Secretary let him know when the United States was prepared to move further. The Secretary asked what channel should be used to which President Ceausescu replied whatever channel was most appropriate, the important thing being to convey the message that the United States side was ready for such contacts. Then, he said, the Romanian side would either send somebody to Washington or the American side could send somebody to Bucharest. The Secretary agreed with this suggestion.

SECRET/NODIS

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*Notes were not taken by the interpreters during this conversation.

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 BY 1/1/03
 MARA DATE 12/2/03

August 3, 1975

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Nicolae Ceausescu, President of Romania
Manea Manescu, Prime Minister
George Macovescu, Foreign Minister
Sergiu Celac, Interpreter

President Gerald R. Ford
Henry A. Kissinger, Secretary of State
Lt Gen Brent Scowcroft, USAF, Deputy Assistant
to the President for National Security Affairs
(first part of conversation)
Harry G. Barnes, Jr., Ambassador - Interpreter

DATE AND PLACE: August 3, 1975, 4:00 - 4:40 p.m., Sinaia-Bucharest
Train

President Ford: I know you wanted to talk about world economic conditions. How would you like to proceed?

President Ceausescu: I know that the United States is very much concerned with these problems as is Romania - the problems of economic crisis, the oil problem and raw materials. Solutions need to be sought together in our opinion with all countries involved and not only by just a few operating in restricted groups as has been tried. Solutions involving just certain countries of course can be found but they don't get to the root of the problem. In the first place, almost all the socialist countries remain outside these groups which diminishes very greatly the results of any negotiations. In the second place, there remain outside also a number of developing countries which are producers of raw materials and in general there's been a tendency to discuss only the oil problem most of the time. Oil is of course important but it's only one side of the problem of the economic situation. In addition, there will be the special session on these problems. Practically nobody knows what's going to be discussed there.

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E.O. 12958, SEC. 3.5

STATE DEPT. GUIDELINES

State Review 12/2/03

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President Ford: You mean the UN.

President Ceausescu: There were some attempts at discussions in Paris which didn't produce any results; now there's talk about their being renewed but on the same basis. Therefore it's clear from the very start that the possibility of their obtaining any results is limited.

President Ford: You mean the producer-consumer discussions?

President Ceausescu: Yes. Our concern - we think it is important to work from the basis of tying together energy, raw materials and industrial products. There needs also to be found some price stability for raw materials and energy and industrial products and at the same time in this framework a certain amount of support needs to be given to the less developed countries; because if the gap between the developed and the underdeveloped countries is maintained, it'll be difficult to provide for any real development. The very basis for selling industrial products for that matter is limited in this sort of situation and of course all that flows from this so far as general international relations are concerned. In any case, if these problems remain where they are now, they will lead to many complications and confrontations. In our opinion it would be necessary to create some sort of organ, probably best of all within the UN framework, in which all countries would participate, to work out solutions for all these problems. Of course in the meanwhile there are some partial solutions which can be found but for basic solutions and for even something in the way of economic stability and for some sort of progress, some principles, some norms have to be worked out which would form the basis for all states.

President Ford: Mr. President, I fully recognize that economic problems are equally serious whether they are in a capitalist state or socialist state

because they lead to human suffering and deter or stop progress. I know of course more about the problems of a capitalist country such as the United States than about the problems of this kind in a socialist state. But I can't help but believe that many problems are somewhat similar and therefore I can see why there should be a higher degree of cooperation between capitalist and socialist societies. The United States in the last year has gone through a very serious economic recession. Unemployment has been too high, preceded by inflation that was too high. We've taken strong measures in the United States and, I think, made substantial progress against inflation. We are now convinced our unemployment will get less and less and the economy as a whole in the next twelve months will show signs of improvement. But other capitalist states - France, West Germany, Great Britain - have had the same kind of economic problems as we and they have not yet been as successful as we in meeting these problems.

We do intend to work together because there is an inter-dependence between Europe and North America. I think that, if we can have CSCE in areas where we have agreed, we should explore the possibilities for broader economic cooperation. Of course you will continue to have bilateral cooperation in the economic field by such actions as those we have taken today. It would be our judgment that oil has been a significant contributing factor to the excessive rise in the cost of living and the very precipitous rise in the cost of living has had serious impact on economic problems in the United States, the recession. But oil is not the only villain. Higher food prices created by adverse weather conditions and other reasons have played a role. Now we do feel OPEC, for example, went too far in increasing oil prices. It makes it very difficult for me, for our country which has substantial amounts of grain to be generous and to sell to them when we are

charged far too high prices, many think, by OPEC. With OPEC using oil for its purposes, it's very difficult for me, for the United States, not to use our surplus food in a very direct way in our national interests.

Now we are working as you know with oil-consuming nations to work out with a number of oil producers meetings where these critical problems can be resolved. These talks have now been broadened to include other raw materials and now another group has been set up involving less developed nations.

Speaking of the less developed countries, since my coming to Congress in 1949, the United States has sought to help them with grants of money, technical assistance and credits. We believe that a healthy world depends on the less developed countries having a better life and on narrowing the gap between them and the developed countries and we're working in this group with the less developed countries along these lines. To sum it up, I would repeat one very important word - interdependence. Whether it's a matter of less developed countries, socialist countries or capitalist countries, we live on one globe and our economic welfare and progress are tied in with the underdeveloped countries. Whether we do it by groups, by bilateral approaches or globally, if we're going to achieve human progress and end human tragedy we have to do better than we have done and we are glad to work in all three areas.

President Ceausescu: To be sure, all that you have said is completely justified. There exists an interdependence which is becoming stronger and stronger but bilateral solutions by themselves are not going to solve anything. What the situation calls for is to reach some general understanding on the relationships between raw materials, oil, agricultural products and industrial products. What we're thinking about is to find some sort of an approach preferably within the UN context

and then go on to the working out of some equitable principles and norms to assure a certain stability in the realm of prices and thereby to prevent happening what happened with oil.

President Ford: In 1973.

President Ceausescu: In the second place a program, a more general one, which would take into account the need to solve the problems of the developing countries, some more general form. It is a problem . . .

President Ford: This through the UN.

President Ceausescu: I think the UN is the most appropriate. Of course there will continue to be bilateral agreements but they're not by their nature of the sort to solve the underlying problem of underdevelopment.

What I would like in connection with these problems and taking into account that they will be raised in a month or so, would be that there be if possible some cooperation in this spirit between our representatives and those of other countries including the United States. I must tell you that not even the socialist countries know what sort of position they should take. They're not even really all that ready to act in this direction. I'm thinking of CEMA (COMECON).

President Ford: It might be interesting for Secretary Kissinger to make some observations since he has worked closely with this problem.

Secretary Kissinger: Firstly, we don't believe the problem of development can be solved by confrontation because this creates the illusion that the redistribution of wealth can solve the problem. What we need is a process of growth whereby the fruits of growth can be distributed. So it is very important that developing countries come to the conference in a constructive frame of mind. We are

also going in that frame of mind. You know in our country many feel we should ignore this problem and rely on our economic strength to protect our interests. But the President is not pursuing this course. We are going to make a number of concrete proposals on energy, raw materials and development. We are prepared to join in groups and study each of these problems.

In the field of raw materials, we don't think price stability is the answer, it's not enforceable and besides would lead to limitations on production. Incidentally, the two countries which would benefit the most would be the United States and the Soviet Union. But we are prepared to have income stabilization in which prices can fluctuate but for the developing countries one works out stability of income. This has no benefit for us but stabilization would substitute for economic aid. But we are prepared and will make specific proposals at the special session.

It might be good if we had some of your ideas because Romania could play a constructive role with the less developed countries and keep the debate on a positive level.

President Ceausescu: In this sense it would be good if at the UN there could exist a certain coordination to the extent it was possible.

Secretary Kissinger: I agree. When I'm in New York I'll talk with Foreign Minister Macovescu and I'll have Moynihan get in touch with your people.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Nicolae Ceausescu, President of Romania
 George Macovescu, Minister of Foreign Affairs

President Gerald Ford
 Dr. Henry A. Kissinger, Secretary of State
 and Assistant to the President for
 National Security Affairs
 Lt. General Brent Scowcroft, Deputy Assistant
 to the President for National Security Affairs

DATE AND TIME: Sunday, August 3, 1975
 11:30 a.m. - 1:00 p.m.

PLACE: Peles Castle, Sinaia
 Romania

The President: I know you wanted to talk world economic conditions.
 How would you like to proceed?

President Ceausescu: I hear the United States is deeply concerned about
 the problems connected with the prices of oil and raw materials in general.
 The thing is the solutions should be sought by all countries together, not
 individually or by a few countries. Solutions can be found within a
 smaller group of countries but these are not of an essence to solve the
 worldwide problem. First, the Socialist countries are left outside, which
 is likely to diminish the value of the results. Second, a number of
 developing countries which export raw materials are left out. The tendency
 is to talk only about oil -- that is important, but it is only a part of the
 general economic picture. The United Nations Special Session will be
 devoted to this but no one knows how it will come out. There was an
 attempt to start a talk in Paris, without much result. Now efforts are
 being made for their resumption, but on the same basis, which limits the
 possibility of results.

SECRET/NODIS/XGDS

~~SECRET~~ - XGDS (3)
 CLASSIFIED BY: HENRY A. KISSINGER

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 E.O. 12065, SEC. 3.5
 NSC MEMO, 11/24/88, STATE DEPT. GUIDELINES
 BY hla, NARA, DATE 12/2/03

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The important thing is to discuss the general problem of energy, raw materials and international prices because some solutions are necessary to bring price stability in all three areas. It is in that framework that something has to be devised to give more support to the undeveloped countries. If the gap between the developed and undeveloped countries remains, stability will be difficult. The base for sales of industrial goods becomes narrower if the undeveloped countries can't buy. If things stay as they are, it will lead to many complications.

I think it would be appropriate to establish a body within the UN with all states members to draft solutions for these problems. In the meantime, interim solutions could be employed. To get solutions dealing with the essence of the problem and to get real solutions, new norms for state behavior will have to be developed.

The President: The problems are equally serious in capitalist or socialist states since they deter progress. I know more about the problems of capitalist countries than about socialist countries, but I believe many of the problems in a socialist state are similar so I think a higher level of cooperation would be desirable.

The United States in the past year has been through a very tough situation. Inflation is too high, unemployment is high. Things are looking up now, and at the year's end it will show a good improvement. The other capitalist states -- Germany, France, Italy, Great Britain -- have had the same problems as we, but they handle them.

If we could have a successful CSCE, we should also explore economic cooperation. But we intend to continue bilaterally as we did today. By my judgment, the oil price rise has made a significant contribution to rise of the cost of living and the precipitate rise had a severe impact. It is not the only cause, but it is important. Many people say, "Why should we try to supply grain at a reasonable price when OPEC charges an enormous unjustified price?" OPEC uses oil for its purposes and it is therefore difficult not to use our surplus food directly in our national interest -- whether it be humanitarian or otherwise. We have been working with the other consumers to try to get a meeting with the producers. It has now broadened into raw materials and now another group to deal with the problems of the developing countries. Since the early '50s we have tried to help the developing countries. It is the only way for eventual peace and equality.

To sum up, interdependence is the important aspect for us -- for socialists, for capitalists, and for everyone. The world is interdependent. To achieve progress and end suffering we must do better than we have done.

P/Beausacur

3 Aug 75



P Know you want to talk world wide conditions
How would you like to proceed

C I know US deeply concerned about price movement
of prices of oil & raw materials in general.
The way to a solution should be sought
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NSC MEMO, 11/24/99, STATE DEPT. GUIDELINES, State Review 12/2/03

R: W, NARA, DATE 12/2/03

of indirect goods becomes narrower if
embodied content range of things stay as they are
it will make very complicated. I think
would be going to establish a body within
UN w/ all states members to check solutions
future probs. In transition certain solutions
could be employed. To get solutions dealing w/
a extreme of cost & get real solutions, new
means for state behavior will have to be
devel.

P. F - probs are especially serious in capital or a
transition state since they differ prog. I know
more about capitalist probs than of socialism,
but solution many of probs are somewhat similar.
I think a higher level of cap would be
desirable. The US in past year has ~~proven~~
very ~~high~~ tough situation. Inflation too high,
unemployment too high. Things are being
up and year end will show padding. Other
capitalist states - GB, Fr, It, GS, but
have probs also, but they branch out. If
we could have a ^{successful} CSE, we should also
explore Euro Corp. But not central to
continue ~~but~~ bilaterally ~~and~~ as we did
today. Be very judgment on a sig contribution
to Coh ^{that} & principles had some impact. It not
only cause, ~~but~~ but it important. Many people
say why should we try to supply grain at
reasonable price when Opec changes an Euro un-

justified price. Open use oil for its purposes
& it's oil, not a use our surplus food
directly in our wall interest - whether it be
humanitarian or otherwise. We have working
w/ consumers to try to get out w/ products. It
was based on our materials & our another
group & deal w/ h.o.c.s. Since July 50th we
have tried to help h.o.c.s. ~~It's not~~ It's very
easy for want. ~~peace~~ ~~and~~ equality.
To sum up, ~~the~~ interdependence is a important
aspect - socialist, capitalist, etc. The world is
interdependent. To achieve peace & equality we must
do better than capitalism.

c