SENSITIVE

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SITUATION LISTING

DATE 07/07/84//189

SITUATION: PRIVACY
SUBJECT CATAGORY: IN

MESSAGE / ANNOTATION:
MESSAGE:
EIA181
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DE #0914/1 2641322
ZNY MMNSH

DOS Review Completed.

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

O 211117Z SEP 83 ZFF4 FM AMEMBASSY VIENNA

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S E C R E T 211310Z SEP 83 VIA PRIVACY CHANNELS FM: VICE PRESIDENT BUSH 914 SSECTION 1 OF 6

TO: JUDGE CLARK, FOR THE PRESIDENT SECRETARY OF STATE/SHULTZ

DIRECTOR CIA/CASE

INFO: WHITE HOUSE OVP

SUBJECT: MEETING WITH PRESIDENT CEAUSESCU SEPTEMBER 18. 1983

- 1. I HAD A FASCINATING FOUR-HOUR PRIVATE MEETING WITH PRESIDENT CEAUSESCU AT HIS RESIDENCE ON SEPTEMBER 17. THE MEETING STARTED AT 5:00 AND ENDED AT 9:00 IN THE EVENING. DAN MURPHY WAS PRESENT ON OUR SIDE AND THEIR FOREIGN MINISTER, STEFAN ANDREI, WAS THERE ON THEIR SIDE. THEY ALSO HAD AN INTERPRETER AND A NOTETAKER.
- 2. WHILE REPORTERS WERE IN THE ROOM IN THE BEGINNING, I PRESENTED YOUR LETTER. AFTER THE REPORTERS LEFT, THE TRANSLATOR READ YOUR LETTER TO CEAUSESCU. HE THANKED YOU FOR THE MESSAGE AND THE GREETINGS, AND SENDS HIS BEST WISHES TO YOU AND THE AMERICAN PEOPLE. HE MENTIONED THAT HE SHARES YOUR IDEAS ON ROMANIAN/US RELATIONS. I STARTED THE MEETING BY NOTING HIS INTEREST AND INSIGHT INTO INTERNATIONAL MATTERS AND SUGGESTED THAT WE DISCUSS ITEMS LIKE THE MID-EAST. I ALSO TOLD HIM I HAD SOME NEWS FOR HIM ON BILATERAL ISSUES AND LISTED: (1) THE EXPORT-IMPORT BANK DECISION TO PROVIDE CREDIT FOR THE NUCLEAR POWER PLANT; (2) CCC CREDITS FOR ROMANIA; AND (3) THE FISHERIES AGREEMENT WHICH WE WERE READY TO NEGOTIATE. HE RESPONDED BY SAYING, "LET'S TAKE THE BILATERAL ISSUES FIRST."
- 3. HE WENT OVER THE HISTORY OF OUR ECONOMIC RELATIONS GOING BACK TO THE '70'S AND RECALLING NIXON'S VISITS TO ROMANIA. HE SAID TIMES WERE TENSE IN THE WORLD THEN ALSO. THERE ARE NO SPECIAL ISSUES BETWEEN US EVEN THOUGH WE HAVE DIFFERENT SYSTEMS. NO REAL PROBLEMS NOW TO HINDER IMPROVEMENTS IN OUR RELATIONS. THE DIFFERENCES IN OUR SOCIAL SYSTEMS ARE NATIONAL OPTIONS AND

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MESSAGE / ANNOTATION: SHOULD NOT STAND IN THE WAY. HE FEELS THAT OVER THE PAST TWO

YEARS OUR RELATIONS HAVE SLIPPED. HE ADMITTED ONE REASON WAS THE ECONOMIC INTERNATIONAL SITUATION, BUT IN ADDITION THERE WERE SOME RESTRICTIVE MEASURES BY THE UNITED STATES THAT CAUSED THIS SLIPPAGE. WOULD LIKE TO PUT THIS BEHIND HIM NOW AND RENEW WWITHE OLD ECONOMIC RELATIONS. ON THE EMIGRATION QUESTION, HE SAID THAT WHEN THE JACKSON AMENDMENT PASSED IT REFERRED TO JEWS EMIGRATING TO ISRAEL. THIS IS NO LONGER A PROBLEM. THERE ARE TWENTY THOUSAND JEWS IN ROMANIA. MORE JEWS CAN DEPART ROMANIA IF THE US DESIRES IT. OF COURSE THIS IS A LONG-TERM PROSPECT. THIS SHOULD NOT STAND IN THE WAY OF IMPROVED ECONOMIC RELATIONS. ON THE EXPORT-IMPORT BANK, HE NOTED WHAT I HAD SAID. HE TALKED ABOUT PROBLEMS WITH GENERAL ELECTRIC, CLAIMING THAT THE DIFFICULTIES WERE CAUSE BY HIGH INTEREST RATES. HE FELT THE EARLIER EXPORT-IMPORT BANK STEPS WERE UNJUSTIFIED AND HE EMPHASIZED THAT HE WANTED TO KEEP HIS NEW ARRANGEMENT WITH GENERAL ELECTRIC (I THINK THIS PROBLEM IS NOW SOLVED). 5. THEN HE CAME OUT WITH THE SURPRISE OF THE EVENING BY DECLARING THAT HE HAS DECIDED THAT ROMANIA WOULD NO LONGER USE CREDITS. "ALL DEBTS WILL BE PAID AS SOON AS POSSIBLE. THERE WILL BE NO ROMANIA WILL BE SELF-RELIANT." MORE CREDIT. HE SAID HE WAS STARTING A NEW AGRICULTURAL PROGRAM RUNNING AROUND \$8-10B AND IT WOULD BE ACCOMPLISHED BY MEANS OTHER THAN CREDIT ON LOANS. 6. HE THEN TURNED TO THE CCC QUESTION. HE HAS DECIDED THERE WILL BE NO CCC CREDITS IN THE FUTURE. IT WAS QUITE EVIDENT THAT HE WAS SMARTING ABOUT CERTAIN ACTIONS TAKEN BY THE UNITED STATES --SOMETHING TO DO WITH A \$5M SHORTAGE IN THEIR ACCOUNT. HE DIDN'T LIKE THE WAY HE WAS INFORMED AND, IN SHORT, HE'D HAD ENOUGH. HE SAID HE WAS TELLING ME THIS SO THAT OUR FUTURE RELATIONS COULD BE ON AN ENDURING BASIS. HE WANTED TO REMOVE BARRIERS. 7. THE AGRICULTURAL PROGRAM HE REFERRED TO WOULD BE WITH AMERICAN BUSINESSMEN, NAMELY CHARLES VANICK. EX-CONGRESSMAN FROM OHIO, AND SOME EX-AGRICULTURAL SECRETARY, UNNAMED. AGAIN HE EMPHASIZED HE WAS GOING TO DO THIS WITHOUT RELYING ON CREDIT. HE THEN TURNED TO FISHERIES STATING THAT HE IS READY TO START NEGOTIATING. THERE ARE ONLY 5,000 TONS OF FISH AROUND ROMANIA --NOT MUCH. HE APPEARED ANXIOUS TO CONTINUE THE FISHING AGREEMENT. 9. THE NEXT TOPIC WAS TECHNOLOGY TRANSFER. HE EMPHASIZED THAT HE WAS NOT SEEKING ANY TECHNOLOGY TRANSFER. HE EMPHASIZED THAT HE WAS NOT SEEKING ANY TECHNOLOGY THAT WOULD ENDANGER US SECURITY. HE IS OPPOSED TO NUCLEAR WEAPONS AND DOES NOT INTEND NOW TO HAVE SUCH WEAPONS. HE REFERRED TO A JOINT VENTURE HE HAS GOING WITH APPARENTLY THERE IS SOME TECHNOLOGY TRANSFER CONTROL DATA. INVOLVED IN THIS VENTURE. THE TECHNOLOGY TRANSFER HAS BEEN STOP-PED AND HE ASKED THAT WE TRY TO BE HELPFUL IN THIS CASE. HE SAID HE WAS ONLY INTERESTED IN CIVIL ACTIVITIES WHEN IT COMES TO

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TECHNOLOGY TRANSFER.

10. HE THEN RECALLE

10. HE THEN RECALLED HIS AGREEMENT WITH NIXON WHEREBY ROMANIA WOULD REACH A \$1B -XPORT LEVEL WITH THE UNITED STATES BY 1980 AND THEN IN THE OUT-YEARS THE NUMBER WOULD BE RAISED TO \$28. BY 1982 IT HAD REACHED \$1.18B, BUT THE BALANCE IS VERY UNFAVORABLE TO ROMANIA. HE SAID HE WAS HOPEFUL THAT WE COULD REACH A BALANCED LEVEL. HE SAID HE LOOKE FORWARD TO THE JOINT COMMISSION SESSION IN OCTOBER (THIS IS ONE MAC BALDRIGE WILL ATTEND) WHERE ALL THESE MATTERS CAN BE DISCUSSED AND CON-CLUSIONS REACHED. HE WOULD APPRECIATE IT IF PRESIDENT REAGAN WOULD GIVE PERSONAL ATTENTION TO THESE MATTERS AND ENCOURAGE SOLUTIONS. I THANKED HIM FOR HIS RUN-DOWN, TOLD HIM THAT MAC BALDRIGE WAS AN EXPERT ON TECHNOLOGY TRANSFER. I PROMISED TO TALK TO MAC BEFORE HE COMES OVER. 11. I ASKED FOR CLARIFICATION FROM A TECHNICAL POINT OF VIEW ON HIS CCC CREDITS. SPECIFICALLY, I SAID, "ARE YOU SAYING THAT CCC CREDITS ARE NOT NECESSARY?" HE SAID "YES, THAT'S RIGHT. IF WE IMPORT, WE WILL TRY NOT TO USE CREDITS. WHY?--MANY CONGRESSMEN VISITED HERE IN 1981. THEY INSISTED THAT WE #0914 NNNN

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PRIVACY SITUATION: SUBJECT CATAGORY: IN MESSAGE / ANNOTATION: MESSAGE: EIA184 00 #0914/2 2641347 DE ZNY MMNSH 0 2111172 SEP 83 ZFF4 FM AMEMBASSY VIENNA TO /WHITE HOUSE ISTATE DEPT /CIA 7 FM S E C R E T 211310Z SEP 83 VIA PRIVACY CHANNELS FM: VICE PRESIDENT BUSH 914 SECTION 2 OF 6 TO: JUDGE CLARK. FOR THE PRESIDENT SECRETARY OF STATE/SHULTZ DIRECTOR CIA/CASEY INFO: WHITE HOUSE OVP MEETING WITH PRESIDENT CEAUSESCU SUBJECT: **SEPTEMBER 18, 1983** IMPORT AGRICULTURAL PRODUCTS ON SUCH CREDITS. BUTTER. FOR EXAMPLE. SENATOR PERCY WAS ONE OF THESE FROM CONGRESS. I TOLD THEM THAT WE WOULD CONSIDER IT. LATE IN 1981, A PRESS STATEMENT WAS ISSUED FROM WASHINGTON SAYING THAT ROMANIA WAS ASKING FOR THESE CREDITS AND THE US DID NOT WANT TO GIVE THEM. SO I WANT NO MORE." I REPLIED BY SAYING THAT I UNDERSTOOD AND IT WAS FINE WITH US. WE COULD USE THE CREDITS ELSEWHERE. 12. I WILL PASS THIS ALONG TO SECRETARY OF AGRICULTURE --TELL HIM NOTHING IS NEEDED. I ADDED THAT WE RESPECT HIS VIEWS. SOMEWHAT EMOTIONALLY, CEAUSESCU ADDED, "THAT IS RIGHT. EVEN IF WE HAVE NOTHING TO EAT. WE ARE PROUD PEOPLE. TWO THOUSAND YEARS OF HISTORY. FIVE HUNDRED YEARS OF STRUGGLE FOR INDEPENDENCE. I KNOW YOU SHARE OUR VIEWS ON INDEPENDENCE. I READ IT IN YOUR ALGIERS SPEECH. I WANT GOOD RELATIONS WITH ALL, BUT WANT INDEPENDENCE." 13. I REMINDED HIM THAT WE HAVE SEVERAL DEEP FEELINGS AND CONVICTIONS ALSO. THE LAWS OF OUR LAND REFLECT THE WAY AMERICAN PEOPLE FEEL. 14. WE THEN DISCUSSED THE OLD JACKSON-VANICK AMENDMENT A LITTLE. I REMINDED HIM THAT THE REPUBLICAN ADMINISTRATION FOUGHT AGAINST THAT AMENDMENT AT THAT TIME. CEAUSESCU THOUGHT THAT THE SUPREME COURT HAD JUST DECLARED THE AMENDMENT UNCONSTITU-

TIONAL. HE HAD IT MIXED UP WITH THE CHADDOR DECISION (LEGIS-LATIVE VETO). I CLARIFIED THIS FOR HIM AND TOLD HIM THAT IT DID

NOT LOOK LIKE THE CHADDOR DECISION COVERED THE JACKSON-

VANICK AMENDMENT.

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15. CEAUSESCU THEN TURNED TO MFN. HE NOTED THAT AMERICAN BUSINESSMEN WANTED STRONGER QUARANTEES FOR A LONGER PERIOD OF TIME. THEY CANNOT PLAN ON A YEAR-BY-YEAR BASIS. I POINTED OUT TO HIM THAT THIS TIES IN WITH THE SUBJECTS THAT WE HAD DISCUSSED EARLIER LIKE IMMIGRATION. MORE MOVEMENT BY ROMANIA IN THESE AREAS WOULD IMPROVE THE CLIMATE IN THE UNITED STATES FOR PROVIDING LONGER MFN.

16. CEAUSESCU THEN RETURNED TO THE SUBJECT OF CR3DITS. HE SAID HE HOPED TO PAY ALL DEBTS BEFORE THEY WERE DUE. HE EXPECTED NO TROUBLE PAYING BACK AMERICAN BANKERS. NOT ONE DOLLAR OF CREDIT IN THE FUTURE. NO COMPANY WOULD TAKE CREDIT IN THE FUTURE. I TOLD HIM I UNDERSTOOD. AS A BUSINESSMAN, I KNEW WHAT A GOOD FEELING IT WAS TO HAVE ABSOLUTE FREEDOM, MENTIONED THAT WE OWE \$200B TO THE AMERICAN PEOPLE, AND THAT THIS W PWJCRMAGE PRESIDENT AND MYSELF. IT IS TRUE, OF COURSE, THAT THERE ARE NO STRINGS ATTACHED TO OUR DEPTS.

17. I MENTIONED THAT WE EXPECTED DEFICITS TO BE PROJECTED DOWN IN THE OUT-YEARS AND THAT THIS SHOULD BRING INTEREST RATES DOWN. REMINDED HIM THAT THE REAGAN ADMINISTRATION HAD CUT INTEREST RATES IN HALF, BUT AGREED THAT THEY WERE STILL TOO HIGH. NOTED THAT INTEREST RATES WERE DISPROPORTIONATELY HIGH WHEN RELATED TO CURRENT US INFLATION.

18. SUMMARIZING THIS PART OF OUR CONVERSATION, I TOLD HIM THAT PRESIDENT REAGAN AND I FEEL THAT RELATIONS WITH ROMANIA ARE VERY GOOD. WE SHARE HIS ASPIRATIONS. NO ONE IN THE ADMINISTRATION WANTS TO PULL BACK AS FAR AS TRADE WITH ROMANIA IS CONCERNED. MIDEAST

19. I THEN TURNED THE CONVERSATION TO THE MID-EAST. POINTED OUT OUR THREE GOALS: (1) ALL FOREIGN FORCES OUT: (2) A SECURE NORTHERN ISRAELI BORDER; AND (3) A STABILIZED LEBANESE GOVERNMENT. I EXPLAINED HOW THE SITUATION IS COMPLICATED BY OUR MARINES BEING FIRED UPON. I TOLD HIM, "IF A FEW MORE MARINES GET HIT. SOMETHING IS GOING TO HAPPEN." THEN ASKED TO HEAR HIS THOUGHTS. HIS FOLLOWING COMMENTS PROVED TO BE VERY INTERESTING. 20. HE WARNED ME THAT HE WOULD NOT BE DRAMATIC AND THAT HE WOULD NOT AVOID SENSITIVE MATTERS. HE CITED THE HEART OF THE PROBLEM IN LEBANON TO BE THE PALESTINIAN PEOPLE PROBLEM. THE PALESTINIAN ISSUE IS ALSO AT THE HEART OF THE WHOLE MID-EAST PROBLEM. THE ONLY REASON THE TREATY BETWEEN EGYPT AND ISREAL WAS POSSIBLE IS BECAUSE IT ADDRESSED ALL THE PEOPLE IN THE AREA. "YOU HAVE TO START SOLVING THE PLO PROBLEM. NOTHING ELSE WILL WORK. NOTHING ELSE IS VIABLE. OTHERWISE YOU WILL SEE GROWING ANTI-AMERICAN FEELING." HE EXPLAINED A RECENT TALK WITH ARAFAT. IT WAS CEAUSESCU'S VIEW THAT THE US WAS IGNORING ARAFAT AND PLAYING GAMES WITH THE ISRAELI GOVERNMENT. "YOU HAVE TO BRING ISRAEL TO REALITY BY SOME SHOCK." HE HAD TALKED TO ISRAELI

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SITUATION: PRIVACY SUBJECT CATAGORY: IN

MESSAGE / ANNOTATION: POLITICIANS RECENTLY AND HE BELIEVES THAT THERE ARE SOME ISRAELIS WHO UNDERSTAND THE NEED TO TALK TO THE PLO AND FIND SOME RADICAL SOLUTION. HE AGREES WITH OUR POSITION THAT WE MUST FREE LEBANON OF FOREIGN TROOPS. HE NOTED THAT THE ISRAELIS HAD ENTERED LEBANON BY FORCE WHILE THE OTHERS ENTERED BY AGREEMENT WITH LEBANON. HE ALSO NOTED THAT RECENT TALKS ON ISRAELI WITHDRAWAL FROM LEBANON WERE CONDUCTED WHILE IGNORING SYRIA. HE SAID HE WAS TALKING TO BOTH SIDES SEEKING A CEASEFIRE AND NEGOTIATIONS. 21. HE ADVOCATES LEBANESE INDEPENDENCE AND RECONCILIATION OF ALL POLITICAL FORCES. BUT A SOLUTION REALLY DEPENDS ON SOLVING THE PLO SITUATION. "IF WE DON'T. THINGS WILL GET WORSE." HE MADE IT CLEAR THAT THE PLO IS READY TO START NEGOTIATIONS. SPECIFICALLY. HE SAID THE PLO ARE READY TO RESUME NEGOTIATIONS WITH KING HUSSEIN OF JORDAN. HE FEELS THIS IS ONE POSSIBLE WAY TO BYPASS THE DEADLOCK. 22. I INTERUPTED TO ASK "WHAT CHANGED ARAFAT'S MIND? IT WAS ARAFAT WHO STOPPED KING HUSSEIN FROM GOING TO THE NEGOTIATING TABLE." CEAUSESCU SAID THAT THE PREVIOUS UNDERSTANDING WAS BLOCKED INSIDE THE PLO. THEY COULD NOT AGREE ON HOW TO PROCEED. BUT NOT THE PLO COUNCIL HAS AGREED TO TALKS WITH JORDAN. THERE IS A POSSIBILITY THAT THE KING COULD BE JOINED BY A PALESTINIAN DELEGATION TO DO THE NEGOTIATING. 23. THEN CEAUSESCU RAISED THE SECOND POSSIBILITY. AN ARAB DELEGATION WITH JORDAN AS THE BASE AND OTHER ARAB NATIONS JOINING IN. INCLUDED IN THE DELEGATION WOULD BE PALESTINIANS WHO WOULD BE UNOFFICIALLY NOMINATED BY THE PLO. CEAUSESCU CLAIMS THAT ARAFAT IS AGREEABLE TO THIS.

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MESSAGE:

TO WHITE HOUSE
STATE DEPT

ZEM

S E C R E T 211310Z SEP 83 VIA PRIVACY CHANNELS

FM: VICE PRESIDENT BUSH 914 SECTION 3 OF 6

TO: JUDGE CLARK, FOR THE PRESIDENT

SECRETARY OF STATE/SHULTZ DIRECTOR CIA/CASEY

INFO: WHITE HOUSE OVP

SUBJECT: MEETING WITH PRESIDENT CEAUSESCU SEPTEMBER 18, 1983

24. I TOLD CEAUSESCU THAT WE HAD ONE BIG CAVEAT. IT WAS ESSENTIAL THAT THE PLO RECOGNIZE ISRAEL'S RIGHT TO EXIST AS A STATE. THE PLO MUST STRIKE OUT OF ITS CHARTER REFERENCES TO THE DESTRUCTION OF THE ZIONIST ENTITY. I ASKED CEAUSESCU WHAT KEPT ARAFAT FROM DOING THIS. "IF HE WOULD, THEN THE US WOULD BE FREE TO SIT DOWN AND TALK WITH THE PLO IF THEY THINK THAT IS USEFUL." CEAUSESCU REPLIED THAT ARAFAT COULD DO THIS IF HE WERE ALONE. HE ADDED THAT AS LONG AS ISRAEL DENIES THE LEGITIMATE EXISTENCE OF THE PLO. THE PLO CANNOT RECOGNIZE THEM HE SUGGESTED THAT IT MIGHT BE BETTER FOR ISRAEL TO AGREE TO THE RIGHT OF THE PLO TO EXIST. I SAID "MAYBE, BUT I CANNOT SEE THIS HAPPENING." I SAID AGAIN THAT IF THE PLO COULD REMOVE THE STATEMENT ABOUT THE DESTRUCTION OF THE ZIONIST ENTITY, WE COULD TALK. NOT ASKING FOR RECOGNITION NOR EXCHANGE OF AMBASSADORS -- THIS WOULD BE VERY NARROW MOVE. CEAUSESCU JUST SAID, "THIS IS VERY HARD TO ACHIEVE." AND REPEATED HIS PROPOSAL ABOUT AN ARAB DELEGATION WITH PALESTINIAN. NOT PLO PARTICIPATING. I INDICATED THERE MIGHT BE MERIT IN THIS

25. CEAUSESCU THEN PROPOSED THAT A RESOLTUION BE INTRODUCED IN THE UNITED NATIONS. ARAFAT IS WILLING TO HAVE A UN RESOLUTION THAT WILL BE AGREEABLE TO BOTH ISRAEL AND THE US. INCLUDED IN HIS IDEA WAS THE NEED FOR THE US REPRESENTATIVES TO MEET WITH PALESTINIAN REPRESENTATIVES. I ASKED HIM IF HE HAD GOOD RELATIONS WITH SHAMIR. HE SAID, "HE WAS JUST HERE. WE TALKED FOR HOURS, DISCUSSED AN INTERNATIONAL CONFERENCE ON THE MID-EAST."

I GAVE MY VIEW THAT SHAMIR WOULD BE AS TOUGH AS BEGIN. HE REMINDED

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ME THAT IT WAS BEGIN WHO GOT THE TREATY WITH EGYPT AND SAID THAT SOMETIMES IT IS BETTER TO NEGOTIATE WITH SOMEONE WHO LOOKS TOUGH. I NOTED THAT CURRENT EXISTENCE OF NATIONAL SHAME IN ISRAEL OVER LEBANON BUT THIS COULD CHANGE IF SYRIA REFUSES TO GET OUT. LEBANON HAS REQUESTED SYRIA TO GET OUT. "THE MOOD IN ISRAEL COULD CHANGE AND THAT WOULD NOT HELP ANY OF YOUR SUGGESTED APPROACHES TO SOLVING THE PROBLEM." 26. CFAUSESCU SAID THERE SHOULD BE NO CONDITIONS. "DON'T RELATE THE STARTING PROCESS WITH ACTUAL CHANGES IN THE SITUATION. MERELY SETTING UP A COMMITTEE TO NEGOTIATE DOES NOT MEAN THERE IS AN INSTANT SOLUTION, BUT IT WOULD DEFINITELY RELAX TENSIONS. SO IT IS WORTHWHILE TO FIND SOME WAY TO START LIKE ONE OF ARAFAT'S PROPOSALS." HE ADDED THAT HE THOUGHT THE UN SHOULD BE INVOLVED IN THE PEACE PROCESS. ISRAEL'S MOVE INTO LEBANON CREATED A NEW SITUATION. WE NOW HAVE THE MNF IN LEBANON. SOVIET STRENGTH HAS ALSO BEEN ADDED. SOVIET PARTICIPATION IN THE NEGOTIATION IS A MUST. HE SAID AGAIN THAT DRAFTING A UN RESOLUTION ON THE ESTABLISHMENT OF AN ARAB GROUP TO LOOK AT THE PROBLEM WOULD BE A GOOD FIRST STEP. THIS IS ARAFAT'S IDEA. SO IN CEAUSESCU'S MIND THE BEST VENUE WOULD BE AN INTERNATIONAL CONFERENCE THAT INCLUDED BOTH THE US AND THE USSR. IN HIS VIEW A SOLUTION BASED ONLY ON A US PLAN IS NOT POSSIBLE. IN REPLY. I SAID I WOULD SPEAK FRANKLY. THE US WOULD HAVE A BIG PROBLEM WITH USSR PARTICIPATION AND SOME ARAB NATIONS WOULD ALSO OBJECT. KNOWING HOW THE UN WORKS FROM MY DAYS IN THE UN, I COULD SEE THIS IDEA BEING SO MODIFIED THAT IT WOULD BE UNRECONGNIZABLE WHEN IT CAME TIME TO VOTE. CEAUSESCU CHALLENGED THIS THOUGHT SAYING THAT THE RESO-LUTION COULD BE WORKED OUT SO THAT IT WAS AGREEABLE TO ALL PARTIES. ARAFAT ALSO BELIEVES THIS. THE ONLY TROUBLE HE SAW WAS TRYING TO PERSUADE SAUDI ARABIA. EGYPT WOULD AGREE. SYRIA WOULD AGREE. LEBANON WOULD AGREE. JORDAN WOULD AGREE. HE WAS TALKING ABOUT AGREEING TO BOTH THE RESOLTUION AND THE INCLUSION OF THE USSR IN THE INTERNATIONAL CONFERENCE. I OBJECTED TO THE INCLUSION OF THE USSR. I FEEL THE SECOND APPROACH WOULD DRAW ATTENTION AWAY FROM THE IDEA OF STARTING NEGOTIATIONS. I TOLD HIM I KNEW SOME ARAB COUNTRIES BESIDES SAUDI ARABIA WOULD OBJECT. CEAUSESCU DISAGREED. HE SAID ISRAEL WOULD BE WILLING. HE THINKS THE USSR WOULD BE WELCOMED. "EVERYONE WANTS PROGRESS. EVERYONE KNOWS YOU CANNOT LEAVE THE USSR OUT. LATER WHEN INTERNATIONAL GUARANTEES ARE NEEDED, THE SOVIET UNION COULD HELP." 28. I TOLD HIM I WAS ABSOLUTELY AMAZED THAT ISRAEL WOULD AGREE. FLABBERGASTED" CEAUSESCU CLAIMS HE HAS TALKED TO ISRAEL ABOUT THIS. I POINTED OUT THAT I HAVE TALKED TO THEM TOO AND I AM STILL FLABBERGASTED.

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29. HE REPLIED THAT SADAT WENT TO JERUSALEM AND STARTED NEGOTIATIONS WHEN NOBODY THOUGHT THAT COULD HAPPEN. HE ADDED THAT HE DID NOT THINK THERE WOULD BE ANY OBJECTIONS. I REMINDED HIM THAT BACK IN THE DAYS OF KISSINGER'S SHUTTLE DIPLOMACY THAT THE PEOPLE IN THE MIDDLE EAST REJECTED ANY INVOLVEMENT OF THE SOVIET UNION. CEAUSESCU SAID THAT RECENTLY ALL PALESTINIANS HAD MET IN GENEVA AND THIS PROPOSAL FOR AN INTERNATIONAL CONFERENCE ON THE MID-EAST WAS DISCUSSED. HE THINKS IT IS WORTH A TRY. HE FEELS THE US AND ROMANIA COULD WORK OUT THE RESOLUTION AND GET A US OK BEFORE SUBMISSION TO THE UN. THE US NEED NOT INSTIGATE THE RESOLUTION. HE SEES ISRAEL, THE US AND THE USSR ALL ON BOARD BEFORE THE RESOLUTION WOULD BE SUBMITTED AND AGAIN STATED THAT ARAFAT WAS IN FAVOR OF THIS. CEAUSESCU WENT ON TO SAY THAT TIME WAS NOT ON THE ISRAELI SIDE. THEY CAN NO LONGER RELY ON SUPERIORITY GIVEN MISSILES OF LONG RANGE. THE ARABS ARE MOVING TOWARD A RADICAL POSITION NOW. THE WAY THINGS ARE GOING. THE US HAS NOTHING TO GAIN. THERE WILL BE EVER-INCREASING CRITICISM OF THE UNITED STATES. 30 I ASKED HIM HOW COME THERE WAS A REVOLT AGAINST ARAFAT A WHILE BACK. HE SAID, "IT'S SIMPLE. ARAFAT HAD NO PROGRAM FOR NEGOTIATIONS. THE PLO RADICALS CAME TO THE FORE. THIS HAS A CERTAIN LOGIC. IF THERE ARE NO RESULTS ONE WAY. TRY ANOTHER. THERE WAS CRITICISM OF ARAFAT BECAUSE HE SHOWED NO RESULTS BY HIS PEACEFUL APPROACH. SO THE RADICALS PROPOSED A TURN TO VIOLENCE.

BUT THINGS ARE NOW UNDER CONTROL AND THEY ARE READY TO ACCEPT PALESTINIAN REPRESENTATION OF THE PLO." I AGREED WITH HIM ON ONE POINT. I AGREED THAT THE LEVEL OF FRUSTRATION WAS INCREASING.

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MESSAGE: EIA187

00 DE #0914/4 2641357 ZNY MMNSH 0 211117Z SEP 83 ZFF4 FM AMEMBASSY VIENNA

TO /WHITE HOUSE

ZEM

S E C R E T 211310Z SEP 83 VIA PRIVACY CHANNELS FM: VICE PRESIDENT BUSH 914 SECTION 4 OF 6 TO: JUDGE CLARK, FOR THE PRESIDENT SECRETARY OF STATE/SHULTZ

DIRECTOR CIA/CASEY
INFO: WHITE HOUSE OVP

SUBJECT: MEETING WITH PRESIDENT CEAUSESCU SEPTEMBER 18. 1983

BUT I DO NOT SEE ANY SHIFT ON THE PART OF MODERATE ADDRESS TO A RADICAL POSITION, THAT ONE EXPECTS FROM COUNTRIES LIKE LYBIA OR SYRIA. MOST ARAB LEADERS DETEST GADHAFI. AND ON THE MATTER OF THE USSR, WE DO NOT SEE THE MID-EAST PROBLEM MAINLY AS AN EAST-WEST THING.

31. CEAUSESCU AGREED IT WAS NOT AN EAST-WEST ISSUE, BUT SAID THAT WE ARE BOTH INVOLVED. HE FEELS THERE WILL BE NO SOLUTION WITHOUT BOTH SUPER-POWERS HELPING. HE SAID THAT IN HIS MIND THIS MIGHT NOT BE THE BEST OF ALL WORLDS, BUT FEELS THIS IS FACING REALITY. 32. AT THIS POINT I MENTIONED THAT THE AIRPLANE INCIDENT, THE KAL. COLORS EVERYTHING. I FOUND THIS TO BE TRUE ON MY TRIP TO THE MAGREB COUNTRIES. HE SIDE-STEPPED THIS POINT AND RETURNED TO HIS IDEA OF DRAFTING A RESOLUTION FOR THE UN THAT WOULD BE AGREEABLE TO ALL. AS A STARTING POINT HE SUGGESTS ACCEPTING AN ARAB DELEGATION WITH PALESTINIANS INCLUDED. HE THINKS THIS MAY LEAD TO A MID-EAST SOLUTION. I TOLD HIM I WOULD BE VERY SURPRISED IF HE GOT ISREAL AND THE ARAB STATES ON BOARD. I SAID, " IF YOU ASK ME IF IT WILL WORK, BY ANSWER IS "NO." 33. CEAUSESCU SAID NOTHING IS IMPOSSIBLE. BEGIN ONCE SAID HE WOULD NEVER LEAVE THE SINAL. AFTER TWO DAYS DISCUSSION IN ROMANIA. HE SAID HE WAS READY TO TALK ABOUT IT. I SAID I WASN'T AGAINST THE IDEA BUT FOUND IT VERY DIFFICULT TO IMPLEMENT. PRESIDENT REGAN'S PLAN FOR THE MID-EAST RESEMBLES THIS IDEA IN SOME RESPECTS. I AGREED THAT SOMETIMES IT IS BETTER THAT THE US NOT BE THE ONE TO PROPOSE A NEW IDEA. OTHERS COULD DO A BETTER JOB BASED ON THE REALITY WE FACE IN THE WORLD TODAY.

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34. CEAUSESCU PRESSED FOR THE FORMULATION OF A WORKING GROUP TO GET STARTED. AT THIS POINT I TOLD HIM THAT I WOULD DISCUSS THE IDEA WITH PRESIDENT REAGAN AND HE SAID, "VERY GOOD."

35. CEAUSESCU SUGGESTED WE NOW DISCUSS LIBYA. HE SAID THAT THE US CAN HAVE GOOD TALKS WITH GADHAFI. "HE IS NOT SO IMPOSSIBLE. WE HERE IN ROMANIA HAVE GOOD RELATIONS WITH HIM. WE HAVE A TREATY OF FRIENDSHIP."

36. I RESPONDED VIGOROUSLY SAYING, "IF I HAD TO CHARACTERIZE ANY RELATIONSHIP WITH ANY COUNTRY AS BEING "THE PITS," IT WOULD BE OUR RELATIONSHIP WITH GADHAFI. SOME OF THIS STRONG FEELING IS BASED ON GADHAFI TARGETTING THE PRESIDENT OF THE UNITED STATES FOR ASSASSINATION. CEAUSESCU AVOIDED THAT SUBJECT AND MADE THE POINT THAT GADHAFI WANTS TO IMPROVE RELATIONS WITH THE US.

37. I TOLD HIM WE WOULD LOOK TO THE FUTURE BUT WE ARE CERTAINLY NOT PLEASED WITH QADHAFI AND ADDED THAT ONE HUMAN RIGHT THAT I AM PARTICULARLY INTERESTED IN IS STAYING ALIVE. I ALSO TOLD HIM THAT WE HAVE HEARD FROM OTHERS THAT WE RESPECT THAT QADHAFI IS INTERESTED IN IMPROVING US-LYBIAN RELATIONS.

FUROPE-INF 38. CEAUSESCU THEN TURNED TO THE SUBJECT OF EUROPE AND HE SAID. "I AM VERY CONCERNED ABOUT THE WORLD SITUATION BUT PARTICULARLY EUROPE. THE KAL INCIDENT IS THE DIRECT OUTCOME OF MISTRUST IN THE WORLD TODAY. IT SHOULD NOT HAVE HAPPENED. THE FACT THAT IT HAPPENED IS A MEASURE OF TENSION IN THE WORLD. THIS TENSION COULD LEAD TO CONFLICT. NO MATTER WHAT THIS SHOOT-DOWN WAS ALL ABOUT. WE SHOULD RECOGNIZE THAT TENSIONS ARE VERY HIGH. NUCLEAR WAR WOULD CAUSE VAST DSTRUCTION. EUROPE FINDS ITSLEF IN BETWEEN THE TWO SUPER-POWERS. SO EUROPE IS VERY INTERESTED IN AN ARMS AGREEMENT. THE SURVIVAL OF MAN DEPENDS ON IT." HE UNDERLINED THAT FACT THAT THE SOVIET LEADRERS WANT AN AGREEMENT AND HE BELIEVES THE AMERICAN LEADERS FEEL THE SAME. HE SAID THERE WERE GOOD PROPOSALS ON BOTH SIDES. " A DECISION IS NEEDED THIS YEAR. THERE IS TIME ENOUGH FOR AN AGREEMENT THIS YEAR. IF THERE IS NO DECISION, NEGOTIATIONS MUST CONTINUE, BUT THE US SHOULD DELAY DEPLOYMENT OF ITS MISSILES." HE SAYS THAT THE SOVIET UNION WILL COMMIT ITSELF TO CERTAIN STEPS AS NEGOTIATIONS GO ON. COMPROMISE SOLUTIONS ARE AVAILABLE. HE DOES NOT THINK EITHER SIDE HAS GONE FAR ENOUGH IN NEGOTIATIONS. HE REQUESTS THE US TO TAKE ALL POSSIBLE ACTION TO STOP DEPLOYMENT AND REACH A NEGOTIATED SOLUTION.

39. AT THIS POINT HE HESITATED AND SAID THAT HE WOULD LIKE TO SPEAK VERY CONFIDENTIALLY. I ASSURED HIM HIS WORDS WOULD BE HELD IN CLOSEST CONFIDENCE. THIS IS WHAT HE HAD TO TELL ME: AFTER BREZHNEV DIED THERE WAS A NEW SITUATION IN THE USSR. ANDROPOV NEEDS TIME TO CONSOLIDATE HIS POSITION. AMERICAN MISSLES DO NOT CHANGE THE MILITARY SITUATION, BUT THEY WOULD ENCOURAGE

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SITUATION LISTING

PRIVACY

DATE 07/07/84//189

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MESSAGE / ANNOTATION:

CERTAIN QUARTERS IN THE SOVIET UNION. IF THE US WOULD NEGOTIATE WITHOUT DEPLOYMENT OF MISSILES IT WOULD IMPROVE CONDITIONS BETWEEN "RECONSIDER THIS MATTER. LOOK TO HOW THINGS THE US AND THE USSR. SHOULD BE IN THE FUTURE." 40. I STOPPED HIM AT THIS POINT AND TOLD HIM THAT I COULD GIVE HIM NO HOPE IN DELAYING OUR MISSILE DEPLOYMENT. CHANCELLOR KOHL WOULD FALL. BUT WE WILL STAY AT THE NEGOTIATING TABLE. OUR PROPOSALS ARE FLEXIBLE. I WOULD BE MISLEADING YOU IF I INDICATED HOPE OF NOT DEPLOYING. THIS WOULD REMOVE ALL INCENTIVE ON THE PART OF THE USSR THE NATO ALLIANCE WOULD THREATENED. IMPOSSIBLE. I MUST BE FRANK." 41. CEAUSESCU THEN SAID, HOW CAN YOU SAY 'NO CHANCE'? YOU SHOULD NEVER SAY "NO CHANCE." THE US WILL ENJOY MORE POPULARITY IF IT DELAYS." I SAID, "IT JUST WON'T HAPPEN. HE REPLIED, "IF YOU DELAY THERE WILL BE INCREASED PRESSURE ON THE SOVIET UNION TO DO BETTER IN ITS DISARMAMENT NEGOTIATIONS." I REMINDED HIM THAT WHAT GOES IN CAN COME OUT. WE WILL BE READY TO NEGOTIATE THEM OUT. HE POINTED OUT THAT THE US "SHOULD PROVIDE MORE TIME FOR YOUR NEW PARTNER (HE MENT ANDROPOV). LIKE IN SPORTS. HAD IT NOT BEEN FOR THE DEATH OF BREZHNEY, THINGS WOULD BE MUCH DIFFERENT NOW (HE WAS IMPLYING THAT BREZHNEV WOULD HAVE BEEN EASIER TO NEGOTIATE WITH)." #0914

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MESSAGE:

EIA188 00 #0914/5 2641404 DE ZNY MMNSH 0 211117Z SEP 83 ZFF4 FM AMEMBASSY VIENNA

WHITE HOUSE TO ISTATE DEPT /CIA

ZEM

S E C R E T 211310Z SEP 83 VIA PRIVACY CHANNELS FM: VICE PRESIDENT BUSH 914 SECTION 5 OF 6

TO: JUDGE CLARK. FOR THE PRESIDENT

SECRETARY OF STATE/SHULTZ

DIRECTOR CIA/CASEY WHITE HOUSE OVP INFO:

MEETING WITH PRESIDENT CEAUSESCU SUBJECT: SEPTEMBER 18, 1983

I SAID, "WE WILL STAY AT THE TABLE. PRESIDENT REAGAN'S ZERO OPTION IS BEST AND IT DID NOT GET MUCH SUPPORT FROM SOME COUNTRIES." CEAUSESCU SAID THAT HE DID ENDORSE THE ZERO OPTION BUT NOW NEGOTIATIONS MUST BE MORE FLEXIBLE AND WE CANNOT OVERLOOK THE FRENCH AND BRITISH MISSILES. I AGREED THAT WE WOULD NOT OVERLOOK THE FRENCH AND BRITISH MISSILES, THAT THEY WOULD BE CONSIDERED SOMEWHERE. THEY WOULD BE IN THE BALANCE AND I REMINDED HIM THAT THE SOVIETS CONTINUE TO DEPLOY AND THAT ANY DELAY JUST MAKES THINGS WORSE. HE CLAIMED, "IF THE US AGREED TO DELAY, THE USSR WILL PROMISE NOT TO DEPLOY MORE. BRITISH AND FRENCH MISSILES SHOULD BE INCLUDED. SOME FEEL THEY SHOULD BE INCLUDED IN THE STRATEGIC TALKS INSTEAD OF THE INF. TALKS." HE WENT ON TO SAY THAT OTHER EUROPEAN COUNTRIES SHOULD BE INVOLVED IN THE FUTURE. THAT THE US AND THE USSR TALK TO EACH OTHER ABOUT MATTERS THAT SERIOUSLY AFFECT EUROPE. I EXPLAINED TO HIM THAT ON OUR SIDE ALL THE EUROPEAN COUNTRIES HAVE FULLY COORDINATED ON OUR POSITIONS. "THEY HAVE HAD A SAY." CEAUSESCU SAID THAT IT WOULD BE BETTER IF THE EUROPEAN COUNTRIES ON BOTH SIDES HAD A CHANCE TO TALK SEPARATE FROM THE ON-GOING TALKS IN GENEVA. IN HIS RECENT TALKS WITH GENSCHER CEAUSESCU CONCLUDED THAT IF HE (GENSCHER) REPRESENTED THE US AND THE USSR THAT ALL PROBLEMS WOULD BE SOLVED. I ASKED HIM IF THE SOVIETS CONSULTED WITH THEIR ALLIES. HE SAID YES, HE HAD JUST COMPLETED TALKS WITH THE USSR AND THAT SOME OF THE SOVIET POSITIONS HAD COME FROM HIM. 42. I POINTED OUT THAT THERE WAS A BIG DIFFERENCE. PEOPLE IN

THE COUNTRIES THE SOVIET TALK TO WON'T DEMONSTRATE LIKE THE

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MESSAGE / ANNOTATION: PEOPLE IN WESTERN EUROPE. AGAIN, HE ASKED THAT WE NOT COMPARE SYSTEMS. I TOLD HIM I WASN'T COMPARING, BUT WOULD LIKE TO POINT OUT THAT THE GERMANS VOTED FOR KOHL AND SUPPORTED HIM HE CLAIMED THAT KOHL WON FOR OTHER REASONS. HE RETURNED TO HIS THOUGHT THAT NATO AND WARSAW PACT COUNTRIES SHOULD TALK BEFORE THE US DEPLOYED ANY MISSILES AND THAT THESE TALKS SHOLULD PARALLEL THE US AND USSR TALKS. HE SAID THAT HE HAD SAID PUBLICLY THAT NEITHER SIDE HAS DONE ENOUGH. "I AM NOT A RELIGIOUS MAN, BUT HOW CAN ANYONE SAY THAT HE HAS DONE EVERYTHING IN THE WORLD. YOU SHOULD LEAVE US-USSR COMPETITION ASIDE." I DENIED THAT THIS WAS COMPETITION. I POINTED OUT THAT THE KAL SHOOT-DOWN WAS NOT CAUSE BY TODAY'S TENSIONS. THEY SHOT DOWN A KOREAN COMMERICIAL FLIGHT IN 1978 WHEN TENSIONS WEREN'T HIGH. HE SAID, "OK, BUT TRY HARDER. LET'S CONTINUE NEGOTIATIONS AND DELAY DEPLOYMENT. WHAT WILL HISTORY THINK?" I ASKED HIM IF HE REMEMBERED THE ABM AGREEMENT. I POINTED OUT TO HIM THAT ONLY WHEN WE WERE READY TO DEPLOY DID THE SOVIETS AGREE TO LIMIT ABM. HE ASKED IF OUR NEGOTIATION POSITION HAD EQUAL NUMBERS. I TOLD HIM "YES, EQUAL NUMBERS." THEN HE ASKED WHY SHOULD THE SOVIETS STOP DEPLOYING UNTIL NEGOTIATIONS ARE COMPLETED AND I POINTED OUT THAT THEY HAVE WELL OVER 300 SS-20S. WE HAVE ZERO. HE SUGGESTED THAT WE DID NOT AHVE TO STOP PRODUCTION OF THE MISSILES. JUST DELAY DEPLOYMENT AND HE ADDED THAT IN NEXT YEAR'S CSCE WE COULD PUT INCREASED PRESSURE ON THE SOVIETS UNION. I TOLD HIM I NEEDED AN ANSWER. "IF THE SOVIETS HAVE OVER 300 SS-20 MISSILES IN PLACE AND WE DEPLOY THE FIRST PERSHING MISSILE IN GERMANY. WOULDN'T HE WANT US TO CONTINUE TO NIGOTIATE? HE REPLIED. "HERE'S WHAT WOULD HAPPEN. IF YOU START THE DEPLOYMENT, THE USSR WOULD START DEPLOYING SS-20S INTO EAST GERMANY AND CZECHOSLOVAKIA." I ASKED IF THE SOVIETS WOULD STOP NEGOTIATING AND HE REPLIED. "PROBABLY NOT." THEN HE SAID AGAIN THAT ANDROPOV NEEDS TIME AND ASKED THAT I CONVEY TO PRESIDENT REAGAN THAT THE DECISION ON DELAYING IS A VERY SERIOUS MATTER. I PROMISED HIM THAT I WOULD, BUT ALSO SAID THER WAS NO HOPE AND ASKED THAT HE RAISE HIS VOICE TO GET RID OF ALL OF THESE MISSILES. "GO FOR ZERO PUBLICLY OVER AND OVER AGAIN." ASKED HIM, "DO THIS FOR PEACE. MAY BE IMPOSSIBLE, BUT I AM ASKING YOU TO DO IT ANYWAY. HE SAID. "YOU ARE ASKING ME TO DO SOMETHING I HAVE DONE. I HAVE SAID ZERO OPTION IS THE BEST OPTION. I WOULD WELCOME THIS POSITION AND HAVE SUPPORTED IT, BUT IT CANNOT BE DONE NOW. THEY ARE NOT READY TO DESTROY WEAPONS IN PLACE. READY TO CUT DOWN. BUT NOT TO ZERO." HE THEN ANNOUNCED THAT NEXT WEEK HE WILL START A MOVEMENT AGAINST DEPLOYING MISSILES IN EUROPE. HE GAVE PERMISSION TO START THIS PROGRAM. I OBJECTED STRENOUSLY. "YOU ARE TAKING SIDES. YOU ARE LEAVING THE RUSSIANS WITH OVER 300 AND US WITH

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ZERO." HE CLAIMED HE WAS ASKING FOR A BALANCED AGREEMENT AND I TOLD HIM THAT WE NEED EQUAL NUMBERS AND HOW CAN WE GET THERE WITHOUT ANY DEPLOYMENT? HIS ANSWER WAS TO WITHDRAW THOSE THAT ARE IN PLACE AND I INDICATED THAT THAT SOUNDS JUST LIKE THE ZERO OPTION. HE DIDN'T REPLY DIRECTLY TO THIS BUT SAID AGAIN. "WE NEED TO GET STARTED. I ALWAYS BACK THE UNITED STATES. I BACK YOU S MUCH THAT I AM BECOMING SCARED. MY SOVIET FRIENDS SAY, "YOU ARE ALWAYS ASKING US TO BE FLEXIBLE. WHY DON'T YOU ASK THE UNITED STATES TO BE FLEXIBLE.?" I SAID WE ARE FLEXIBLE. HE SUMMARIZED HIS POSITION ON INF BY SAYING THAT HE WANTED: (1) A DELAY IN US DEPLOYMENT; (2) A MEETING OF NATO AND WARSAW PACT COUNTRIES ON INF; (3) USING CSCE TO PUT PRESSURE ON THE RUSSIANS; (4) ALLOWING TIME FOR ANDROPOV TO CONSOLIDATE HIS POSITION; AND (5) FIND A BETTER SOLUTION FOR FRENCH AND BRITISH MISSILES. 44. I RESPONDED, " WE WILL CONTINUE TO NEGOTIATE SERIOUSLY BUT WHEN THE DATE COMES AND THERE IS NO SOLUTION, WE WILL DEPLOY. BUT WE WILL CONTINUE TO NEGOTIATE. I WILL RELAY YOUR MESSAGE TO THE PRESIDENT, BUT I CAN TELL YOU NOW THAT HE WILL NOT ACQUIESCE." 45. I THEN ASKED HIM HOW LONG A CONSOLIDATION PERIOD ANDROPOV NEEDED. HE SAID HE SHOULD BE IN THE JOB FOR A LEAST A YEAR AND THAT WOULD BE AROUND DECEMBER. THEN ADDED, "WE SHOULD GIVE HIM UNTIL MID-1984." AND HE SAID AGAIN THT IF BREZHNEV HAD LIVED WE WOULD HAVE HAD AN AGREEMENT BY NOW. DEVELOPING COUNTRIES #0914 NNNN

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PRIVACY SITUATION: SUBJECT CATAGORY: IN MESSAGE / ANNOTATION: MESSAGE: EIA192 25X1 00 #0914/6 2641444 DE ZNY MMNSH 0 211117Z SEP 83 ZFF4 FM AMEMBASSY VIENNA 25X1 WHITE HOUSE ISTATE DEPT /CIA ZEM S E C R E T 211310Z SEP 83 VIA PRIVACY CHANNELS FM: VICE PRESIDENT BUSH 914 FINAL SECTION OF 6 TO: JUDGE CLARK, FOR THE PRESIDENT SECRETARY OF STATE/SHULTZ DIRECTOR CIA/CASEY INFO: WHITE HOUSE OVP MEETING WITH PRESIDENT CEAUSESCU SUBJECT: SEPTEMBER 18, 1983 CEAUSESCU THEN TURNED THE CONVERSATION TO DEVELOPING COUNTRIES. HE CLAIMED THAT DEVELOPING COUNMTRIES WERE VERY UNHAPPY WITH THE US AND THAT THEY DO NOT UNDERSTAND OUR POSITIONS. I ASKED HIJ. "WHAT WOULD YOU HAVE US DO?" HE REPLIED, "(1) CUT INTEREST RATES FOR DEVELOPING COUNTRIES; (2) COME UP WITH A COMPREHENSIVE SOULUTION FOR THE DEBT QUESTIONS; (3)PROVICE MORE ECONOMIC AID. HE FEELS WE NEED A WORKING GROUP TO COME UP WITH SOLUTIONS. I POINTED OUT TO HIM THAT A LOT IS GOING ON. DISCUSSED HOW INTEREST RATES ARE COMING DOWN, AND THAT MANY OF THE QUESTIONS HE IS RAISING ARE CONTROLLED BY MARKET CONDITIONS. HIS ANSWER WAS "LET'S NOT GET INTO DETAILS NOW. I JUST WANT TO POINT OUT THAT WE NEED SOLUTIONS . " 47. I ASKED HIM WHERE THE USSR FITTED INTO THE NORTH-SOUTH QUESTION. CEAUSESCU SAID THAT THEY WERE NOT VERY CONSISTENT. "THEY CLAIM THE PROBLEM IS NOT THEIR CONCERN. IT'S JUST A PROBLEM FOR THE CAPITALIST COUNTRIES. I SOUNDED ASTOUNDED AND "YOU MEAN, HELPING POOR PEOPLE IS NOT THIER CONCERN?" AND HE SAID, "THEY DON'T SEE HOW THEY FIT INTO NEGOTIATIONS ON NORTH-SOUTH." 48. THEN HE REPEATED HIS THOUGHT ABOUT NEEDING A SOLUTION TO THE DEBT PROBLEM AND SUGGESTED THAT MAYBE THE UN COULD SET UP A SPECIAL COMMISSION TO REVIEW THIS PROBLEM. I POINTED OUT TO HIM THAT WE WORK VERY HARD ON THIS PROBLEM EVERY DAY OF THE WEEK. GOING TO THE UN COULD BE A DISASTER. WE COULD GET A RESOLUTION LIKE THE US SHOULD CUT INTEREST RATES TO 3# FOR DEVELOPING COUNTRIES AND THAT IS A RESOLUTION THAT HAS NOCHANCE OF BEING EFFECTIVE.

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OF COURSE SAID THAT THE SPECIAL COMMISSION WOULD BE ONLY CHARGED WITH COMING UP WITH SOLUTIONS THAT WOULD BE AGREEABLE TO ALL THOSE CONCERNED.

49. AT THAT POINT CEAUSESCU SAID. "I GUESS WE SHOLD GO INTO DINNER." AND I SAID, "YES, WE COULD TALK ALL NIGHT." AND WITH

THAT THE MEETING ENDED. 50. THE NEXT MORNING BEFORE DEPARTING FOR THE AIRPORT THEIR FOREIGN MINISTER. STEFAN ANDREI. ASKED TO SEE ME. HE HAS A FEW OTHER SUBJECTS THAT CEAUSESCU HAD ASKED HIM TO RAISE.

BALKANS 46. CEAUSESCU THEN TURNED THE CONVERSATION TO DEVELOPING COUNTRIES. HE CLAIMED THAT DEVELOPING COUNMTRIES WERE VERY UNHAPPY WITH THE US AND THAT THEY DO NOT UNDERSTAND OUR POSITIONS. I ASKED HIJ. TO CEAUSESCU. HE QUOTED CEAUSESCU AS SAYING, "IN VIEW OF YOUR INTEREST IN TURKEY AND TRUKEY'S NATO ROLE ON THE FLANK. THE PLANS COULD BE LIMITED TO THE EUROPEAN SIDE OF TURKEY LEAVING OUT THE PART OF TURKEY THAT BORDERS ON THE SOVIET IRAN-IRAQ

BORDER. POLAND

52. THE NEXT SUBJECT CONCERNED POLAND. THE POLES ASKED THAT THIS MESSAGE BE RELAYED TO US CONFIDENTIALLY. THEY WOULD LIKE US TO EASE UP ON THE ECONOMIC RESTRICTIONS. CEAUSESCU BELIEVES THAT THIS IS A VERY IMPORTANT STEP. IT WOULD HELP THOSE POLISH LEADERS WHO TAKE A MORE INDEPENDENT STAND. THESE ARE PEOPLE WHO DO NOT WANT TO BE TIED UP BY THE SOVIETS BOTH IN THE SHORT AND LONG TERM.

NORTH KOREA 53. THE FINAL TOPIC WAS NORTH KOREA. THE NORTH KOREANS ASKED PRESIDENT CEAUSESCU TO RELAY TO US THEIR DESIRE TO HAVE A DIALOGUE WITH US AND TO REACH A SOLUTION WITH US ON THE KOREAN PENNINSULA. THEY SEEK AN INDEPENDENT POLICY BOTH WITH THE PRC AND THE SOVIETS. THEY ALSO WANTED US TO KNOW THAT THEIR RELATIONS WITH NORTH VIETNAM ARE WORSENING. GEORGE BUSH #0914

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