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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.

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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.

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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 trying to some concrete actions.

Secretary Kissinger: Now that the President has handled Senator

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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-

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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

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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,

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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?

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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.

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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.

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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

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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.